

Revenue Information Bulletin No. 16-013
March 24, 2016
Sales Tax

Imposition of a New One-Cent Sales and Use Tax

[Act 26](#) of the 2016 First Extraordinary Session of the Louisiana Legislature enacted La. R.S. 47:321.1, which imposes an additional state sales tax in the amount of one percent (1%). This additional state sales tax is levied upon the sale at retail, the use, the consumption, the distribution and the lease or rental of an item of tangible personal property and upon the sale of services. The new state sales tax is in addition to the sales taxes already levied pursuant to La. R.S. 47:302, 321 and 331. This tax is to be collected by the dealer and wholesaler as provided by Chapter 2 of Title 47 of the Revised Statutes. The provisions of Act 26 shall become effective on April 1, 2016 and shall be inapplicable, inoperative and of no effect after June 30, 2018.

Beginning April 1, 2016, certain state sales tax exemptions and exclusions will continue to be in effect with regard to the additional state sales tax levied pursuant to La. R.S. 47:321.1. However, the sales tax exclusion for Manufacturing Machinery and Equipment will not be in effect from April 1, 2016 through June 30, 2016. The Manufacturing Machinery and Equipment exclusion shall be operative and in effect beginning July 1, 2016. The sixty-five listed exemptions and exclusions which will continue to be in effect for purposes of the additional state sales tax are as follows:

- (1) Food for home consumption, as defined in La. R.S. 47:305(D)(1)(n) through (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the Constitution of Louisiana.
- (2) Natural gas, as provided in Article VII, Section 2.2 of the Constitution of Louisiana.
- (3) Electricity, as provided in Article VII, Section 2.2 of the Constitution of Louisiana.
- (4) Water, as provided in Article VII, Section 2.2 of the Constitution of Louisiana.
- (5) Prescription drugs, as provided in Article VII, Section 2.2 of the Constitution of Louisiana.
- (6) Gasoline and other motor fuels subject to the state excise tax on fuel.
- (7) Sales to the United States government and its agencies, as provided in La. R.S. 301(10)(g).
- (8) Other constructions permanently attached to the ground, as provided in La. R.S. 47:301(16)(l).
- (9) Installation charges on tangible personal property, as provided in La. R.S. 47:301(3)(a).
- (10) Installation of oil field board roads, as provided in La. R.S. 47:301(13)(c).

- (11) Transactions involving the construction or overhaul of United States Navy vessels, as provided in La. R.S. 47:301(7)(c) and (14)(h).
- (12) Property purchased for exclusive use outside the state, as provided in La. R.S. 47:305.10.
- (13) Sale, lease or rental of tangible personal property paid by or under the provisions of Medicare, as provided in La. R.S. 47:315.3.
- (14) Sales of human tissue transplants, as provided in R.S. 47:301(10)(d).
- (15) Sales of raw agricultural products, as provided in La. R.S. 47:301(10)(e) and 305(A)(3).
- (16) Sales of food by youth serving organizations chartered by Congress, as provided in La. R.S. 47:301(10)(h).
- (17) Tangible personal property sold to food banks as provided in La. R.S. 47:301(10)(j).
- (18) Materials used in the collection of blood as provided in La. R.S. 47:301(16)(j).
- (19) Aphaeresis kits and leuko reduction filters as provided in La. R.S. 47:301(16)(k).
- (20) Donation to schools and food banks from resale inventory as provided in La. R.S. 47:301(18)(a).
- (21) Manufacturers rebates on new motor vehicles as provided in La. R.S. 47:301(3)(e) and (13)(b).
- (22) Lease or rentals of railroad rolling stock as provided in La. R.S. 47:301(4)(k).
- (23) Purchases and leases by free hospitals as provided in La. R.S. 47:301(7)(e), (10)(p) and (18)(c).
- (24) Purchases by nonprofit entities that sell donated goods as provided in La. R.S. 47:301(8)(f).
- (25) Tangible personal property for resale as provided in La. R.S. 47:301(10)(a)(i).
- (26) Purchases of property for lease or rental as provided in La. R.S. 47:301(10)(a)(iii) and (18)(a)(iii).
- (27) Isolated or occasional sales of tangible personal property as provided in La. R.S. 47:301(1) and (10)(c)(ii)(bb).
- (28) Use of motor vehicles in Louisiana by active duty military as provided in La. R.S. 47:303(A) and 305.48.
- (29) Purchases made with food stamps and WIC as provided in La. R.S. 47:305.46.
- (30) Articles traded in on purchases of tangible personal property as provided in La. R.S. 47:301(13)(a).
- (31) Donations of toys as provided in La. R.S. 47:301(10)(z)(aa)(i) and (18)(m).
- (32) Stocks, bonds, notes or other obligations or securities as provided in La. R.S. 47:301(16)(b)(i).
- (33) Credit for sales and use taxes paid to other states on tangible personal property imported in Louisiana as provided in La. R.S. 47:303(A)(3)(a).
- (34) Work product of certain professionals as provided in La. R.S. 47:301(16)(e).

- (35) Purchases by regionally accredited independent educational institutions as provided in La. R.S. 47:301(8)(b).
- (36) Sales through coin-operated vending machines as provided in La. R.S. 47:301(10)(b)(i).
- (37) Purchases by a private postsecondary academic degree-granting institution as provided in R.S. 47:301(10)(cc) and as provided in La. R.S. 47:301(18)(n).
- (38) Purchases of food items for school lunch or breakfast programs by nonpublic elementary or secondary schools as provided in La. R.S. 47:301(10)(dd).
- (39) Repair services performed in Louisiana when the repaired property is exported as provided in La. R.S. 47:301(14)(g)(i)(bb).
- (40) Funeral directing services as provided in La. R.S. 47:301(14)(j).
- (41) Feed and feed additives for animals held for business purposes as provided in La. R.S. 47:305(A)(4).
- (42) Farm products produced and used by farmers as provided in La. R.S. 47:305(B).
- (43) Sales of fertilizers and containers to farmers as provided in La. R.S. 47:305(D)(1)(f).
- (44) Sales of seeds for planting crops as provided in La. R.S. 47:305.3.
- (45) Sales of pesticides for agricultural purposes as provided in La. R.S. 47:305.8.
- (46) The cost price for the printing of a news publication as provided in La. R.S. 47:301(3)(h).
- (47) Vehicle rentals to warranty customers as provided in La. R.S. 47:301(7)(h).
- (48) Lease or rental of a crane and related equipment with an operator as provided in La. R.S. 47:301(7)(k).
- (49) Sales by and to the state and its political subdivisions as provided in La. R.S. 47:301(8)(c).
- (50) Sales of materials for further processing as provided in La. R.S. 47:301(10)(c)(i)(aa).
- (51) The sales price for new farm equipment used in poultry production as provided in La. R.S. 47:301(13)(c).
- (52) A factory built home as provided in La. R.S. 47:301(16)(g).
- (53) Any advertising service rendered by an advertising business as provided in La. R.S. 47:302(D).
- (54) The sale of livestock, poultry, and other farm products direct from a farm as provided in La. R.S. 47:305(A)(1).
- (55) The sale of livestock at public sales sponsored by breeders' or registry associations or livestock auction markets as provided in La. R.S. 47:305(A)(2).
- (56) The sale of agricultural products by a person other than the producer for use in further processing as provided in R.S. 47:305(A)(3).
- (57) Transactions in interstate commerce and tangible personal property imported into this state, or produced or manufactured in this state, for export as provided La. in R.S. 47:305(E).
- (58) Ships, vessels, barges, and related supplies as provided in La. R.S. 47:305.1.

- (59) The sales price for new farm equipment as provided in La. R.S. 47:305.25.
- (60) Trucks and trailers if used at least eighty percent of the time in interstate commerce as provided in La. R.S. 47:305.50(A).
- (61) Freight cars, piggy-back cars and rolling stock, and railroad ties as provided in La. R.S. 47:305.45 and 305.50(F).
- (62) Councils on Aging as provided in La. R.S. 47:305.66.
- (63) Sales of pharmaceuticals administered to livestock for agricultural purposes as provided in R.S. 47:301(16)(f).
- (64) Materials used in the production of crawfish and catfish as provided in La. R.S. 47:305(A)(5) and (6).
- (65) Beginning July 1, 2016, manufacturing machinery and equipment as provided in La. R.S. 47:301(3)(i), (13)(k), and (28)(a).

Questions concerning the collection of the additional state sales tax and the applicable exemptions and exclusions in effect can be directed to sales.inquiries@la.gov.

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