



**Revenue Information Bulletin
No. 03-013
June 11, 2003
Sales Tax**

Synopsis of Sales Tax Rate Changes That Will Become Effective July 1, 2003

The purpose of this Revenue Information Bulletin is to discuss several state sales tax rate changes that will become effective on July 1, 2003.

1. The state sales tax rate on food for home consumption will be reduced from 2 percent to fully exempt, as provided for by Article VII, Section 2.2 of the Constitution. This exemption is discussed in more detail in an Emergency Rule and in a Revenue Ruling. The Emergency Rule can be viewed from the department's web site at http://www.rev.state.la.us/forms/lawspolicies/LAC61_I_4401.pdf. Revenue Ruling No. 03-002 can be viewed from the department's web site at <http://www.rev.state.la.us/forms/lawspolicies/RR03002.pdf>.
2. The state sales tax rate on sales of steam, electric power or energy, water, and natural gas for other than residential use will be reduced from 3.9 percent to 3.8 percent, as provided by R.S. 47:331(O)(2)(b), as the statute was amended by Act No. 22 of the 2002 Regular Session of the Louisiana Legislature. The sales tax rate on electricity, water, and natural gas for residential use will be reduced from 2 percent to fully exempt, as provided for by Article VII, Section 2.2 of the Constitution of Louisiana, as approved by the voters in the November 5, 2002, election. The procedures to be used by utility companies in the collection of tax for billing periods that include utilities that were delivered both before and after the rate changes, are discussed within Revenue Information Bulletin No. 02-020-A that can be viewed from the department's web site at <http://www.rev.state.la.us/forms/lawspolicies/RIB02020A.pdf>.
3. The taxable base on sales of custom computer software will be reduced from 75 percent of the cost price of the software to 50 percent of the cost price of the software, as provided by Louisiana Revised Statute 47:301(16)(h)(ii) as this statute was amended by Act No. 7 of the first Extraordinary Legislative Session of 2002. This change is discussed in more detail in Section 61:I.4301 of the Louisiana Administrative Code that can be viewed from the department's web site at http://www.rev.state.la.us/forms/lawspolicies/LAC61_I_4301_TPP.pdf, and in Revenue Ruling No. 02-008 that can be viewed from the department's web site at <http://www.rev.state.la.us/forms/lawspolicies/RR02008.pdf>

Questions concerning these changes can be directed to the department's Taxpayer Services Division at 225/219-7356 or to any of the department's regional offices.

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