

2020 Second Extraordinary Session

SENATE BILL NO. 28

BY SENATOR CATHEY

TAX/TAXATION. Exempts purchases of certain equipment by broadband providers from sales and use tax. (gov sig) (Item #39)

1 AN ACT

2 To enact R.S. 47:302(BB)(113), 305.12, 321(P)(114), 321.1(I)(114), 331(V)(114), and
3 337.9(D)(35), relative to incentives for broadband providers; to provide a sales and
4 use tax exemption for purchases of certain equipment by broadband providers; to
5 authorize the secretary of the Department of Revenue to promulgate rules; to provide
6 for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:302(BB)(113), 305.12, 321(P)(114), 321.1(I)(114), 331(V)(114),
9 and 337.9(D)(35) are hereby enacted to read as follows:

10 §302. Imposition of tax

11 * * *

12 BB. Notwithstanding any other provision of law to the contrary, including but
13 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
14 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
15 levied pursuant to the provisions of this Section, except for the retail sale, use,
16 consumption, distribution, or storage for use or consumption of the following:

17 * * *

1 **(113) Beginning January 1, 2021, purchases of certain equipment by**
2 **broadband providers as provided in R.S. 47:305.12.**

3 * * *

4 **§305.12. Exemptions; broadband provider incentive**

5 **A.(1) Beginning January 1, 2021, the sales and use tax imposed by the**
6 **state and any political subdivision of the state shall not apply to tangible**
7 **personal property purchased or used by a provider or an affiliate of a provider**
8 **of communications services, internet access, or any combination thereof in this**
9 **state to either:**

10 **(a) Transmit, convey, amplify, or route information such as images, text,**
11 **voice, video programming, other video content, or data.**

12 **(b) Build, assemble, repair, or replace tangible personal property used**
13 **to transmit, convey, amplify, or route information such as images, text, voice,**
14 **video programming, other video content, or data.**

15 **(2) This exemption includes but is not limited to:**

16 **(a) Converters.**

17 **(b) Modem and Wi-Fi equipment.**

18 **(c) Monitoring equipment.**

19 **(d) Fiber optic cable and coaxial cable.**

20 **(e) Conduit.**

21 **(f) Distribution plant.**

22 **(g) Customer connection equipment.**

23 **(h) Telecommunications radio.**

24 **(i) Routing and switching equipment.**

25 **(j) Prewritten computer software.**

26 **(k) Equipment enclosures, above and below ground.**

27 **(l) Towers, poles, and mounts.**

28 **(m) Electricity.**

29 **(n) Transmitters.**

1 (o) Power equipment.

2 (p) Diagnostic equipment.

3 (q) Storage devices.

4 (r) Servers.

5 (s) Multiplexers.

6 (t) Amplifiers.

7 (u) Antennas.

8 B. The secretary of the Department of Revenue may promulgate rules
9 and regulations necessary to implement the provisions of this Section.

10 * * *

11 §321. Imposition of tax

12 * * *

13 P. Notwithstanding any other provision of law to the contrary, including but
14 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
15 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
16 levied pursuant to the provisions of this Section, except for the retail sale, use,
17 consumption, distribution, or storage for use or consumption of the following:

18 * * *

19 (114) Beginning January 1, 2021, purchases of certain equipment by
20 broadband providers as provided in R.S. 47:305.12.

21 * * *

22 §321.1. Imposition of tax

23 * * *

24 I. Notwithstanding any other provision of law to the contrary, including but
25 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
26 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
27 levied pursuant to the provisions of this Section, except for the retail sale, use,
28 consumption, distribution, or storage for use or consumption of the following:

29 * * *

1 **(114) Beginning January 1, 2021, purchases of certain equipment by**
2 **broadband providers as provided in R.S. 47:305.12.**

3 * * *

4 §331. Imposition of tax

5 * * *

6 V. Notwithstanding any other provision of law to the contrary, including but
7 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
8 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
9 levied pursuant to the provisions of this Section, except for the retail sale, use,
10 consumption, distribution, or storage for use or consumption of the following:

11 * * *

12 **(114) Beginning January 1, 2021, purchases of certain equipment by**
13 **broadband providers as provided in R.S. 47:305.12.**

14 * * *

15 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
16 exemptions applicable

17 * * *

18 D.

19 * * *

20 **(35) R.S. 47:305.12, "keywords"; certain equipment used by broadband**
21 **providers.**

22 * * *

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

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Curry Lann.

DIGEST

SB 28 Original

2020 Second Extraordinary Session

Cathey

Proposed law provides for a state and local sales tax exemption for tangible personal property purchased or used by a provider or an affiliate of a provider of communications services, internet access, or any combination thereof in this state to either:

- (1) Transmit, convey, amplify, or route information such as images, text, voice, video programming, other video content, or data.
- (2) Build, assemble, repair, or replace tangible personal property used to transmit, convey, amplify, or route information such as images, text, voice, video programming, other video content, or data.

Proposed law provides that the sales tax exemption includes but is not limited to:

- (1) Converters.
- (2) Modem and Wi-Fi equipment.
- (3) Monitoring equipment.
- (4) Fiber optic cable and coaxial cable.
- (5) Conduit.
- (6) Distribution plant.
- (7) Customer connection equipment.
- (8) Telecommunications radio.
- (9) Routing and switching equipment.
- (10) Prewritten computer software.
- (11) Equipment enclosures, above and below ground.
- (12) Towers, poles, and mounts.
- (13) Electricity.
- (14) Transmitters.
- (15) Power equipment.
- (16) Diagnostic equipment.
- (17) Storage devices.
- (18) Servers.
- (19) Multiplexers.

(20) Amplifiers.

(21) Antennas.

Present law provides for the exclusive list of sales and use tax exemptions that are effective through June 30, 2025, for each of the four major state sales tax levies.

Proposed law includes the sales tax exemption for purchases of certain equipment used by broadband providers to the list of effective sales tax exemptions for all sales tax periods beginning on January 1, 2021.

Proposed law authorizes the secretary of the Dept. of Revenue to promulgate rules.

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

(Adds R.S. 47:302(BB)(113), 305.12, 321(P)(114), 321.1(I)(114), 331(V)(114), and 337.9(D)(35))