

Revenue Information Bulletin No. 25-024**September 20, 2025****Sales and Use Tax****Partial Sales and Use Tax Exemption on Boats Registered in Louisiana**

Act 384 of the 2025 Regular Session enacted La. R.S. 47:305.23, providing a partial state and local sales and use tax exemption for boats registered in Louisiana. The exemption applies when the combined state and local tax due on a boat registered in Louisiana exceeds \$20,000 after applying any allowable credits.¹ The tax must be paid within 90 days of purchase or importation for the cap to apply.

Only those accessories that are attached to the boat at the time of purchase are included in the sales price for the purpose of determining whether the threshold has been met. The following accessories and other items are not included in the sales price for purposes of the cap:

- Accessories that are not attached to the boat at the time of purchase, such as ladders, anchors, rod holders, and fish finders.
- General accessories such as gas cans, fishing poles, wake boards, life jackets, fire extinguishers, flares, dock line/rope, and boat covers.
- Trailers.

Louisiana boat dealers must charge, collect, and remit the tax due on the boat when the combined state and local sales tax due is \$20,000 or less. When the tax due exceeds \$20,000, the dealer should not charge or collect sales tax from the purchaser. Instead, the dealer should include the statement "Subject to Sales Tax Cap" on the sales receipt/invoice and report the sale as exempt on their sales tax return using code 1331 on Schedule A-1. Dealers should indicate on the documentation provided to the purchaser the state and local tax amounts calculated on the sale of the boat which triggered the exemption. The dealer must advise the purchaser to self-report and pay the state and local sales tax (in the parish of the sale) within 90 days using Form R-1331, *Watercraft Sales Tax Payment Certification* (Form R-1331).

¹ See La. R.S. 47:303(A)(3) and 337.86 regarding credit for taxes paid to another state.

Dealers must continue to collect and remit the sales tax due on the trailer and any other items listed on the invoice with the boat that are not included in the sales price of the boat.

Purchasers of qualifying boats must report and pay the applicable taxes directly to both the Department of Revenue (Department) and the appropriate local tax collector using Form R-1331. Anyone importing a boat into Louisiana must submit Form R-1331 regardless of the amount of tax due. Taxes should be paid to the local tax collector first, followed by payment of the state sales tax to the Department of Revenue. The proper local tax collector for boats purchased in Louisiana is the parish in which the sale was made. The proper local tax collector for boats imported into Louisiana is the parish in which the purchaser resides.

Beginning July 1, 2030, and every five years thereafter, the \$20,000 cap will be adjusted based on the Consumer Price Index under the methodology in La. R.S. 47:305.23. The adjusted cap will be published by the Department of Revenue in a Revenue Information Bulletin.

Richard Nelson
Secretary