

Richard Nelson  
Secretary

## NOTICE OF INTENT

### Department of Revenue Tax Policy and Planning Division

#### FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: **Partial Sales and Use Tax Exemption on Boats**

Petition for Rulemaking (LAC 61:III.103)

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

The proposed rule is expected to result in minimal costs to the state and local governmental units. The Department of Revenue (LDR) is anticipated to incur one-time costs of \$25,680 SGR in FY 26 for programming, testing, and system development costs to add a new exemption code to applicable sales tax returns and update related form instructions. LDR reports the ability to absorb this amount within the agency's existing budget authority. Local tax authorities are anticipated to incur minimal costs associated with implementing the partial sales and use tax cap.

Act 384 of the 2025 Regular Session enacts La. R.S. 47:305.23, which establishes a cap on the combined state and local sales and use tax paid for a boat registered in Louisiana. If the tax is remitted within 90 days of the purchase date, the total tax liability will be limited to \$20,000. Consequently, any sales or use tax that exceeds this cap will be exempt. This legislation is effective July 1, 2025. Beginning July 1, 2030, the \$20,000 sales tax cap will be adjusted for inflation every five years.

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

The proposed rule is anticipated to decrease the state general fund (SGF) and self-generated revenue (SGR) and local tax collections by an indeterminable amount beginning in FY 26. The SGF and local revenue loss could be significant depending on activity related to eligible boat transactions, with impacts beginning as early as FY 26. The exact amount of potential revenue loss is currently unknown, as specific empirical tax data related to boat sales is not readily available. However, the Department of Wildlife and Fisheries reports a 3-year average of 960 new or transferred registrations annually for boats over 26 feet in length, which tend to have higher prices.

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

Purchasers of boats registered in Louisiana whose total state and local sales and use tax liability exceeds \$20,000 will be directly impacted by the proposed rule. The proposed rule is anticipated to provide cost savings to certain taxpayers by exempting taxes on amounts over \$20,000.

#### IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.

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Under the authority of R.S. 47:1511, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, gives notice that rulemaking procedures have been initiated to enact LAC 61:III.103 relative to petitions to adopt, amend, or repeal Department of Revenue rules. The following shall also apply to petitions to adopt, amend, or repeal the Office of Charitable Gaming rules.

Revised Statute 49:964(A) requires each agency to enact rules prescribing the form for requesting the Department of Revenue to adopt a new rule or to amend or repeal existing rules. This Rule outlines the information to be included in the petition submitted to the department, as well as the procedures for submission, consideration, and disposition of these petitions.

#### Title 61 REVENUE AND TAXATION

#### Part III. Administrative and Miscellaneous Provisions Chapter 1. Agency Guidelines §103. Petitions to Adopt, Amend, or Repeal

A. A petition requesting the adoption, amendment, or repeal of a Department of Revenue rule (including Charitable Gaming rules) shall be submitted in writing on a form prescribed by the department. The petition must be submitted electronically and include all of the following:

1. the name, mailing address, and contact information of the petitioner.
2. a statement identifying whether the petition seeks adoption of a new rule, amendment of an existing rule, or repeal of an existing rule.
3. the citation or subject matter of the rule at issue, if applicable.
4. a concise statement of the substance of the rule proposed for adoption, amendment, or repeal.
5. the reasons for the requested action, including supporting facts, legal arguments, or policy considerations.
6. the petitioner's signature and date of submission.

B. The petition may include any supporting materials the petitioner wishes the department to consider.

C. The department shall promptly review each petition to determine whether it is complete and in compliance with the requirements of this Section.

D. Within 90 days after the receipt of a properly submitted petition, the department shall either:

1. deny the petition in writing, stating the reasons for denial; or
2. initiate rulemaking proceedings.

E. Disposition

1. If the department denies the petition, notice of the denial and the reasons therefore shall be emailed to the petitioner at the address provided.

2. If the department initiates rulemaking, the petitioner shall be notified, and rule-making proceedings shall be initiated in accordance with the department’s rule making procedures.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and R.S. 49:964(A).

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

**Family Impact Statement**

The proposed Rule has no 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 this proposed Rule has 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.
4. the behavior and personal responsibility of children.
5. the ability of the family or a local government to perform this function.

**Poverty Impact Statement**

The proposed Rule has no known impact on poverty as described in R.S. 49:973.

**Small Business Analysis**

The proposed Rule has no known measurable impact on small businesses as described in R.S. 49:965.6.

**Provider Impact Statement**

The proposed Rule has 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**

All interested persons may submit written data, views, arguments or comments regarding this proposed rule to Dominique Bowers, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., December 29, 2025.

**Public Hearing**

Interested persons may submit a written request for a public hearing no later than Tuesday, December 9, 2025, at 4:30 p.m. Requests may be submitted either by mail, addressed to Dominique Bowers, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098 or via email to Dominique.Bowers2@la.gov. Pursuant to R.S. 49:961(B)(1), a public hearing will be held only if the statutory requirements

are satisfied. If those requirements are met, the hearing will take place on December 30, 2025, at 10 a.m. in the LaBelle Room, located on the first floor of the LaSalle Building, 617 North Third Street, Baton 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 to participate, contact Dominique Bowers at the address given above in the Public Comments section, by email at [LDRadarequests@la.gov](mailto:LDRadarequests@la.gov) or by phone at (225) 219-2780.

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**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Petition for Rulemaking**

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

The implementation of this proposed rule is not anticipated to result in any additional costs to the Louisiana Department of Revenue (LDR). Procedures are already implemented within the department for the rulemaking process.

This proposal enacts the rule relative to petitions to adopt a new rule or to amend or repeal existing rules and the information that must be included in the petitions submitted to the Louisiana Department of Revenue (LDR) or to the Office of Charitable Gaming (OCG).

No additional costs are expected to result from this rule and local governments will not be affected.

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

The proposed rule is not anticipated to have an impact on revenue collections of state or local governmental units.

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

Taxpayers are anticipated to benefit from this proposed rule by the additional guidance provided when requesting LDR or OCG to adopt new rules, amend existing rules, or repeal existing rules. There are no anticipated costs to taxpayers.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.

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