

2020 Second Extraordinary Session

HOUSE BILL NO. 26

BY REPRESENTATIVE SCHEXNAYDER

TAX/SALES-USE-EXEMPT: Establishes a sales tax holiday to provide relief for recovery as a result of Hurricane Laura and the COVID-19 pandemic (Item #26)

1 AN ACT

2 To enact R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and 331(V)(114),
3 relative to sales and use tax; to establish a sales and use tax holiday for certain
4 purchases; to provide for requirements and limitations; to provide for the
5 effectiveness of the sales and use tax holiday; to provide for an effective date; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and
9 331(V)(114) are hereby enacted to read as follows:

10 §302. Imposition of tax

11 * * *

12 BB. Notwithstanding any other provision of law to the contrary, including
13 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
14 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
15 levied pursuant to the provisions of this Section, except for the retail sale, use,
16 consumption, distribution, or storage for use or consumption of the following:

17 * * *

18 (113) Purchases of tangible personal property pursuant to the sales tax
19 holiday as provided for in R.S. 47:305.74.

20 * * *

1 §305.74. Exemption; sales tax holiday; November 20th and 21st, 2020; Hurricane

2 Laura and the COVID-19 pandemic

3 A.(1)(a) Notwithstanding any other provision of law to the contrary, the sales
4 and use tax levied by the state of Louisiana shall not apply to the first two thousand
5 five hundred dollars of the sales price or cost price of any consumer purchases of
6 tangible personal property that occur on Friday, November 20, 2020, and Saturday,
7 November 21, 2020, in order to provide tax relief for citizens recovering from
8 Hurricane Laura and the COVID-19 pandemic.

9 (b) The governing authority of a political subdivision may establish, by
10 ordinance or resolution adopted no later than November 6, 2020, an exemption for
11 the sales and use taxes levied by the political subdivision on the first two thousand
12 five hundred dollars of the sales price or cost price of any consumer purchases of
13 tangible personal property that occur on Friday, November 20, 2020, and Saturday,
14 November 21, 2020, in order to provide relief for citizens recovering from Hurricane
15 Laura and the COVID-19 pandemic.

16 (2) For purposes of this Section, "consumer purchases" shall mean purchases
17 of items of tangible personal property other than vehicles subject to license and title.
18 Consumer purchases shall not include the purchase of meals furnished for
19 consumption on the premises where purchased, including to-go orders.

20 B. This Section shall apply if and only if during the eligible tax exemption
21 period one of the following occurs:

22 (1) Title to or possession of an item of tangible personal property is
23 transferred from a selling dealer to a purchaser.

24 (2) A customer selects an eligible item from the selling dealer's inventory for
25 layaway that is physically set aside in the selling dealer's inventory for future
26 delivery to that customer.

27 (3) The customer makes final payment and withdraws an item from layaway
28 that might have been placed in layaway before the eligible tax exemption period.

1 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
2 levied pursuant to the provisions of this Section, except for the retail sale, use,
3 consumption, distribution, or storage for use or consumption of the following:

4 * * *

5 (114) Purchases of tangible personal property pursuant to the sales tax
6 holiday as provided for in R.S. 47:305.74.

7 * * *

8 §321.1. Imposition of tax

9 * * *

10 I. Notwithstanding any other provision of law to the contrary, including but
11 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
12 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
13 levied pursuant to the provisions of this Section, except for the retail sale, use,
14 consumption, distribution, or storage for use or consumption of the following:

15 * * *

16 (114) Purchases of tangible personal property pursuant to the sales tax
17 holiday as provided for in R.S. 47:305.74.

18 * * *

19 §331. Imposition of tax

20 * * *

21 V. Notwithstanding any other provision of law to the contrary, including but
22 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
23 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
24 levied pursuant to the provisions of this Section, except for the retail sale, use,
25 consumption, distribution, or storage for use or consumption of the following:

26 * * *

27 (114) Purchases of tangible personal property pursuant to the sales tax
28 holiday as provided for in R.S. 47:305.74.

29 * * *

1 Section 2. This Act shall become effective upon signature by the governor or, if not
 2 signed by the governor, upon expiration of the time for bills to become law without signature
 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 5 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 26 Original

2020 Second Extraordinary Session

Schexnayder

Abstract: Provides for a state sales tax holiday on the first \$2,500 of the sales price of consumer purchases of tangible personal property that occur on Friday, Nov. 20, 2020, and Saturday, Nov. 21, 2020, in order to provide tax relief from Hurricane Laura and the COVID-19 pandemic, and authorizes political subdivisions to establish a sales tax holiday during the same time period.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

R.S. 47:302 - 2%
 R.S. 47:321 - 1%
 R.S. 47:321.1 - .45%
 R.S. 47:331 - .97%
 R.S. 51:1286 - .03%

Proposed law authorizes a state sales and use tax exemption (sales tax holiday) on the first \$2,500 of the sales price of any consumer purchases of tangible personal property that occur on Friday, Nov. 20, 2020, and Saturday, Nov. 21, 2020, in order to provide tax relief for citizens recovering from Hurricane Laura and the COVID-19 pandemic.

Proposed law authorizes the governing authority of a political subdivision to establish, by ordinance or resolution adopted prior to Nov. 6, 2020, a sales tax holiday for sales and use taxes levied by the political subdivision during the same time period as the state sales tax holiday.

Proposed law defines "consumer purchases" as purchases of items of tangible personal property other than vehicles subject to license and title but excludes purchases of meals furnished for consumption on the premises where purchased, including to-go orders.

Proposed law sets forth requirements for sales in order for the exemption to apply and terms and conditions for "rain checks", items bought on "layaway", and returns.

Present law suspends numerous exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025; however, some exemptions are specifically given effectiveness.

Proposed law changes present law by adding the sales and use tax holiday in proposed law to the list of exemptions that are effective through June 30, 2025.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and 331(V)(114))