

HOUSE BILL NO.

BY

TAX/SALES & USE: Provides for sales and use tax on certain services

1 AN ACT

2 To enact R.S. 47:301.3 and to repeal R.S. 47:301(29)(x)(vii) and (viii), relative to sales and
3 use tax; to provide for sales and use tax on services; to provide for exemptions from
4 sales and use tax; to provide for effectiveness; to provide for applicability; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301.3 is hereby enacted to read as follows:

8 §301.3. Services

9 A. For purposes of this Section, the following terms shall have the meanings
10 ascribed to them in this Subsection unless the context indicates otherwise:

11 (1) "Accommodations intermediary" means a person other than the owner,
12 operator, or manager of a room, suite, condominium, townhouse, rental house, or
13 other accommodation.

14 (2) "Capital improvement" means one or more of the following:

15 (a) New construction, reconstruction, or remodeling.

16 (b) Performance of work that requires the issuance of a permit, other than
17 repair or replacement of electrical components, gas logs, water heaters, and similar
18 individual items that are not part of new construction, reconstruction, or remodeling.

19 (c) Installation of a transmission, distribution, or other network asset on
20 immovable property owned by a service provider or on a right-of-way or easement

1 in favor of a service provider. For purposes of this Subparagraph, the term "service
2 provider" means a person, including a governmental entity, who provides any of the
3 following services:

4 (i) Telecommunications service or ancillary service.

5 (ii) Video programming.

6 (iii) Electricity or piped natural gas.

7 (iv) Water or sewer service.

8 (d) Installation of equipment or a fixture that is attached to immovable
9 property and that meets one or more of the following conditions:

10 (i) Is capitalized and depreciated under Generally Accepted Accounting
11 Principles or International Financial Reporting Standards.

12 (ii) Is depreciated under the Internal Revenue Code.

13 (iii) Is expensed under Section 179 of the Internal Revenue Code.

14 (e) Painting or wallpapering of immovable property, except where painting
15 or wallpapering is incidental to the repair, maintenance, and installation services.

16 (f) Replacement or installation of a septic tank system, siding, roof,
17 plumbing, electrical, commercial refrigeration, irrigation, sprinkler, or other similar
18 system. The term does not include the repair, replacement, or installation of electrical
19 or plumbing components, water heaters, gutters, and similar individual items that are
20 not part of new construction, reconstruction, or remodeling.

21 (g) Replacement or installation of a heating or air conditioning unit or a
22 heating, ventilation, or air conditioning system. The term does not include the repair,
23 replacement, or installation of gas logs, water heaters, pool heaters, and similar
24 individual items that are not part of new construction, reconstruction, or remodeling.

25 (h) Replacement or installation of roads, driveways, parking lots, patios,
26 decks, and sidewalks.

27 (i) Services performed to resolve an issue that was part of an immovable
28 property contract if the services are performed within six months of completion of

1 the immovable property contract or, for new construction, within twelve months of
2 the new structure being occupied for the first time.

3 (j) An addition or alteration to immovable property that is permanently
4 affixed or installed to immovable property and is not an activity specifically listed
5 in Paragraph (B)(16) of this Section as repair, maintenance, and installation services.

6 (3) "Coin-operated" means the device is both activated and operated by the
7 purchaser upon providing the device with a payment or payment indicator. Examples
8 include, but are not limited to, inserting a coin, paper currency, credit card or token,
9 swiping a card, entering a code, and using an electronic payment method.

10 (4) "Furnishing" means brokering, coordinating, making available for, or
11 otherwise arranging for the sale or use of a room, suite, condominium, townhouse,
12 rental house, or other accommodation by a purchaser.

13 (5) "Immovable property contract" means a contract between an immovable
14 property contractor and another person to perform a capital improvement to
15 immovable property.

16 (6) "Information services" means all of the following:

17 (a) Collecting, compiling, analyzing, or furnishing of information of any
18 kind, including, but not limited to, general or specialized news, other current
19 information or financial information, by printed, mimeographed, electronic, or
20 electrical transmission, or by utilizing wires, cable, radio waves, microwaves,
21 satellites, fiber optics, or any other method now in existence or which may be
22 devised; this includes delivering or providing access to such information through
23 databases or subscriptions.

24 (b) Electronic data retrieval or research.

25 (7) "Lobbying services" means the act of promoting or securing passage of
26 legislation or an attempt to influence or sway a public official or other public servant
27 toward a desired action, including but not limited to the support of or opposition to
28 a project or the passage, amendment, defeat, approval, or veto of any legislation,
29 regulation, rule, or ordinance.

1 (8) "New construction" means construction of or site preparation for a
2 permanent new building, structure, or fixture on immovable property or an increase
3 in the square footage of an existing building, structure, or fixture on immovable
4 property.

5 (9) "Private investigation services" means an investigation being conducted
6 for purposes of providing information related to any of the following:

7 (a) A crime or wrong committed, assumed to have been committed, or
8 threatened to be committed.

9 (b) The identity, habits, conduct, movement, location, affiliations,
10 associations, transactions, reputation, or character of any person.

11 (c) The credibility of a witness or of any other individual.

12 (d) The location of a missing individual.

13 (e) The location or recovery of lost or stolen property.

14 (f) The origin, cause of, or responsibility for a fire, accident, damage to or
15 loss of property, or injury to an individual, regardless of who conducts the
16 investigation.

17 (g) The affiliation, connection, or relation of any person with an organization
18 or other person.

19 (h) The activities, conduct, efficiency, loyalty, or honesty of any employee,
20 agent, contractor, or subcontractor.

21 (i) The financial standing, creditworthiness, or financial responsibility of any
22 person.

23 (j) Securing evidence for use before any investigating committee, board of
24 award, or board of arbitration, or for use in a trial of any civil or criminal cause.

25 (k) Conducting polygraph testing.

26 (l) Conducting background checks on prospective employees or tenants.

27 (m) Conducting background checks on individuals by or at the request of an
28 insurance company for workers' compensation purposes.

1 (10) "Reconstruction" means to rebuild or construct again a prior existing
2 permanent building, structure, or fixture on immovable property and may include a
3 change in the square footage from the prior existing building, structure, or fixture on
4 immovable property.

5 (11)(a) "Remodeling" means a transaction comprised of multiple services
6 performed by one or more persons to restore, improve, alter, or update immovable
7 property that may otherwise be subject to tax as repair, maintenance, and installation
8 services if separately performed.

9 (b) The term "remodeling" includes a transaction where the internal structure
10 or design of one or more rooms or areas within a room or building are substantially
11 changed.

12 (c) The term "remodeling" does not include a single service that is included
13 in repair, maintenance, and installation services. The term does not include a
14 transaction where the true purpose is repair, maintenance, and installation services
15 no matter that another service included in repair, maintenance, and installation
16 services is performed that is incidental to the true purpose of the transaction such as
17 repair of sheetrock that includes applying paint, replacement of cabinets that includes
18 installation of caulk or molding, and the installation of hardwood floors that includes
19 installation of shoe molding.

20 (12) "Security, protection, and bodyguard service" means any activity that
21 is performed for compensation as a security guard to protect any individual or
22 property and provided on the premises of a person's residential or commercial
23 property.

24 (13) "Security and alarm system monitoring" means monitoring an
25 electronically controlled burglar or fire alarm system for any residential or
26 commercial property or responding to a distress call or an alarm sounding from a
27 security system.

28 (14) For the purposes of this Section, "tangible personal property" includes
29 machinery, appliances, and equipment which have been declared immovable by

1 declaration under the provisions of Civil Code Article 467, and things which have
2 been separated from land, buildings, or other constructions permanently attached to
3 the ground or their component parts as defined in Civil Code Article 466.

4 (15) "Transient guests" means individuals who rent accommodations other
5 than their regular place of abode on less than a month-to-month basis.

6 B. For purposes of the impositions levied pursuant to this Chapter, "services"
7 shall include:

8 (1) The rental or furnishing of sleeping rooms, cottages, cabins, rooms,
9 suites, condominiums, townhouses, rental houses, or other accommodations by
10 hotels, apartment hotels, lodging houses, tourist camps, tourist courts, property
11 management companies, accommodations intermediaries, or any other provider or
12 seller of accommodations to transient guests. The sales price shall include service,
13 facilitator, and other similar fees and charges.

14 (2) Sales of tickets, fees, or other charges, including any service, facility,
15 processing, delivery or facilitator fees or charges, for admissions to places of
16 amusement, recreational events, entertainment, exhibitions, displays, and athletic
17 entertainment, and charges made for participation in games and amusement
18 activities. This shall include the furnishing, for dues, fees, or other consideration for
19 the privilege of access to clubs, including buyer's clubs, or the privilege of having
20 access to or the use of amusement, entertainment, athletic, or recreational facilities.
21 This also includes coin-operated amusement devices, including, but not limited to,
22 massage chairs, video games, pinball games, table games such as billiards and air
23 hockey, and redemption games such as the claw and skeet ball that may award prizes
24 of tangible personal property.

25 (3) Parking, storing, or keeping of motor vehicles, including, but not limited
26 to, valet services, the use of parking spaces, parking lots, and parking structures, and
27 charges for street parking at metered spaces.

28 (4) Printing and copying services, including printing or overprinting,
29 lithographic, multilith, blue printing, photostating, or other similar services of

1 reproducing written or graphic matter, and copying, photocopying, reproducing,
2 duplicating, and other similar services including those services provided in coin-
3 operated self-service form.

4 (5) Laundry, cleaning, pressing, alterations, repair, and dyeing services,
5 including by way of extension and not of limitation, the cleaning and renovation of
6 clothing, furs, linens, furniture, carpets, and rugs, and the furnishing of storage space
7 for clothing, furs, and rugs. The service shall be taxable at the location where the
8 laundered, cleaned, pressed, or dyed article is returned to the customer.

9 (6) Telecommunications services for compensation, in accordance with the
10 provisions of R.S. 47:301.1.

11 (7) Storage provided for boats and vessels of less than fifty tons load
12 displacement and trailers.

13 (8) Auto club services and fees including but not limited to, road and travel
14 services.

15 (9) Car wash services including, but not limited to, washing, waxing,
16 polishing, vacuuming, and detailing of motor vehicles.

17 (10) Coin-operated service machines, which shall include coin-operated
18 machines or devices that dispense only services and not merchandise, music, skill,
19 or pleasure. Examples include, but are not limited to, machines that provide scales,
20 shoeshines, lockers, car washes, compressed air, or vacuum cleaning.

21 (11) Installation, repair, and maintenance of taxable computer software, and
22 related training.

23 (12) Condominium time-share and exchange services.

24 (13) Dating and social matching services and marriage bureaus.

25 (14) Delivery, shipping, freight, and transportation associated with a taxable
26 sale of tangible personal property or service.

27 (15) Non-medical diet and weight reduction services, including commercial
28 weight loss services not prescribed by a healthcare provider.

1 (16)(a) Immovable property repair, maintenance, and installation services
2 that shall include, but are not limited to, the activities listed in this Paragraph. A
3 service used to fulfill an immovable property contract as defined in this Section shall
4 not be considered a repair, maintenance, or install service.

5 (b) To keep or attempt to keep property in working order to avoid breakdown
6 and prevent deterioration or repairs. Examples include but are not limited to
7 janitorial and other cleaning; exterior building cleaning, including roof washing and
8 pressure washing; window cleaning; pest control; servicing in-ground and in-
9 building swimming pools; parking lot, garage, and recreation area maintenance;
10 exterior and interior trash removal; lighting maintenance; and chimney and duct
11 cleaning.

12 (c) To calibrate, refinish, restore, or attempt to calibrate, refinish, or restore
13 property to proper working order or good condition. This activity may include
14 replacing or putting together what is torn or broken.

15 (d) To troubleshoot, identify, or attempt to identify the source of a problem
16 for the purpose of determining what is needed to restore property to proper working
17 order or good condition. The term includes activities that may lead to the issuance
18 of an inspection report.

19 (e) To install, apply, connect, adjust, or set into position property. The term
20 includes floor refinishing and the installation of carpet, flooring, floor coverings,
21 windows, doors, cabinets, countertops, and other installations where the item being
22 installed may replace a similar existing item. The replacement of more than one of
23 a like-kind item, such as replacing one or more windows, is a repair, maintenance,
24 and installation service. The term does not include an installation defined in this
25 Section as a capital improvement.

26 (17) Information services shall include all of the following:

27 (a) Furnishing newsletters; tax guides; research publications; financial,
28 investment, circulation, credit, stock market, or bond rating reports; mailing lists;

1 abstracts of title; news clipping services; wire services; scouting reports; surveys;
2 bad check lists; and broadcast rating services.

3 (b) Subscriptions to genealogical, financial, or similar databases.

4 (c) Global positioning system services including driving directions and
5 sports, news, and similar information provided through satellite audio programming
6 services.

7 (d) Information services shall not include any of the following:

8 (i) Information sold to a newspaper or a radio or television station licensed
9 by the Federal Communication Commission, if the information is gathered or
10 purchased for direct use in newspapers or radio or television broadcasts.

11 (ii) Charges to a person by a financial institution for account balance
12 information; or information gathered or compiled on behalf of a particular client, if
13 the information is of a proprietary nature to that client and may not be sold to others
14 by the person who compiled the information, except for a subsequent sale of the
15 information by the client for whom the information was gathered or compiled.

16 (iii) Internet access service or information services that are provided in
17 conjunction with and merely incidental to the provision of internet access service
18 when provided for a single charge.

19 (18) Interior decorating and design services.

20 (19) Intrastate limousine, bus, and van transportation services and taxi cab
21 and rideshare services.

22 (20) Landscaping, lawn care, and horticultural services, including, but not
23 limited to, lawn care and maintenance services; tree trimming, pruning, or removal
24 services; landscape design and installation services; and landscape care and
25 maintenance services.

26 (21) Linen supply services including, but not limited to, table, bath, and bed
27 linen supply services and uniform supply services.

28 (22) Lobbying services.

1 (23) Machine and equipment operator services provided with machine or
2 equipment rental.

3 (24) Mailing services including applying postage, addressing, enclosing,
4 sealing, preparing for mailing, or mailing; presorting mail and packages by postal
5 code; address barcoding; tracking; delivery to postal service; private mailbox rentals;
6 and direct mail services, such as printed material delivered or distributed by United
7 States mail or other delivery service to a mass audience or to addressees on a mailing
8 list provided by the purchaser or at the direction of the purchaser if the cost of the
9 items is not billed directly to the recipients.

10 (25) Marina services provided with respect to boats and vessels of less than
11 fifty tons load displacement, including, but not limited to, fees for storage, mooring
12 or docking of vessels of all types and sizes both in-water or off-water, space or slip
13 rental fees, fees for putting the boat in, or taking the boat out of water, and
14 winterization fees including, but not limited to, charges for shrink wrapping or
15 installing a cover.

16 (26) Personal fitness training services including, but not limited to instructor-
17 led recreational classes, one-on-one or group sports or recreation lessons, fitness
18 classes, and personal trainer exercise instruction.

19 (27) Pet grooming, boarding, sitting, training, and obedience services.

20 (28) Photography and photographic studio services, including sitting fees.

21 (29) Photofinishing and film development services including, but not limited
22 to, developing and printing original photographs, developing negatives, and tinting
23 or coloring pictures.

24 (30) Private process server services.

25 (31) Public opinion and research polling services.

26 (32) Quilting, embroidery, and monogramming services.

27 (33) Repairs, maintenance, and installation of tangible personal property.

28 Repairs and maintenance include, but are not limited to, the repair and servicing of
29 automobiles, vehicles, boats and vessels, electrical and mechanical appliances and

1 equipment, farm machinery and implements, motors, tires, batteries, engineering
2 instruments, medical and surgical instruments, machinery, mechanical tools, shop
3 equipment, furniture, rugs, flooring, watches, clocks, jewelry, refrigerators, phones,
4 televisions, radios, shoes, including shoe shining, and office appliances and
5 equipment. This includes service calls and trip or travel charges.

6 (34) Repossession services.

7 (35) Restroom operations and comfort station services.

8 (36) Security services including locksmith, security and alarm system
9 monitoring, private investigation, background checks, transportation or delivery of
10 money, property, or valuables by armored car, security, protection, and bodyguard
11 services.

12 (37) Personal shopping services for individuals.

13 (38) Social event planning and coordination services and catering services.

14 (39) Spa services, massages by massage parlors, and steam baths.

15 (40) Rental of space for meetings, conventions, short-term business uses,
16 entertainment events, weddings, banquets, parties, and other short-term social events,
17 including, but not limited to, hotel conference rooms and ballrooms, convention
18 center space and related charges, picnic shelters, and other recreational spaces and
19 dining areas reserved for private parties.

20 (41) Furnishing of space for storage of tangible personal property by a
21 person engaged in the business of furnishing space for such storage. Space for
22 storage shall not include storage for tangible personal property held for sale in the
23 regular course of business, or the lease or rental of an entire building such as a
24 warehouse.

25 (42) Skin tanning services, including but not limited to tanning booths,
26 tanning bed services, and spray tanning services.

27 (43) Body modification services, including tattooing, piercing, scarification,
28 and branding.

1 (44) Travel and travel package services, including travel agents and travel
2 clubs.

3 (45) Warranty, extended warranty, and service contracts, including services
4 provided through a service contract agreement between the contract provider and the
5 purchaser where the purchaser agrees to pay compensation for the contract and the
6 provider agrees to repair, replace, support, or maintain tangible personal property,
7 digital property, or real property according to the terms of the contract.

8 (46) Waste collection and disposal services. The collection and disposal of
9 solid waste resulting from the operation of residential, commercial, industrial,
10 governmental, or institutional establishments that would normally be collected,
11 processed, and disposed of through a public or private solid waste management
12 service shall not be taxable.

13 (47) Wrecking and towing services.

14 Section 2. R.S. 47:301(29)(x)(vii) and (viii) are hereby repealed in their entirety.

15 Section 3. The provisions of this Act shall become effective February 1, 2025, and
16 shall apply to taxable periods beginning on or after February 1, 2025.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB Draft

Abstract: ABSTRACT

(CITE)