



**Revenue Information Bulletin
No. 08-023
July 21, 2008
Sales Taxes**

**Rental of Pallets Used in Packaging Products by Manufacturer Excluded
from the Definition of Lease**

Act 419 of the 2007 Regular Session of the Louisiana Legislature enacted La. R.S. 47:301(7)(l) to provide that leases and rentals of pallets to be used in packaging products produced by manufacturers are excluded from the imposition of state and local sales taxes. This exclusion from state and local sales taxes became effective on July 1, 2008.

The rented pallets used in packaging products produced by a manufacturer are excluded from the definition of the term “lease or rental” found in La. R.S. 47:301(7). To be eligible for the sales tax exclusion on the rented pallets, a manufacturer’s primary activity must be manufacturing, and the Louisiana Department of Labor must have assigned the manufacturer a North American Industry Classification System (NAICS) code within the manufacturing sectors 31-33, as they existed in 2002. The NAICS code is obtained from the Louisiana Department of Labor upon registration. If a manufacturer is not required to register with the Louisiana Department of Labor, then the business activity code from the most recently filed federal income tax return may be used. Manufacturers must use [Exemption Form R-1381](#) to document eligibility for the sales tax exclusion. Form R-1381 can be accessed from the [Department’s website](#) or by using the specific link provided above.

Questions can be directed to the Department’s Taxpayer Services Division at 225-219-7356.

Cynthia Bridges
Secretary

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