

Revenue Information Bulletin No. 18-016
June 24, 2018
Sales Tax

Decrease in Overall State Sales Tax Rate Effective July 1, 2018

[Act 1](#) of the 2018 Third Extraordinary Session of the Louisiana Legislature has amended La. R.S. 47:321.1(A), (B), and (C) reducing the sales tax rate for this tax imposition from 1 percent (1%) to forty-five hundredths of one percent (0.45%). This tax in the amount of 0.45 percent is levied upon the sale at retail, the use, the consumption, the distribution and the lease or rental of an item of tangible personal property; and upon the sale of services. The 0.45 percent state sales tax is in addition to the sales taxes already levied pursuant to La. R.S. 47:302, 321 and 331. This tax is to be collected by the dealer and wholesaler as provided by Chapter 2 of Title 47 of the Revised Statutes.

Beginning July 1, 2018, the overall state sales tax rate will be reduced from 5 percent to 4.45 percent. If a dealer charges and collects state sales tax at the rate of 5 percent on or after July 1, 2018, then the dealer must remit the excess sales taxes collected to the Louisiana Department of Revenue. Excess sales taxes collected are reported on Line 8 of the Sales Tax Return Form R-1029.

Beginning July 1, 2018, the overall state sales tax rate for the sale at retail, the use, the consumption, the distribution, and the storage to be used or consumed of steam, water, electric power or energy, natural gas, or other energy sources for non-residential use (“business utilities”), will be 2 percent (2%) levied pursuant to La. R.S. 47:302. The exemptions for steam, water, electric power or energy, natural gas, or other energy sources for non-residential use in La. R.S. 47:305(D)(1)(b),(c),(g) and (h) will apply to the sales tax levies in La. R.S. 47:321, 321.1 and 331.

The new tax rate of 0.45 percent levied pursuant to La. R.S. 47:321.1 and the sales tax rate of 2 percent on business utilities imposed pursuant to La. R.S. 47:302 will sunset on June 30, 2025.

Questions concerning this publication may be directed to sales.inquiries@la.gov.

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Secretary