

**Revenue Information Bulletin**  
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**Sales Tax**

**Act excludes certain property from definition of tangible personal property**

[Act 442 of the Regular Session of the Louisiana Legislature](#) changes the definition of “tangible personal property” to exclude certain property.

The Act enacts La. [R.S. 47:301\(16\)\(q\)](#) to provide that the term “tangible personal property” shall not include any property that would have been considered immovable property prior to the enactment on July 1, 2008, of Act 632 of the Regular Session of the 2008 Louisiana Legislature.

[Act 632](#) of 2008 amended [Civil Code Articles 466](#) and [508](#) to define component parts of immovable property as things attached to a building, such as doors, shutters, gutters, cabinetry, plumbing, heating, cooling, electrical and similar systems, or things that are attached to a construction other than a building and attached to such a degree that they cannot be removed without substantial damage to themselves or to the building or other construction.

Act 442 provides that the purchase, lease, and repair of immovable property as defined by Civil Code Articles 466 and 508 shall be excluded from sales tax. Section 5 of the Act provides that the exclusion shall be applied retroactively and is applicable to all transactions occurring on or after July 1, 2008.

Section 4 of Act 442 also establishes a collaborative working group of state and local tax administrators and industry representatives to assist in developing policy regarding the determination of which item will be considered as movable or immovable property. The following representatives will serve as members of the collaborative working group:

1. The Louisiana Association of Business and Industry.
2. The Louisiana Hospital Association.
3. The Louisiana Chemical Association.
4. The Louisiana Pulp and Paper Association.
5. The Louisiana Mid-Continent Oil and Gas Association.
6. The Society of Louisiana Certified Public Accountants.
7. The tax section of the Louisiana State Bar Association.
8. The Louisiana Association of Tax Administrators.
9. The Police Jury Association of Louisiana.
10. The Louisiana Municipal Association.
11. The Louisiana School Boards Association.
12. Three persons designated by the Louisiana Department of Revenue.

The group shall study and develop specific proposals on the definition of tangible personal property under Chapters 2, 2-A, 2-B and 2-D of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 and report its policy recommendations to the chairmen of the House Committee on Ways and Means and Senate Committee on Revenue and Fiscal Affairs no later than January 31, 2011. The group shall cease to exist on June 30, 2011.

Questions concerning this legislation should be directed to the Louisiana Department of Revenue’s Special Programs Division at 225-219-7356, Option 3, or by email to [sales.inquiries@la.gov](mailto:sales.inquiries@la.gov).

Cynthia Bridges  
Secretary