Rouge, LA 70802, to receive oral and written comments from interested persons. If the requirements have been met and a public hearing will be held, notice of the hearing will be posted under the respective rule topic on the Department's website at https://revenue.louisiana.gov/tax-policy/rules-regulations, under "Types," then "Nonemergency Rulemaking." A posted notice confirms that the statutory hearing requirements have been met and that the hearing will be held. If no notice appears, a public hearing will not be conducted. In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation in order to participate, contact Spencer Knudsen by email at LDRadarequests@la.gov or by phone at (225) 219-2848.

Jarrod J. Coniglio
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Payment of Sales and Use Taxes by Persons Constructing, Renovating, or Altering Immovable Property

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed amendment is not anticipated to result in material costs or cost savings to state or local governmental units. The Louisiana Department of Revenue (LDR) may incur minimal workload increases associated with taxpayer education and answering inquiries related to the rule change, but such duties are consistent with existing department functions and are anticipated to be absorbed within LDR's current budget allocation. This rule does not create a new tax base but clarifies the collection responsibility and is anticipated to reduce disputes.

The proposed rule clarifies who must pay Louisiana sales and use tax on materials used in the construction, renovation, or repair of immovable property. Generally, the contractor is presumed to be the consumer of the materials, and hence, is responsible for the sales and use tax. If the contractor separately charges the customer for materials and collects sales and use tax, it is presumed that the contractor sold tangible personal property to the consumer prior to incorporation into the immovable, and tax was properly collected. The rule amendment aims to reduce disputes and prevent situations where no tax is paid.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule amendment is anticipated to have minimal to no effect on revenue collections of state or local government units. The rule does not create or expand the sales tax base, but it may improve compliance, thereby reducing disputes that could otherwise result in no taxes being paid. Any increase in revenue collections is expected to be indeterminable but not significant.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

The proposed action directly affects contractors, subcontractors, and customers involved in the construction, renovation, or repair of immovable property by clarifying existing sales and use tax responsibilities. Because the proposed amendment does not create new tax obligations but rather clarifies existing responsibilities, it is not expected to impose new costs on affected persons, small businesses, or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Brandea Averett	Patrice Thomas
Deputy Secretary	Deputy Fiscal Officer
2607#048	Legislative Fiscal Office

NOTICE OF INTENT

Department of Revenue
Tax Policy and Planning Division

Qualifying Purchases for Public Construction Projects by Contractors and Subcontractors (LAC 61:I.4412)

Under the authority of R.S. 47:305.7 and 1511 and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, through this Notice of Intent, proposes to adopt regulations to define qualifying purchases made by contractors and subcontractors in connection with public construction projects.

R.S. 47:305.7(A)(1)(b) exempts from state and local sales and use tax certain purchases of materials and other qualifying items made by contractors and subcontractors when those purchases are used to perform public construction contracts awarded by the state or its political subdivisions, including their agencies, boards, and commissions. This regulation clarifies which purchases qualify and establishes consistent standards for applying and administering the exemption.

The department drafted the proposed Rule using plain language principles to promote clarity and accessibility for all users. It has also been reviewed and tested for compliance with applicable web accessibility standards.

Title 61
REVENUE AND TAXATION
Part I. Taxes Collected and Administered by the Secretary of Revenue
Chapter 44. Sales and Use Tax Exemptions
§4412. Qualifying Purchases for Public Construction Projects by Contractors or Subcontractors

A. R.S. 47:305.7(A)(1)(b) establishes a state and local sales and use tax exemption for contractors and subcontractors when they make qualifying purchases for public construction contracts.

B. Definitions. For purposes of this Section the following words shall mean:

Public Construction Contracts—construction contracts for public projects awarded by the state or any of its political subdivisions, including agencies, boards, commissions, or instrumentalities thereof.

C. Qualifying Purchases. Purchases qualify for the tax exemption if they meet the following conditions:

1. For tangible personal property

a. The property is:

i. purchased for direct and exclusive use in performing the public construction contract;

ii. permanently incorporated into the structure so that it becomes part of the immovable property; and

iii. ultimately owned by the public entity (Examples: nails, drywall, HVAC systems, and concrete).

2. For leases or rentals of tangible personal property

a. The property is:

i. used directly and exclusively in the performance of the public construction contract; and

ii. would qualify for the exemption if leased or rented by the public entity (Examples: equipment leased or rented solely for use on the public construction project such as cranes, concrete pump trucks, and excavators).

D. Nonqualifying Purchases. The following do not qualify for the exemption:

1. equipment or services used for general support and not directly for construction (Examples: worker transportation, office trailers, and portable restrooms);

2. tools and equipment the contractor keeps after the project (Examples: hammers, saws, ladders, and generators);

3. supplies used to run or maintain equipment (Examples: fuel, oil, coolants, and cleaning supplies);

4. safety gear for workers (Examples: hard hats, gloves, safety glasses, and fall protection);

5. payments for services or labor that are not related to buying or renting physical items (Examples: inspection services, safety monitoring, janitorial services, and traffic control); and

6. purchases that cannot be clearly linked to a specific public project.

E. The Department may require additional documentation to prove that purchases qualify for the exemption.

F. To claim this tax exemption, contractors or subcontractors must have a valid exemption certificate and follow all related rules and procedures prescribed by the Department.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:305.7.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Policy and Planning Division, LR:52:

Family Impact Statement

The proposed Rule should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the implementation of the proposed amendment will have no known or foreseeable effect on:

1. the stability of the family.
2. the authority and rights of parents regarding the education and supervision of their children.
3. the functioning of the family.
4. family earnings and family budget.
5. the behavior and personal responsibility of children.
6. the ability of the family or a local government to perform this function.

Poverty Impact Statement

This proposed Rule will have no impact on poverty as described in R.S. 49:973.

Small Business Analysis

The proposed Rule is not expected to have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting this proposed Rule to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed Rule will have no known or foreseeable effect on:

1. the staffing levels requirements or qualifications required to provide the same level of service.
2. the total direct and indirect effect on the cost to the provider to provide the same level of service.
3. The overall effect on the ability of the provider to provide the same level of service.

Public Comments

Any interested person may submit written data, views, arguments or comments regarding these proposed amendments to Bobbi Davis, Attorney, Tax Policy and Planning Division, by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4 p.m., August 24, 2026.

Public Hearing

Interested persons may submit a written request for a public hearing no later than August 10, 2026, at 4:30 p.m. Requests may be submitted either by mail, addressed to Bobbi Davis, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098, or via email to Bobbi.Davis@la.gov and reference Qualifying Purchases for Public Construction Projects by Contractors or Subcontractors. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, a public hearing will be held on August 25, 2026, at 1:00 p.m. in the River Room, located on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, La 70802, for all interested persons to attend and submit oral or written comments. To confirm whether or not the public hearing will be held, please visit the department's website at: https://revenue.louisiana.gov/tax-policy/rules-regulations and under "Types" select "Nonemergency Rulemaking." In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation in order to participate, contact Bobbi Davis at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or by phone at (225) 219-2780.

Jarrod Coniglio
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Qualifying Purchases for Public Construction Projects by Contractors and Subcontractors

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule is not anticipated to result in any direct implementation costs or savings to state or local government units. The Department of Revenue (LDR) may incur minimum workload increases associated with updating instructions and related website information, issuing exemption certificates, reviewing and verifying documentation, and responding to taxpayer inquiries, but these duties are consistent with existing department functions and are anticipated to be absorbed within LDR's current budget allocation.

Act 384 of the 2025 Regular Session exempts from state and local sales and use tax certain qualifying purchases, leases, or rentals, made by contractors and subcontractors for use in public construction contracts awarded by the state, political subdivisions, or their agencies, boards, and commissions. This regulation clarifies which purchases qualify and establishes consistent standards for applying and administering the exemption.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule is anticipated to result in an indeterminable decrease in both state and local sales and use tax revenue to the extent that the exemption is claimed by contractors and subcontractors for qualifying purchases, leases, or rentals for public construction contracts, where taxes would have otherwise been paid. Before Act 384 of the 2025 RS, public entities were allowed to exempt contractor purchases through designation of agency agreements; however, not all public construction projects utilized this mechanism. As a result, the number of purchases that will newly qualify for the exemption cannot be reliably estimated, rendering the revenue impact indeterminable but potentially significant.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule is expected to reduce costs for contractors, subcontractors, and small businesses by exempting sales and use taxes on qualifying purchases, rentals, and leases for public construction contracts. Any costs are expected to be minimal and limited to obtaining an exemption certificate, recordkeeping, and ensuring compliance with all related rules and procedures for the purchases that qualify for the exemption.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule is not anticipated to have a material effect on competition and employment.

Brandea Averett	Patrice Thomas
Deputy Secretary	Deputy Fiscal Officer
2607#049	Legislative Fiscal Office

NOTICE OF INTENT

Department of Transportation and Development Office of Multimodal Commerce

Safety Requirements for Railroad Grade Crossings (LAC 70:IX.Chapter 13)

Notice is hereby given in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950, et seq., and through the authority granted in R.S. 36:504, that the Department of Transportation and Development proposes to amend LAC 70:IX.13, Intermodal Transportation Part IX, which evaluates railroad grade crossings relative to railroad-highway projects situated within the Department of Transportation and Development (DOTD). The proposed amendments simplify these rules to comply with Plain Writing Act of 2010 (Public Law 111-274) for public understanding, to clarify and to remove unnecessary and obsolete regulations.

Title 70
TRANSPORTATION AND DEVELOPMENT
Part IX. Intermodal Transportation

Chapter 13. Safety Requirements for Railroad Grade Crossings

§1301. Closures of Grade Crossings

A. Applicability: Unless otherwise provided herein, this Rule shall apply to all public railroad grade crossings.

B. The department evaluates railroad grade crossings in accordance with 23 CFR 646 relative to railroad-highway projects based upon the following criteria:

1. estimated daily vehicular use at the crossing;
2. average number of trains passing the crossing per day (as provided by the railroad);
3. availability of alternative routes and distances to such routes;
4. train speeds at the crossing (as provided by the railroad);
5. highway/railroad crash/incident history at the crossing;
6. existing warning devices at the crossing;
7. degree of difficulty involved in improving the roadway approach by profile or in providing adequate warning devices such as flashing lights, gates, etc.;
8. sight distance and visibility at the crossing;
9. angle of intersection of alignments of the roadway and the railroad;
10. redundancy of crossings in the area;
11. proximity of a state highway, new crossing or recently upgraded crossing;
12. number of school busses using the crossing (as provided by the local governing authority);
13. number of unique vehicles using the crossing, such as those which carry hazardous materials or passengers for hire (as provided by the local governing authority); and
14. effect of any change on usage by emergency vehicles (as provided by the local governing authority).

C. If an evaluation suggests that closure of a public grade crossing is necessary for safety and in the best interest of the public, the department shall comply with the following procedures prior to closing the railroad grade crossing.

1. A review will be conducted in accordance with 23 CFR 646 by a Diagnostic Review Team (DRT) consisting of knowledgeable representatives of the parties of interest in a highway/rail crossing or group of crossings. The department will collaborate with local officials to identify the individuals who will participate on the DRT.
2. The department's highway/rail safety engineer will send invitations to the DRT members by electronic transmission at least one week prior to the actual diagnostic review. The diagnostic review may occur earlier if agreed to by the DRT.
3. The department's highway/rail safety engineer will be responsible for providing the diagnostic review information to the DRT and for preparing and distributing completed criteria forms and comment sheets from the diagnostic review meeting.
4. The department's Highway/Rail Safety Unit shall prepare the findings and recommendation of the DRT and produce all relevant documents and information that were considered.
5. Any diagnostic review that is older than 3 years shall be reevaluated by the department to ensure that the original data and recommendations are still valid and if needed, the department will conduct another diagnostic review.

D. If the DRT recommends closure, the following procedures shall apply.

1. The department's highway/rail safety engineer shall prepare a letter for approval by the chief engineer to proceed with the closure. This letter shall contain a brief explanation