

**Revenue Information Bulletin
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Sales Tax**

**Legislature Enacts Amendments and Additions to the Sales Tax Exemption
for Trucks Operating in Interstate Commerce**

Act 209 of the 2007 regular session of the Louisiana Legislature has amended and reenacted R.S. 47:305.50 relative to the sales tax exemption for trucks operating in interstate commerce. The Act is effective June 29, 2007.

The Act retains the existing exemption from sales tax for trucks with a gross weight of 26,000 pounds or more and associated trailers if the trucks and trailers are used at least 80% of the time in interstate commerce, and their activities are subject to the jurisdiction of the United States Department of Transportation. Language was added to the existing exemption to provide that the determination of whether a truck is used at least 80% of the time in interstate commerce is based solely on the actual mileage of each truck, and that no truck shall have more than twenty percent Louisiana intrastate mileage.

The Act further provides that the state and local sales and use tax shall not apply to the purchase, use, or lease of a “qualifying truck” or to the purchase, use, or lease of a qualifying trailer purchased, imported, or leased, with or without a qualifying truck, for use with a qualifying truck. In order for a truck to be a qualifying truck, it must meet the following provisions specified by Act 209:

- (i) Be registered as a Class 1 vehicle as defined in R.S. 47:462 and shall have a registered gross weight as defined in R.S. 47:451 of at least eighty thousand pounds;
- (ii) Be subject to the jurisdiction of the United States Department of Transportation;
- (iii) Will be registered or is registered with apportioned plates through the International Registration Plan or will be issued or is issued a special permit according to the provisions of R.S. 32:387(J) from the Louisiana Department of Transportation and Development. In cases of issuance of a special permit pursuant to the provisions of R.S. 32:387(J), the qualifying truck shall engage in no less than two hundred intermodal container moves per year regardless of whether such moves require a special permit. In the year of acquisition, sale, disposal, or destruction of the qualifying truck, the intermodal container moves per year requirement shall be prorated for the portion of the year the qualifying truck was owned, operated, or owned and operated by the taxpayer.

The Act provides that a “qualifying trailer”, for purposes of the additional exemption added to R.S. 47:305.50, shall be a trailer which is subject to the jurisdiction of the United States Department of Transportation.

Act 209 further requires the Secretary of Revenue to promulgate rules and regulations in accordance with the Administrative Procedure Act, subject to oversight by the House Ways and Means Committee and the Senate Revenue and Fiscal Affairs Committee, to implement the provisions of the new exemption, including rules and regulations

providing for the administration of audits, audit procedures, and the documents a taxpayer must retain in order to document the tax exemption authorized by Act 209. Effective Jun 29, 2007.

Taxpayers are encouraged to review this Revenue Information Bulletin and [Revenue Ruling 05-004](#), as these statements will be utilized by the Department to determine what constitutes interstate commerce for purposes of this exemption

Questions can be directed to the department's Taxpayer Services Division at (225) 219-7356.

Cynthia Bridges
Secretary

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