

State of Louisiana
Department of Revenue



JEFF LANDRY
GOVERNOR

JARROD J. CONIGLIO
SECRETARY

January 7, 2026

Via e-mail (return receipt requested) to:

The Honorable Julie Emerson
Chairman of the House Committee on Ways and Means
P.O. Box 94062
Baton Rouge, Louisiana 70804
apa.h-wm@legis.la.gov

The Honorable Franklin Foil
Chairman of the Senate Committee on Revenue & Fiscal Affairs
P.O. Box 94183
Baton Rouge, Louisiana 70804
apa.s-r&f@legis.la.gov

Re: Proposed Rule LAC 61:I.4428 Partial Sales and Use Tax Exemption on Boats

Chairman Emerson and Chairman Foil:

On November 6, 2025, a copy of the *Notice of Intent* issued by the Department of Revenue for promulgation of proposed rule LAC 61:I.4428, *Partial Sales and Use Tax Exemption on Boats*, was sent to your committees for review.

The proposed Rule outlines the eligibility criteria for the exemption. The proposal also provides guidance to dealers and purchasers regarding reporting and payment of the state and local sales and use taxes when the cap is triggered.

The *Notice of Intent* was published on pages 1952 through 1953 of the November 20, 2025, issue of the *Louisiana Register*. No public hearing was requested, and no written comments were received. Therefore, no changes will be made to the proposal prior to final adoption.

This report is being made in accordance with R.S. 49:966(D)(1)(b) of the Administrative Procedure Act. Unless otherwise directed, the proposed Rule will be submitted for publication as a final Rule in the February 2025 edition of the *Louisiana Register*. Should you

have any questions or need additional information, please contact Brandea Averett via email at brandea.averett@la.gov or by phone at (225) 219-2784.

Sincerely,



Brandea P. Averett
Deputy Secretary

Cc: The Honorable Cameron Henry, President of the Senate,
apa.senatepresident@legis.la.gov, The Honorable Phillip DeVillier, Speaker of the House,
apa.housespeaker@legis.la.gov, Office of the State Register, Reg.Submission@la.gov

Family Impact Statement

Pursuant to the provisions of R.S. 49:972 the proposed Rule has no known impact on the following:

1. the effect on stability of the family.
2. the effect on the authority and rights of parents regarding the education and supervision of their children.
3. the effect on the functioning of the family.
4. the effect on family earnings and family budget.
5. the effect on the behavior and personal responsibility of children.
6. the ability of the family or a local government to perform the function as contained in the proposed Rule.

Poverty Impact Statement

Pursuant to the provisions of R.S. 49:973, the proposed Rule has no known impact on the following:

1. the effect on household income, assets, and financial security.
2. the effect on early childhood development and preschool through postsecondary education development.
3. the effect on employment and workforce development.
4. the effect on taxes and tax credits.
5. the effect on child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

Small Business Analysis

Pursuant to the provisions of R.S. 49:965.2-965.8, the Regulatory Flexibility Act, the proposed Rule is not anticipated to have an adverse impact on small business; therefore, a Small Business Impact Statement has not been prepared.

Provider Impact Statement

Pursuant to the provisions of HCR170 of 2014, the proposed Rule has no known impact on impact on the following:

1. the effect on the staffing level requirements or qualifications required to provide the same level of service.
2. the total direct and indirect effect on the costs to the provider to provide the same level of service.
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Interested persons may submit written comments to Heather Hood, Liaison Officer & Legal and Policy Strategist - Louisiana Department of Public Safety and Corrections, Office of State Police, 7919 Independence Blvd., Baton Rouge, LA 70806. All comments must be submitted no later than the end of business day, central time zone, December 9, 2025.

Keith Neal
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Application Process and Fees for Private Driving Schools and Instructors

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule change is not anticipated to result in any costs or savings for the Office of Motor Vehicles (OMV) as the proposed rule updates language to align with its current practice.

OMV proposes to amend Section 146 (Application Process and Fees for Private Driving Schools and Instructors) of Part III, Chapter 1 (Driver's License), Subchapter A (General Requirements) of Title 55 (Public Safety) of the Louisiana Administrative Code. The proposed rule change allows a school owner to apply for an additional location after operating their most recent location for at least one year without receiving a fine or license suspension, which aligns with current practice.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no anticipated effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

There are no anticipated costs or economic benefits to directly affected persons, small businesses, or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Implementation of this proposed rule is not anticipated to have an effect on competition and employment.

Keith E. Neal
Commissioner
2511#044

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Partial Sales and Use Tax Exemption on Boats (LAC 61:I.4428)

Under the authority of R.S. 47:1511, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, gives notice that rulemaking procedures have been initiated to adopt LAC 61:I.4428 relative to the sales tax cap on boats registered in Louisiana when the tax is paid within 90 days of purchase or importation.

Revised Statute 47:305.23 establishes that the combined state and local sales or use tax will be capped \$20,000 if the tax is paid within 90 days of purchase or importation, effectively exempting the sales or use tax in excess of that amount. The proposed Rule outlines the eligibility criteria for the exemption and provides additional guidance to dealers and purchasers regarding the proper reporting and payment of the state and local sales and use taxes when the cap is triggered.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 44. Sales and Use Tax Exemptions

§4428. Partial Sales and Use Tax Exemption on Boats

A. General. Revised Statute 47:305.23 authorizes an exemption for sales and use tax in excess of \$20,000 otherwise due on the sale or use of boats registered in Louisiana if the tax is paid within 90 days of the sale or importation.

B. Definitions

Consumer Price Index United States—a program of the Bureau of Labor Statistics which measures the average change over time in prices paid by the urban consumer.

Department—the Louisiana Department of Revenue.

C. Eligibility Requirements. The following requirements shall be met to obtain the exemption:

1. The boat must be purchased or imported and registered in Louisiana on or after July 1, 2025.

2.a. The combined state and local sales or use tax due must exceed \$20,000 prior to the exemption. The exemption applies to only those taxes in excess of \$20,000, after application of the credits authorized in R.S. 47:303(A)(3) and 337.86.

b. The sales price of the following items shall not be included when calculating the sales and use tax due for purposes of the cap:

i. Accessories not attached to and made a part of the boat at the time of sale, including but not limited to ladders, anchors, rod holders, and fish finders.

ii. General accessories that do not attach to the boat, including but not limited to gas cans, fishing poles, life jackets, fire extinguishers, flares, dock line and rope, boat covers, wake boards and other recreational gear.

iii. Trailers.

3. Payment of tax due must be completed within 90 days of the sale or importation.

4. If payment is not made within 90 days, the exemption shall not apply, and the purchaser or importer shall be responsible for the entire amount of state and local sales or use tax due on the boat.

D. Reporting

1. Louisiana boat dealers must calculate the total state and local sales tax due on the boat.

a. If the total tax is equal to or less than \$20,000, the dealer shall charge, collect, and remit the tax to the appropriate state and local tax collectors.

b. If the total tax exceeds \$20,000, the dealer shall indicate on the invoice that the tax is subject to exemption and report the sale as exempt on its general sales tax return. In this case, the dealer shall not collect the tax from the purchaser but must inform him of the responsibility to self-report and remit the taxes directly to the state and local collectors.

i. When the boat is purchased from a Louisiana dealer, the local sales tax shall be paid to the collector for the parish where the dealer is located.

ii. When the boat is imported, the local sales tax shall be paid to the collector for the parish where the purchaser resides.

c. The sales tax due on accessories and other tangible personal property not included in the price of the boat shall be charged, collected, and remitted by the dealer regardless of the application of the cap.

2. The purchaser or importer of a boat eligible for partial exemption shall be responsible for paying the tax directly to the Department and appropriate local tax collector using the form and method specified by the collectors.

E. Threshold Adjustments. Beginning July 1, 2030, and every five years thereafter, the threshold of \$20,000 shall be adjusted based upon the Consumer Price Index United States and redetermined by the methodology established in R.S.

47:305.23. Notice of the adjusted threshold shall be published by the department in a Revenue Information Bulletin.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Policy and Planning Division, LR 52:

Family Impact Statement

The proposed Rule has no known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability, and autonomy. Specifically, the implementation of this proposed Rule has no known or foreseeable effect on:

1. the stability of the family.
2. the authority and rights of parents regarding the education and supervision of their children.
3. the functioning of the family.
4. family earnings and family budget.
5. The behavior and personal responsibility of children.
6. The ability of the family or a local government to perform this function.

Poverty Impact Statement

The proposed Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Impact Analysis

The proposed Rule has no known measurable impact on small businesses as described in R.S. 49:965.6.

Provider Impact Statement

The proposed Rule has no known or foreseeable effect on:

1. the staffing levels requirements or qualifications required to provide the same level of service.
2. the total direct and indirect effect on the cost to the provider to provide the same level of service.
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

All interested persons may submit written data, views, arguments or comments regarding this proposed rule to Brandea Averett, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., January 2, 2026.

Public Hearing

Interested persons may submit a written request for a public hearing no later than December 10, 2025, at 4:30 p.m. Requests may be submitted via email to Brandea.Averett@la.gov. Pursuant to R.S. 49:961(B)(1), a public hearing to receive oral and written comments will be held only if the statutory requirements are satisfied. If those requirements are met, the hearing will take place on January 2, 2026, at 8 a.m. in the River Room, located on the 7th floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802. Notice of the hearing will be posted under the respective rule topic on the Department's website at <https://revenue.louisiana.gov/tax-policy/rules-regulations>, under "Types," then "Nonemergency Rulemaking." If no notice appears, a public hearing will not be conducted. In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation to participate, contact Brandea Averett at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or by phone at (225) 219-2780.

Richard Nelson
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**
**RULE TITLE: Partial Sales and Use Tax Exemption on
Boats**

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE
OR LOCAL GOVERNMENT UNITS (Summary)**

The proposed rule is expected to result in minimal costs to the state and local governmental units. The Department of Revenue (LDR) is anticipated to incur one-time costs of \$25,680 SGR in FY 26 for programming, testing, and system development costs to add a new exemption code to applicable sales tax returns and update related form instructions. LDR reports the ability to absorb this amount within the agency's existing budget authority. Local tax authorities are anticipated to incur minimal costs associated with implementing the partial sales and use tax cap.

Act 384 of the 2025 Regular Session enacts La. R.S. 47:305.23, which establishes a cap on the combined state and local sales and use tax paid for a boat registered in Louisiana. If the tax is remitted within 90 days of the purchase date, the total tax liability will be limited to \$20,000. Consequently, any sales or use tax that exceeds this cap will be exempt. This legislation is effective July 1, 2025. Beginning July 1, 2030, the \$20,000 sales tax cap will be adjusted for inflation every five years.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE
OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed rule is anticipated to decrease the state general fund (SGF) and self-generated revenue (SGR) and local tax collections by an indeterminable amount beginning in FY 26. The SGF and local revenue loss could be significant depending on activity related to eligible boat transactions, with impacts beginning as early as FY 26. The exact amount of potential revenue loss is currently unknown, as specific empirical tax data related to boat sales is not readily available. However, the Department of Wildlife and Fisheries reports a 3-year average of 960 new or transferred registrations annually for boats over 26 feet in length, which tend to have higher prices.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO
DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR
NONGOVERNMENTAL GROUPS (Summary)**

Purchasers of boats registered in Louisiana whose total state and local sales and use tax liability exceeds \$20,000 will be directly impacted by the proposed rule. The proposed rule is anticipated to provide cost savings to certain taxpayers by exempting taxes on amounts over \$20,000.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)**

There is no anticipated impact on competition or employment.

Richard Nelson
Secretary
2511#030

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Revenue
Tax Policy and Planning Division**

Petition for Rulemaking (LAC 61:III.103)

Under the authority of R.S. 47:1511, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, gives notice that rulemaking procedures have been initiated to enact LAC 61:III.103 relative to petitions to adopt, amend, or repeal Department of Revenue rules. The following shall also apply to petitions to adopt, amend, or repeal the Office of Charitable Gaming rules.

Revised Statute 49:964(A) requires each agency to enact rules prescribing the form for requesting the Department of Revenue to adopt a new rule or to amend or repeal existing rules. This Rule outlines the information to be included in the petition submitted to the department, as well as the procedures for submission, consideration, and disposition of these petitions.

Title 61

REVENUE AND TAXATION

Part III. Administrative and Miscellaneous Provisions

Chapter 1. Agency Guidelines

§103. Petitions to Adopt, Amend, or Repeal

A. A petition requesting the adoption, amendment, or repeal of a Department of Revenue rule (including Charitable Gaming rules) shall be submitted in writing on a form prescribed by the department. The petition must be submitted electronically and include all of the following:

1. the name, mailing address, and contact information of the petitioner.

2. a statement identifying whether the petition seeks adoption of a new rule, amendment of an existing rule, or repeal of an existing rule.

3. the citation or subject matter of the rule at issue, if applicable.

4. a concise statement of the substance of the rule proposed for adoption, amendment, or repeal.

5. the reasons for the requested action, including supporting facts, legal arguments, or policy considerations.

6. the petitioner's signature and date of submission.

B. The petition may include any supporting materials the petitioner wishes the department to consider.

C. The department shall promptly review each petition to determine whether it is complete and in compliance with the requirements of this Section.

D. Within 90 days after the receipt of a properly submitted petition, the department shall either:

1. deny the petition in writing, stating the reasons for denial; or

2. initiate rulemaking proceedings.