

2023 Regular Session

HOUSE BILL NO. 423

BY REPRESENTATIVE NELSON

TAX: Provides relative to state and local sales and use taxes

1 AN ACT

2 To amend and reenact R.S. 33:4169(D), R.S. 39:467(H) and 468(G), and R.S.

3 47:301(4)(introductory paragraph) and (14)(b)(i)(aa), 305.14(A)(1)(a), 305.20(A)

4 and (C), 305.62(B)(1), 306(A)(3)(a), 318(A), 321(A)(introductory paragraph) and

5 (B)(introductory paragraph), 331(A)(introductory paragraph) and (B)(introductory

6 paragraph), 337.9(C)(7) through (9), (12), and (13), 2301, 2303, 2304(A),

7 2305(B)(1), and 2322, to enact R.S. 47:301(14)(l) through (v) and (32), 305.79, and

8 331.1, and to repeal R.S. 38:2212.4(C) and R.S. 47:301(3)(b), (g), and (j), (4)(i),

9 (7)(d), (j), and (l), (8)(d) and (e), (10)(a)(iv), (b)(ii), (i), (k), (l), (n), (s), (t), (v)

10 through (y), (bb), and (ee) through (hh), (13)(e) through (j), (l), and (m), (14)(b)(ii)

11 through (iv) and (k), (16)(b)(iii), (c), (h), (i), (m), (n), and (p), and (18)(a)(iv), (d),

12 (f) through (k), (o), and (p), 302(F) through (J) and (L) through (CC), 305(D)(1)(b)

13 through (d), (g), (h), (j), and (m) and (3) through (5) and (F), 305.2, 305.9, 305.11,

14 305.14(A)(1)(b) and (5), 305.16, 305.17, 305.26, 305.33, 305.36, 305.40 through

15 305.44, 305.50(B), 305.51 through 305.54, 305.57 through 305.61, 305.63, 305.65,

16 305.67 through 305.71, 305.74, 321(E) through (Q), 321.1, 331(F) through (W),

17 337.9(C)(23) and (D)(6), (8), (10), (12), (13), (17) through (19), (25) through (32),

18 and (35), 337.10(E), (G), and (M), 337.11(4) and (8), 2302(C), 6001, 6003, and

19 6040, relative to state and local taxation; to provide with respect to sales and use

20 taxes on sales of tangible personal property; to provide with respect to sales and use

1 taxes on sales of certain services; to amend the definition of "dealer" for purposes of
2 sales and use taxes; to define "specified digital products" and provide for treatment
3 of such products as tangible personal property for purposes of sales and use taxes;
4 to provide with respect to various sales and use tax exemptions; to provide with
5 respect to sales and use taxes associated with private companies contracted to
6 construct or operate certain sewerage or wastewater treatment facilities; to provide
7 with respect to sales and use taxes on certain labor charges; to provide with respect
8 to sales and use taxes on rentals or purchases of certain airplanes; to provide with
9 respect to sales and use taxes on certain manufacturing and machinery equipment;
10 to provide with respect to sales and use taxes on pallets; to provide with respect to
11 the sales and use taxes on certain bibles, song books, and literature; to provide with
12 respect to sales and use taxes on certain school buses; to provide with respect to sales
13 and use taxes on certain pollution control devices; to provide with respect to sales
14 and use taxes on pelletized paper waste; to provide with respect to sales and use
15 taxes on funeral services; to provide with respect to sales and use taxes on sales of
16 telephone directories; to provide with respect to sales and use taxes on
17 telecommunication services; to provide with respect to sales and use taxes on natural
18 gas; to provide with respect to sales and use taxes on storm shutter devices; to
19 provide with respect to sales and use taxes on items sold on property owned by the
20 military department of this state; to provide with respect to sales and use taxes on
21 anthropogenic carbon dioxide used in certain projects; to provide with respect to
22 sales and use taxes at, or for admission to, certain Louisiana heritage and cultural
23 events; to provide with respect to sales and use taxes at festivals; to provide with
24 respect to sales and use taxes on specialty items sold to members of nonprofit
25 carnival organizations by those organizations; to provide with respect to sales and
26 use taxes on admissions to certain athletic and entertainment events; to provide with
27 respect to sales and use taxes on admissions to certain places of amusement; to
28 provide with respect to sales and use taxes on computer software; to provide with
29 respect to sales and use taxes on purchases by motor vehicle manufacturers; to

1 provide with respect to sales and use taxes on sales of newspapers; to provide with
2 respect to sales and use taxes on certain medical devices and equipment; to provide
3 with respect to sales and use taxes on sales to nonprofit literacy organizations; to
4 provide with respect to sales and use taxes on certain installation services; to provide
5 with respect to sales and use taxes on motor vehicles; to provide with respect to sales
6 and use taxes on purchases of certain construction materials by charitable or
7 nonprofit organizations; to provide with respect to sales and use taxes on specialty
8 Mardi Gras items; to provide with respect to sales and use taxes on sales by Ducks
9 Unlimited and Bass Life; to provide with respect to sales and use taxes on tickets to
10 dances, dramas, or performing arts presentations or events; to provide with respect
11 to sales and use taxes on materials used in the printing process; to provide with
12 respect to sales and use taxes on certain carrier buses; to provide with respect to sales
13 and use taxes on purchases of breastfeeding items; to provide with respect to sales
14 and use taxes on certain materials for Louisiana commercial fishermen; to provide
15 with respect to sales and use taxes on certain antique motor vehicles and airplanes;
16 to provide with respect to sales and use taxes on rentals of motion-picture film; to
17 provide with respect to sales and use taxes on purchases and sales by certain
18 nonprofit organizations dedicated to the conservation of fish and migratory
19 waterfowl; to provide with respect to sales and use taxes on certain one-of-a-kind
20 works of art; to repeal certain state and local sales and use tax exemptions; to provide
21 with respect to sales and use tax holidays; to levy a sales and use tax on certain
22 advertising services; to levy an additional state sales and use tax; to provide for a
23 sales and use tax exemption for certain residential utilities; to provide relative to
24 eligibility of certain lands for use value assessment for purposes of ad valorem
25 taxation; to provide relative to valuation of marsh lands for purposes of ad valorem
26 taxation; to provide for certain requirements and limitations; to make technical and
27 conforming changes; to provide for effectiveness; and to provide for related matters.

28 Be it enacted by the Legislature of Louisiana:

29 Section 1. R.S. 33:4169(D) is hereby amended and reenacted to read as follows:

1 ~~entertainment, athletic, or recreational facilities~~ event held for or by an elementary
2 or secondary school.

3 * * *

4 (l) The sale of any subscription which allows electronic access to any
5 computer software or specified digital product regardless of the location of the server
6 from which the computer software or specified digital product is accessed.

7 (m) The sale of cable television services. For purposes of this Subparagraph,
8 "cable television service" means the distribution of video programming with or
9 without use of wires to subscribing or paying customers.

10 (n)(i) The sale of internet access services. For purposes of this
11 Subparagraph, "internet access service" means a service that enables users to access
12 content, information, electronic mail, or other services offered over the internet.

13 (ii) The term "internet access service" shall not include any service defined
14 in this Section as a telecommunications service.

15 (o) The sale of information services. For purposes of this Subparagraph,
16 "information service" means all of the following:

17 (i) Furnishing general or specialized news or other current information,
18 including financial information, unless furnished to one or more of the following:

19 (aa) A newspaper.

20 (bb) A radio or television station licensed by the Federal Communications
21 Commission.

22 (cc) A member of a homeowners association of a residential subdivision or
23 condominium development, and is furnished by the association or on behalf of the
24 association.

25 (ii) Electronic data retrieval or research.

26 (p) The sale of data processing services. For purposes of this Subparagraph,
27 "data processing service" means and includes all of the following:

1 (i) Word processing, data entry, data retrieval, data search, information
2 compilation, payroll and business accounting data production, and other
3 computerized data and information storage or manipulation.

4 (ii) The use of a computer or computer time for data processing whether the
5 processing is performed by the provider of the computer or computer time or by the
6 purchaser or other beneficiary of the service.

7 (q)(i) The sale of telephone answering services. For purposes of this
8 Subparagraph, "telephone answering service" means the receiving and relaying of
9 telephone messages by a human operator.

10 (ii) The term "telephone answering service" shall not include any service
11 defined in this Section as a telecommunications service.

12 (r) The sale of credit reporting services. For purposes of this Subparagraph,
13 "credit reporting service" means assembling or furnishing credit history or credit
14 information relating to any person.

15 (s)(i) The sale of debt collection services. For purposes of this
16 Subparagraph, "debt collection service" means activity to collect or adjust a
17 delinquent debt, to collect or adjust a claim, or to repossess property subject to a
18 claim.

19 (ii) The term "debt collection service" does not include any of the following:

20 (aa) The collection of a judgment by an attorney or by a partnership or
21 professional corporation of attorneys if the attorney, partnership, or corporation
22 represented the person in the suit from which the judgment arose.

23 (bb) The collection of court-ordered child support or medical child support.

24 (cc) A service provided by a person acting as a trustee in connection with the
25 foreclosure sale of real property under a lien created by a mortgage, deed of trust, or
26 security instrument.

27 (t)(i) The sale of insurance services. For purposes of this Subparagraph,
28 "insurance service" means insurance loss or damage appraisal, insurance inspection,

1 insurance investigation, insurance actuarial analysis or research, insurance claims
2 adjustment or claims processing, or insurance loss prevention service.

3 (ii) The term "insurance service" does not include insurance coverage for
4 which a premium is paid or commissions are paid to insurance agents for the sale of
5 insurance or annuities.

6 (u) The sale of real property services. For purposes of this Subparagraph,
7 "real property service" means and includes all of the following:

8 (i) Landscaping.

9 (ii) The care and maintenance of lawns, yards, or ornamental trees or other
10 plants.

11 (iii) The removal or collection of garbage, rubbish, or other solid waste other
12 than the following types of waste:

13 (aa) Hazardous waste.

14 (bb) Industrial solid waste.

15 (cc) Waste material that results from an activity associated with the
16 exploration, development, or production of oil, gas, geothermal resources, or any
17 other substance or material regulated by the Department of Natural Resources.

18 (dd) Domestic sewage or an irrigation return flow, to the extent the sewage
19 or return flow does not constitute garbage or rubbish.

20 (ee) Industrial discharges subject to regulation by the Department of
21 Environmental Quality.

22 (iv) Building or grounds cleaning, janitorial, or custodial services.

23 (v) A structural pest control service.

24 (vi) The surveying of real property.

25 (v) Security services provided by a person, firm, association, company,
26 partnership, corporation, nonprofit organization, or other legal entity licensed in
27 accordance with the Private Security Regulatory and Licensing Law, R.S. 37:3270
28 et seq.

29 * * *

1 (32)(a)(i) "Specified digital product" means an electronically transferred
2 digital audio-visual work, digital audio work, digital book, or electronic game as
3 defined more specifically in this Paragraph.

4 (ii) Specified digital products shall be considered tangible personal property
5 for purposes of sales and use taxes imposed by the state and any political subdivision
6 of the state.

7 (b) For purposes of this Paragraph, "digital audio-visual work" means a
8 series of related images which, when shown in succession, impart an impression of
9 motion, together with accompanying sounds, if any, that are transferred
10 electronically. Digital audio-visual works include, without limitation, electronically
11 transferred motion pictures, musical videos, news and entertainment programs, and
12 live events.

13 (c)(i) For purposes of this Paragraph, "digital audio work" means a work that
14 results from the fixation of a series of musical, spoken, or other sounds, that are
15 transferred electronically. Digital audio works include, without limitation,
16 prerecorded or live songs, music, readings of books or other written materials,
17 speeches, ringtones, and other sound recordings.

18 (ii) For purposes of this Subparagraph, "ringtones" means digitized sound
19 files that are downloaded onto a device and that may be used to alert the customer
20 with respect to a communication.

21 (d)(i) For purposes of this Paragraph, "digital book" means any work that is
22 generally recognized as a book, in the ordinary and usual sense of the word "book",
23 and that is transferred electronically. Digital books include, without limitation,
24 works of fiction, nonfiction, poetry, and short stories.

25 (ii) The term "digital book" does not include a newspaper, magazine,
26 periodical, chat room discussion, or weblog.

27 (e) For purposes of this Paragraph, "electronic game" means an interactive
28 game which is operated by computer circuitry.

1 of Louisiana shall not apply to the sales price or cost price of any consumer
2 purchases of firearms, ammunition, and hunting supplies that occur each calendar
3 year on the first consecutive Friday through Sunday of September. The exemption
4 provided for in this Section shall not apply to state sales and use taxes.

5 * * *

6 §305.79. Exemption; utilities

7 The sale at retail, the use, the consumption, the distribution, and the storage
8 to be used or consumed within the applicable taxing authority of the following
9 utilities shall be exempt from the sales and use taxes levied in R.S. 47:302, 321, 331,
10 and 331.1:

11 (1) Steam.

12 (2) Water, not including mineral water, carbonated water, or any water put
13 in bottles, jugs, or containers.

14 (3) Electric power or energy and any materials or energy sources used to fuel
15 the generation of electric power for resale or use by an industrial manufacturing plant
16 for self-consumption or cogeneration.

17 (4) Natural gas.

18 (5) All energy sources used for boiler fuel, not including refinery gas.

19 * * *

20 §306. Returns and payment of tax; penalty for absorption

21 A. General provisions.

22 * * *

23 (3)(a) For the purpose of compensating the dealer in accounting for and
24 remitting the tax levied by this Chapter, each dealer shall be allowed one and five
25 hundredths percent of the amount of tax due and accounted for and remitted to the
26 secretary in the form of a deduction in submitting his report and paying the amount
27 due by him, provided the amount of any credit claimed for taxes already paid to a
28 wholesaler shall not be deducted in computing the commission allowed the dealer
29 hereunder. The aggregate state compensation for a dealer who operates one or more

1 business locations within Louisiana shall not exceed one thousand five hundred
 2 dollars per calendar month. This compensation shall be allowed only if the payment
 3 of the dealer is timely paid and the return is timely filed. Notwithstanding any other
 4 provision of law, the calculation of this deduction shall be based only on the taxes
 5 levied pursuant to R.S. 47:302, 321, 331, and R.S. 51:1286. There shall be no
 6 compensation for the taxes accounted for and remitted pursuant to ~~R.S. 47:321.1~~ or
 7 any other sales tax levied by the state.

8 * * *

9 §318. Disposition of collections

10 A. All monies collected under this Chapter shall be immediately paid into
 11 the state treasury, upon receipt, and first credited to the Bond Security and
 12 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
 13 Louisiana; then an amount equal to four-tenths of one percent of all monies collected
 14 under this Chapter, and Chapters 2-A and 2-B of this Subtitle, and R.S. 51:1286 shall
 15 be used as provided in this Section. ~~The dedication of revenues provided for in this~~
 16 ~~Subsection shall in no way be interpreted to include any monies collected pursuant~~
 17 ~~to the taxes imposed under R.S. 47:321.1.~~

18 * * *

19 §321. Imposition of tax

20 A. In addition to the tax levied by R.S. 47:302(A)₂ ~~and 331(A)~~, and 331.1(A)
 21 and collected under the provisions of Chapter 2 of this Subtitle ~~H of this Title~~, there
 22 is hereby levied an additional tax upon the sale at retail, the use, the consumption,
 23 the distribution, and the storage for use or consumption in this state of each item or
 24 article of tangible personal property, as defined in Chapter 2 of this Subtitle ~~H of this~~
 25 ~~Title~~. The levy of ~~said~~ the tax shall be as follows:

26 * * *

27 B. In addition to the tax levied by R.S. 47:302(B)₂ ~~and 331(B)~~, and 331.1(B)
 28 and collected under the provisions of Chapter 2 of this Subtitle ~~H of Title 47 of the~~
 29 ~~Louisiana Revised Statutes of 1950~~, there is hereby levied a tax upon the lease or

1 rental within this state of each item or article of tangible personal property, as
2 defined ~~by said in~~ Chapter 2 of this Subtitle H of Title 47 of the Louisiana Revised
3 Statutes of 1950; ~~the~~. The levy of ~~said the~~ tax ~~to~~ shall be as follows:

4 * * *

5 §331. Imposition of tax

6 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331.1(A) and
7 collected under the provisions of Chapter 2 of this Subtitle H of Title 47 of the
8 Louisiana Revised Statutes of 1950, there is hereby levied an additional tax upon the
9 sale at retail, the use, the consumption, the distribution, and the storage for use or
10 consumption in this state of each item or article of tangible personal property; as
11 defined in Chapter 2 of this Subtitle H of Title 47 of the Louisiana Revised Statutes
12 of 1950; ~~the~~. The levy of ~~said the~~ tax ~~to~~ shall be as follows:

13 * * *

14 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331.1(B) and
15 collected under the provisions of Chapter 2 of this Subtitle H of Title 47 of the
16 Louisiana Revised Statutes of 1950, there is hereby levied a tax upon the lease or
17 rental within this state of each item or article of tangible personal property, as
18 defined ~~by said in~~ Chapter 2 of this Subtitle H of Title 47 of the Louisiana Revised
19 Statutes of 1950; ~~the~~. The levy of ~~said the~~ tax ~~to~~ shall be as follows:

20 * * *

21 §331.1. Imposition of tax

22 A. In addition to the taxes levied in R.S. 47:302(A), 321(A), and 331(A) and
23 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an
24 additional tax upon the sale at retail, the use, the consumption, the distribution, and
25 the storage for use or consumption in this state of each item or article of tangible
26 personal property, as defined in Chapter 2 of this Subtitle, delivered into the state.
27 The levy of the tax shall be as follows:

28 (1)(a) For the period of January 1, 2024, through December 31, 2024, at the
29 rate of three tenths of one percent of the sales price of each item or article of tangible

1 personal property when sold at retail in this state, the tax to be computed on gross
2 sales for the purpose of remitting the amount of tax to the state, and to include each
3 and every retail sale.

4 (b) For the period of January 1, 2024, through December 31, 2024, at the rate
5 of three tenths of one percent of the cost price of each item or article of tangible
6 personal property when the same is not sold but is used, consumed, distributed, or
7 stored for use or consumption in this state, provided that there shall be no duplication
8 of the tax.

9 (2)(a) For the period of January 1, 2025, through December 31, 2025, at the
10 rate of ninety-five hundredths of one percent of the sales price of each item or article
11 of tangible personal property when sold at retail in this state, the tax to be computed
12 on gross sales for the purpose of remitting the amount of tax to the state, and to
13 include each and every retail sale.

14 (b) For the period of January 1, 2025, through December 31, 2025, at the rate
15 of ninety-five hundredths of one percent of the cost price of each item or article of
16 tangible personal property when the same is not sold but is used, consumed,
17 distributed, or stored for use or consumption in this state, provided that there shall
18 be no duplication of the tax.

19 (3)(a) For the period of January 1, 2026, through December 31, 2026, at the
20 rate of one and six tenths percent of the sales price of each item or article of tangible
21 personal property when sold at retail in this state, the tax to be computed on gross
22 sales for the purpose of remitting the amount of tax to the state, and to include each
23 and every retail sale.

24 (b) For the period of January 1, 2026, through December 31, 2026, at the rate
25 of one and six tenths percent of the cost price of each item or article of tangible
26 personal property when the same is not sold but is used, consumed, distributed, or
27 stored for use or consumption in this state, provided that there shall be no duplication
28 of the tax.

1 (4)(a) On January 1, 2027, and thereafter, at the rate of two and twenty-five
2 hundredths percent of the sales price of each item or article of tangible personal
3 property when sold at retail in this state, the tax to be computed on gross sales for the
4 purpose of remitting the amount of tax to the state, and to include each and every
5 retail sale.

6 (b) On January 1, 2027, and thereafter, at the rate of two and twenty-five
7 hundredths percent of the cost price of each item or article of tangible personal
8 property when the same is not sold but is used, consumed, distributed, or stored for
9 use or consumption in this state, provided that there shall be no duplication of the
10 tax.

11 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
12 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a
13 tax upon the lease or rental within this state of each item or article of tangible
14 personal property, as defined in Chapter 2 of this Subtitle, delivered into this state.

15 The levy of the tax shall be as follows:

16 (1)(a) For the period of January 1, 2024, through December 31, 2024, at the
17 rate of three tenths of one percent of the gross proceeds derived from the lease or
18 rental of tangible personal property where the lease or rental of such property is in
19 an established business, or part of an established business, or the same is incidental
20 or germane to the business.

21 (b) For the period of January 1, 2024, through December 31, 2024, at the rate
22 of three tenths of one percent of the monthly lease or rental price paid by a lessee or
23 rentee, or contracted or agreed to be paid by a lessee or rentee, to the owner of the
24 tangible personal property.

25 (2)(a) For the period of January 1, 2025, through December 31, 2025, at the
26 rate of ninety-five hundredths of one percent of the gross proceeds derived from the
27 lease or rental of tangible personal property where the lease or rental of such
28 property is in an established business, or part of an established business, or the same
29 is incidental or germane to the business.

1 (b) For the period of January 1, 2025, through December 31, 2025, at the rate
2 of ninety-five hundredths of one percent of the monthly lease or rental price paid by
3 a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee, to the
4 owner of the tangible personal property.

5 (3)(a) For the period of January 1, 2026, through December 31, 2026, at the
6 rate of one and six tenths percent of the gross proceeds derived from the lease or
7 rental of tangible personal property where the lease or rental of such property is in
8 an established business, or part of an established business, or the same is incidental
9 or germane to the business.

10 (b) For the period of January 1, 2026, through December 31, 2026, at the rate
11 of one and six tenths percent of the monthly lease or rental price paid by a lessee or
12 rentee, or contracted or agreed to be paid by a lessee or rentee, to the owner of the
13 tangible personal property.

14 (4)(a) On January 1, 2027, and thereafter, at the rate of two and twenty-five
15 hundredths percent of the gross proceeds derived from the lease or rental of tangible
16 personal property where the lease or rental of such property is in an established
17 business, or part of an established business, or the same is incidental or germane to
18 the business.

19 (b) On January 1, 2027, and thereafter, at the rate of two and twenty-five
20 hundredths percent of the monthly lease or rental price paid by a lessee or rentee, or
21 contracted or agreed to be paid by a lessee or rentee, to the owner of the tangible
22 personal property.

23 C. In addition to the tax levied on sales of services, as defined in Chapter 2
24 of this Subtitle, by R.S. 47:302(C), 321(C), and 331(C) and collected under the
25 provisions of Chapter 2 of this Subtitle, there is hereby levied a tax upon all sales of
26 services in this state. The levy of the tax shall be as follows:

27 (1) For the period of January 1, 2024, through December 31, 2024, at the rate
28 of three tenths of one percent of the amounts paid or charged for the services.

1 §2301. Use value; defined

2 Use value of bona fide agricultural, horticultural, and timber lands means the
3 highest value of such land when used by a prudent agricultural, horticultural, or
4 timber operator for the sole purpose of continuing the operation, as a commercial
5 agricultural, horticultural, or timber enterprise, of an existing bona fide agricultural,
6 horticultural, or timber use. ~~Use value of bona fide marsh lands is the highest value~~
7 ~~of such land for the sole purpose of continuing the traditional use of the marsh lands~~
8 ~~for hunting, fishing, trapping or various types of aquaculture by a prudent manager~~
9 ~~of marsh lands.~~ Use value of such land shall be so established without reference to
10 any other criteria of value particularly, but not as a limitation, without reference to
11 fair market value or value to the public in general.

12 * * *

13 §2303. Eligibility for use value assessment

14 In order to be classified as bona fide agricultural, horticultural, ~~marsh~~ or
15 timber land and assessed at its use value under the provisions of Article VII, Section
16 18(C) of the Louisiana Constitution of 1974, it ~~must~~ shall meet the definition of bona
17 fide agricultural, horticultural, ~~marsh~~ or timber land as described in R.S. 47:2302
18 and, ~~in the case of bona fide agricultural, horticultural, or timber land~~ shall satisfy
19 all of the following conditions:

20 ~~A. Be~~ (1) It is at least ~~three ten~~ three acres in size, ~~or have~~ or has produced an
21 average gross annual income of at least two thousand dollars in one or more of the
22 designated classifications for the four preceding years, ~~and.~~

23 ~~B:~~ (2) The landowner has signed an agreement providing that the land will
24 be devoted to one or more of the designated uses as defined in R.S. 47:2302.

25 §2304. Application for use value assessment

26 A. A landowner, desiring a use value assessment under this Act shall be
27 required to file an application with the assessor in the parish or district where the
28 property is located certifying that the property is eligible for use value assessment

1 as bona fide agricultural, horticultural, ~~marsh~~ or timber land as defined in Section 2
2 of this Act.

3 * * *

4 §2305. Loss of eligibility

5 * * *

6 B.(1) If land having a use value assessment is sold for a price four times
7 greater than its use value, the land shall be presumed to be no longer eligible to be
8 classified as bona fide agricultural, horticultural, ~~marsh~~, or timber land. Upon
9 application as provided in R.S. 47:2304, the purchaser shall be given the opportunity
10 to demonstrate either of the following to the full satisfaction of the assessor:

11 (a) That the sales price paid includes things of value which are susceptible
12 of appraisal including, but not by way of limitation, standing crops or timber,
13 improvements, equipment, etc., ~~or~~

14 (b) That the land is actually in bona fide agricultural, horticultural, ~~marsh~~,
15 or timber land use and meets the requirements of R.S. 47:2302 and R.S. 47:2303.
16 Such demonstration of bona fide operations may include the preparation and
17 implementation of farm or forestry plans or programs within two years following the
18 purchase.

19 * * *

20 §2322. Definitions

21 For the purposes of this Act, the following words and phrases shall have the
22 meanings ascribed to them in this Section unless the context clearly indicates
23 otherwise:

24 (1) "Improvements for residential purposes" shall mean single family
25 dwelling, duplex, triplex, fourplex, apartment buildings, condominiums, and mobile
26 homes used as a residence, whether on land owned, rented, or leased.

27 ~~A.~~ (2) "Land" shall mean all land other than those lands assessed as
28 agricultural, horticultural, ~~marsh~~ and timber lands as defined by law.

1 (3) "Other property" shall mean all properties other than land and
2 improvements for residential purposes, as defined in this Section, and shall include
3 both real property and personal property as defined in this Section.

4 (4) "Personal property" shall mean tangible property that is capable of being
5 moved or removed from real property without substantial damage to the property
6 itself or the real property from which it is capable of being removed. Personal
7 property shall include but not necessarily be limited to inventory, furniture, fixtures,
8 machinery and equipment, and all process and manufacturing machinery and
9 equipment, including the foundations therefor.

10 ~~B. "Improvements for residential purposes" shall mean single family~~
11 ~~dwellings, duplex, triplex, fourplex, apartment buildings, condominiums, and mobile~~
12 ~~homes used as a residence, whether on land owned, rented, or leased.~~

13 ~~C. "Other property" shall mean all properties not included in A or B above~~
14 ~~and shall include both real and personal property as defined herein.~~

15 ~~D. (5) "Real property" shall mean land and all things permanently affixed to~~
16 ~~the land.~~

17 ~~E. "Personal property" shall mean tangible property that is capable of being~~
18 ~~moved or removed from real property without substantial damage to the property~~
19 ~~itself or the real property from which it is capable of being removed. Personal~~
20 ~~property shall include but not necessarily be limited to inventory, furniture, fixtures,~~
21 ~~machinery and equipment, and all process and manufacturing machinery and~~
22 ~~equipment, including the foundations therefor.~~

23 Section 4. R.S. 38:2212.4(C) and R.S. 47:301(3)(b), (g), and (j), (4)(i), (7)(d), (j),
24 and (l), (8)(d) and (e), (10)(a)(iv), (b)(ii), (i), (k), (l), (n), (s), (t), (v) through (y), (bb), and
25 (ee) through (hh), (13)(e) through (j), (l), and (m), (14)(b)(ii) through (iv) and (k),
26 (16)(b)(iii), (c), (h), (i), (m), (n), and (p), and (18)(a)(iv), (d), (f) through (k), (o), and (p),
27 302(F) through (J) and (L) through (CC), 305(D)(1)(b) through (d), (g), (h), (j), and (m) and
28 (3) through (5) and (F), 305.2, 305.9, 305.11, 305.14(A)(1)(b) and (5), 305.16, 305.17,
29 305.26, 305.33, 305.36, 305.40 through 305.44, 305.50(B), 305.51 through 305.54, 305.57

- (4) Rentals or purchases of certain airplanes.
- (5) Certain manufacturing and machinery equipment.
- (6) Certain pallets used in packaging products.
- (7) Certain bibles, song books, and literature.
- (8) Certain school buses.
- (9) Certain pollution control devices.
- (10) Pelletized paper waste.
- (11) Telephone directories.
- (12) Certain telecommunication services.
- (13) Natural gas.
- (14) Storm shutter devices.
- (15) Certain heritage and cultural events.
- (16) Festivals.
- (17) Specialty items sold by nonprofit carnival organizations to organization members.
- (18) Admissions to certain athletic and entertainment events.
- (19) Admissions to certain places of amusement.
- (20) Computer software.
- (21) Purchases by motor vehicle manufacturers.
- (22) Newspapers.
- (23) Medical devices and equipment.
- (24) Sales to nonprofit literacy organizations.
- (25) Certain installation services.
- (26) Motor vehicles, trailers, and semitrailers used exclusively for lease or rental.
- (27) Purchases of certain construction materials by certain charitable or nonprofit organizations.
- (28) Specialty Mardi Gras items.
- (29) Sales by Ducks Unlimited and Bass Life.
- (30) Tickets to dances, dramas, or performing arts presentations or events.
- (31) Materials used in the printing process.
- (32) Certain carrier buses.

- (33) Purchases of breastfeeding items.
- (34) Certain materials for La. commercial fishermen.
- (35) Certain antique motor vehicles and airplanes.
- (36) Certain rentals of motion-picture film.
- (37) Purchases by and sales by certain nonprofit organizations dedicated to the conservation of fish and migratory waterfowl.
- (38) Certain one-of-a-kind works of art.

Proposed law defines "specified digital product" as an electronically transferred digital audio-visual work, digital audio work, digital book, or electronic game. Stipulates that specified digital products shall be considered tangible personal property for purposes of sales and use taxes imposed by the state and any political subdivision of the state, therefore subjecting specified digital products to those taxes.

Proposed law provides the following definitions for the component items comprising specified digital products:

- (1) "Digital audio-visual work" means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any, that are transferred electronically. Digital audio-visual works include, without limitation, electronically transferred motion pictures, musical videos, news and entertainment programs, and live events.
- (2) "Digital audio work" means a work that results from the fixation of a series of musical, spoken, or other sounds, that are transferred electronically. Digital audio works include, without limitation, prerecorded or live songs, music, readings of books or other written materials, speeches, ringtones, and other sound recordings.
- (3) "Digital book" means any work that is generally recognized as a book, in the ordinary and usual sense of the word "book", and that is transferred electronically. Digital books include, without limitation, works of fiction, nonfiction, poetry, and short stories.
- (4) "Electronic game" means an interactive game which is operated by computer circuitry.

Present law defines "dealer", for purposes of state and local sales and use taxes, to include every person who manufactures or produces tangible personal property for sale at retail, for use, or consumption, or distribution, or for storage to be used or consumed in a taxing jurisdiction. Proposed law amends present law to include within the definition of "dealer" every person who delivers any specified digital product into this state for sale at retail, for use, or consumption, or distribution, or for storage to be used or consumed in a taxing jurisdiction.

Present law subjects sales of services to state and local sales and use taxes. Defines "sales of services" to include an enumerated list of services. Proposed law adds the following into the "sales of services" definition, thereby making these services taxable:

- (1) The sale of any subscription which allows electronic access to any computer software or specified digital product.

- (2) The sale of cable television services. For purposes of proposed law "cable television service" means the distribution of video programming with or without use of wires to subscribing or paying customers.
- (3) The sale of internet access services other than services defined in present law as telecommunications services.
- (4) The sale of information services such as furnishing of general or specialized news or other current information, with certain exceptions, and electronic data retrieval or research.
- (5) The sale of data processing services such as word processing, data entry, data retrieval, data search, information compilation, payroll and business accounting data production, and other computerized data and information storage or manipulation.
- (6) The sale of telephone answering services.
- (7) The sale of credit reporting services.
- (8) The sale of debt collection services.
- (9) The sale of insurance services such as insurance loss or damage appraisal, insurance inspection, insurance investigation, insurance actuarial analysis or research, insurance claims adjustment or claims processing, or insurance loss prevention service.
- (10) The sale of real property services such as landscaping; care and maintenance of lawns, yards, or ornamental trees or other plants; removal or collection of garbage, rubbish, or other solid waste other than hazardous or industrial waste; building or grounds cleaning, janitorial, or custodial services; structural pest control service; and surveying of real property.
- (11) Security services provided by a person or firm licensed in accordance with present law known as the Private Security Regulatory and Licensing Law (R.S. 37:3270 et seq.).

Proposed law repeals the following provisions of present law establishing the following state sales tax holidays (dates on which purchases of certain items are exempt from state sales tax):

- (1) The Annual Louisiana Sales Tax Holidays Act (R.S. 47:305.54).
- (2) The annual sales tax holiday for purchases of hurricane-preparedness items or supplies (R.S. 47:305.58).

Proposed law amends present law providing for the Annual Louisiana Second Amendment Weekend Holiday Act (R.S. 47:305.62) to stipulate that the sales tax exemption provided therein shall apply only to local sales taxes and not to the state sales tax.

Present law stipulates that in order to be classified as bona fide agricultural, horticultural, marsh, or timber land and assessed for ad valorem tax purposes at its use value instead of fair market value, a parcel of land must be at least three acres in size or have produced an average gross annual income of at least \$2,000 in one or more of the designated classifications for the previous four years.

Proposed law removes marsh lands from the set of lands qualifying for assessment based on use value and changes the minimum acreage necessary for land to qualify for assessment based on use value from three acres to ten acres. Otherwise, retains present law.

Effective if and when the proposed amendment of Articles VI, VII, and VIII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2023 R.S. is adopted at a statewide election and becomes effective.

(Amends R.S. 33:4169(D), R.S. 39:467(H) and 468(G), and R.S. 47:301(4)(intro. para.) and (14)(b)(i)(aa), 305.14(A)(1)(a), 305.20(A) and (C), 305.62(B)(1), 306(A)(3)(a), 318(A), 321(A)(intro. para.) and (B)(intro. para.), 331(A)(intro. para.) and (B)(intro. para.), 337.9(C)(7)-(9), (12), and (13), 2301, 2303, 2304(A), 2305(B)(1), and 2322; Adds R.S. 47:301(14)(l)-(v) and (32), 305.79, and 331.1; Repeals R.S. 38:2212.4(C) and R.S. 47:301(3)(b), (g), and (j), (4)(i), (7)(d), (j), and (l), (8)(d) and (e), (10)(a)(iv), (b)(ii), (i), (k), (l), (m), (s), (t), (v)-(y), (bb), and (ee)-(hh), (13)(e)-(j), (l), and (m), (14)(b)(ii)-(iv) and (k), (16)(b)(iii), (c), (h), (i), (m), (n), and (p), and (18)(a)(iv), (d), (f)-(k), (o), and (p), 302(F)-(J) and (L)-(CC), 305(D)(1)(b)-(d), (g), (h), (j), and (m) and (3)-(5) and (F), 305.2, 305.9, 305.11, 305.14(A)(1)(b) and (5), 305.16, 305.17, 305.26, 305.33, 305.36, 305.40-305.44, 305.50(B), 305.51-305.54, 305.57-305.61, 305.63, 305.65, 305.67-305.71, 305.74, 321(E)-(Q), 321.1, 331(F)-(W), 337.9(C)(23) and (D)(6), (8), (10), (12), (13), (17)-(19), (25)-(32), and (35), 337.10(E), (G), and (M), 337.11(4) and (8), 2302(C), 6001, 6003, and 6040)