

2018 First Extraordinary Session

HOUSE BILL NO. 19

BY REPRESENTATIVE LEGER

TAX/SALES & USE: Provides with respect to taxation of the sales of certain services (Item #2)

1 AN ACT

2 To enact R.S. 47:301(14)(l) through (v), relative to sales and use taxes; to provide for the  
3 taxation of certain additional types of services; to provide for definitions; to provide  
4 for exclusions; to provide for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:301(14)(l) through (v) are hereby enacted to read as follows:

7 §301. Definitions

8 As used in this Chapter the following words, terms, and phrases have the  
9 meanings ascribed to them in this Section, unless the context clearly indicates a  
10 different meaning:

11 \* \* \*

12 (14) "Sales of services" means and includes the following:

13 \* \* \*

14 (l) The furnishing of personal services including massage parlors, escort  
15 services, and turkish baths or steam baths.

16 (m) The furnishing of credit reporting services, including the assembly or  
17 furnishing of a credit history or credit information relating to any person.

18 (n)(i) The furnishing of debt collection services, including any activity to  
19 collect or adjust a delinquent debt, to collect or adjust a claim, or to repossess  
20 property subject to a claim.

1           (ii) The furnishing of debt collection services shall not include any of the  
2           following:

3           (aa) The collection of a judgment by an attorney or by a partnership or  
4           professional corporation of attorneys;

5           (bb) The collection of court-ordered child support or medical child support;  
6           or

7           (cc) A service provided by a person acting as a trustee in connection with the  
8           foreclosure sale of immovable property under a lien created by a mortgage or  
9           security instrument.

10           (o)(i) The furnishing of insurance services, including insurance loss or  
11           damage appraisal, insurance inspection, insurance investigation, insurance actuarial  
12           analysis or research, insurance claims adjustment or claims processing, or insurance  
13           loss prevention service.

14           (ii) "Insurance service" shall not include insurance coverage for which a  
15           premium or commission is paid to insurance agents for the sale of insurance or  
16           annuities, or a service performed on behalf of an insured by a person who is licensed  
17           as a public insurance adjustor by the Department of Insurance.

18           (p)(i) The furnishing of immovable property services, including any of the  
19           following: landscaping; the care and maintenance of lawns, yards, or ornamental  
20           trees, or other plants; the removal or collection of garbage, rubbish, or other solid  
21           waste; building or grounds cleaning, janitorial, or custodial services; or a structural  
22           pest control service.

23           (ii) The furnishing of immovable property services shall not include any of  
24           the following: hazardous or industrial solid waste; waste material that results from  
25           an activity associated with the exploration, development, or production of oil, gas,  
26           geothermal resources, or any other substance or material; domestic sewage or an  
27           irrigation return flow, to the extent the sewage or return flow does not constitute  
28           garbage or rubbish; or industrial discharges subject to regulation by permit issued  
29           under Louisiana law.

1           (iii) Immovable property service shall not include a service listed under Item  
2           (i) of this Subparagraph, if the service is performed by a landman and is necessary  
3           to negotiate or secure land or mineral rights for acquisition or trade, including any  
4           of the following: determining ownership; negotiating a trade or agreement  
5           regarding land or mineral rights; drafting and administering contractual agreements;  
6           ensuring that all governmental regulations are complied with; or any other action  
7           necessary to complete the transaction related to a service described by this Item,  
8           other than an information service under R.S. 47:301(14)(v).

9           (q)(i) The furnishing of data processing services, including word processing,  
10          data entry, data retrieval, data search, information compilation, payroll and business  
11          accounting data production, and other computerized data and information storage  
12          manipulation.

13          (ii) As used in this Subparagraph the following terms and phrases shall have  
14          the following meanings:

15          (aa) "Data processing service" means and includes the use of a computer or  
16          computer time for data processing whether the processing is performed by the  
17          provider of the computer or computer time or by the purchaser or other beneficiary  
18          of the service.

19          (bb) "Data processing service" means and includes the use of a computer to  
20          perform totalizator services for the purpose of registering wagers and dividing total  
21          winnings derived from wagering on the outcome of pari-mutual races.

22          (cc) "Data processing service" shall not include the transcription of medical  
23          dictation by a medical transcriptionist.

24          (dd) "Data storage" shall not include a classified advertisement, banner  
25          advertisement, vertical advertisement, or link when the item is displayed on an  
26          Internet website owned by another person.

27          (r)(i) The furnishing of immovable property repair and remodeling, including  
28          the repair, restoration, remodeling, or modification of an improvement to immovable  
29          property.

1           (ii) The furnishing of immovable property repair and remodeling shall not  
2           include an improvement to a manufacturing or processing production unit in a  
3           petrochemical refinery or chemical plant that provides increased capacity in the  
4           production unit.

5           (iii) For purposes of this Subparagraph, the following words and phrases  
6           shall have the following meanings:

7           (aa) "Increased capacity" means the capability to produce additional products  
8           or services as measured by units per hour or units per year; or a new product or  
9           service.

10          (bb) "Production unit" means a group of manufacturing and processing  
11          machines and ancillary equipment that together are necessary to create or produce  
12          a physical or chemical change beginning with the first processing of the raw material  
13          and ending with the finished product.

14          (cc) "New product" means a product that has different product properties and  
15          a different commercial application than the product previously manufactured or  
16          processed by the production unit that produced the previous product.

17          (s) The furnishing of security services, including services for which a license  
18          is required under Louisiana law.

19          (t) The furnishing of telephone answering services.

20          (u)(i) The furnishing of audio and video services.

21          (ii) The term "furnishing of video services" means the sale, offering,  
22          transmission, conveyance, or routing of video programming or other video content  
23          for purchase by subscribers or customers, regardless of the medium, technology, or  
24          method of display and regardless of the payment schedule or storage method used  
25          to purchase or access the video programming or video content. The term shall  
26          include, but not be limited to, all of the following types of services and any  
27          substantially equivalent successor technology.

28          (aa) Cable service, as defined in Section 602(6) of the Communications Act  
29          of 1934 (47 U.S.C. Section 522).



1 Section 3. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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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)]

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HB 19 Original

2018 First Extraordinary Session

Leger

**Abstract:** Adds additional services to the state and local sales and use tax base and provides for definitions related to these services.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies:

- R.S. 47:302 - 2% tax
- R.S. 47:321 - 1% tax
- R.S. 47:321.1 - 1% tax
- R.S. 47:331 - 0.97% tax
- R.S. 51:1286 - .03% tax (LA Tourism and Promotion District)

Present law imposes state and local sales and use tax upon the sale of the following services, subject to certain exemptions and exclusions:

- (1) Furnishing of sleeping rooms.
- (2) Admission to a place of amusement.
- (3) Storage or parking privileges.
- (4) Printing and related services.
- (5) Laundry, cleaning, and pressing of textiles.
- (6) Cold storage services.
- (7) Repairs to tangible personal property.
- (8) Telecommunication services.

Proposed law retains present law and adds sales of the following services to the state and local sales and use tax base.

- (1) Personal services including massage parlors, escort services, and turkish baths or steam baths.
- (2) Credit reporting services.

- (3) Certain debt collection services.
- (4) Certain insurance services.
- (5) Certain immovable property services.
- (6) Certain data processing and data storage services.
- (7) Certain immovable property repair and remodeling services.
- (8) Security services.
- (9) Telephone answering services.
- (10) Audio and video services.
- (11) Certain information services.

Effective for taxable periods beginning on July 1, 2018.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:301(14)(l)-(v))