



**Revenue Ruling  
No. 05-004**

**August 19, 2005  
Sales and Use Tax**

**Eligibility of Trucks Used in Other States for Sales Tax Exemption Under La.  
Rev. Stat. Ann. § 47:305.50(A)**

The purpose of this Revenue Ruling is to discuss whether commercial transportation by certain heavy trucks solely within the borders of other states constitutes interstate commerce for purposes of the Louisiana sales and use tax exemption eligibility of those trucks.

**Governing Law**

La. Rev. Stat. Ann. § 47:305.50(A) provides a sales and use tax exemption, under certain conditions, for trucks of a gross weight of 26,000 pounds or more, for trailers used with those trucks, and for contract carrier busses that are used at least eighty percent of the time in interstate commerce. The statute provides that the activities of the trucks and trailers must be regulated by the United States Department of Transportation. The busses are required by the statute to also have a gross weight of at least 26,000 pounds and a passenger capacity of at least 35 persons.

**Facts**

A truck is used in a state other than Louisiana for commercial transportation that begins and ends within that other state, without the truck ever crossing state lines. The property that is shipped in this instance has come to rest at its point of origin in the other state and, after shipment, again comes to rest at its destination in that other state. Such use constitutes the exclusive or majority use of the truck.

**Issue**

Shall the mileage run by trucks in the other states be considered mileage in interstate commerce for purpose of meeting the “eighty percent of the time in interstate commerce” qualifying threshold for sales tax exemption under La. Rev. Stat. Ann. § 47:305.50(A)?

**Analysis**

The United States Department of Transportation (“USDOT”) defines “interstate commerce” as “trade, traffic, or transportation in the United States: 1) between a place in a state and a place outside of such state (including a place outside of the United States); 2) between two places in a state through another state or in a place outside of the United States; or 3) between two places in a state as part of trade, traffic, or transportation originating or terminating outside the state or the United States.” In Revenue Ruling No. 04-005, the department has adopted this definition of “interstate commerce” for purposes of the state sales tax exemption provided by La. Rev. Stat. Ann. § 47:305.50(A).

**Ruling**

Commercial truck transportation from a point of origin in a state other than Louisiana to a destination in the same state is not interstate commerce transportation, as that term is defined by the USDOT. Accordingly, such mileage cannot be considered mileage in interstate commerce for purpose of meeting the “eighty percent of the time in interstate commerce” qualifying threshold for sales tax exemption under La. Rev. Stat. Ann. § 47:305.50(A).

Questions concerning this matter can be directed to the Policy Services Division at 225-219-2780.

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