

State tax changes take effect Friday, April 1

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BATON ROUGE – Numerous changes to Louisiana’s tax laws, passed this year during a special session of the Louisiana Legislature, take effect on Friday, April 1.

Taxes affected by the changes include the state sales tax. Acts 25 and 26 of the 2016 First Extraordinary Session of the Louisiana Legislature remove or restrict certain exemptions from the 4 percent state sales tax, make certain new transactions taxable, and add a penny of sales tax to certain taxable transactions.

Beginning April 1:

- A new one-cent sales and use tax takes effect, increasing the state sales tax from four cents to five cents; the extra penny remains in effect until June 30, 2018, in most cases, but expires on July 1, 2016, for manufacturing equipment and machinery
- Most current exemptions and exclusions on the 4 percent state sales tax are eliminated; all exclusions will be restored by July 1, 2018
- An automobile rental tax, which had expired, is reinstated on gross proceeds at the rate of 2.5 percent (state) and 0.5 percent (local)
- A hotel tax, with revenue flowing to local governments, is expanded to include residential locations such as houses, apartments and condominiums
- Sales made in Louisiana by dealers outside the state (such as over the Internet) are subject to the collection and remittance of sales and use tax
- The excise tax on cigarettes increases to \$1.08
- The excise tax on alcoholic beverages increases to:
 - Liquor - \$0.80 per liter
 - Sparkling wine - \$0.55 per liter
 - Still wines with 14-24 percent alcoholic volume - \$0.35 per liter
 - Still wines with more than 24 percent alcoholic volume - \$0.55 per liter
 - Malt beverages - \$12.50 per barrel
 - Low alcoholic content beverages - \$12.50 per barrel
- A discount for accurately reporting and remitting excise taxes on certain tobacco products is reduced from 6 to 5 percent
- A discount for accurately reporting and remitting excises taxes on alcoholic beverages and beer is reduced from 2 percent to 1.5 percent for low-content beverages; and from 3.3 percent to 2.5 percent for high-content beverages
- Membership fees or dues paid to a nonprofit, civic organization which provides access to clubs or the privilege of having access to amusement, entertainment, athletic, or recreational facilities are subject to state sales tax

For more information, read:

- [Revenue Information Bulletin 16-008](#): *Notification of Changes in Tobacco Tax Laws Effective April 1, 2016*;
- [Revenue Information Bulletin 16-009](#): *Notification of Changes in the Alcohol Tax Laws Effective April 1, 2016*;
- [Revenue Information Bulletin 16-012](#): *State Sales Tax Exemptions and Exclusions Applicable to La. R.S. 47:302, 321 and 331*;
- [Revenue Information Bulletin 16-013](#): *Imposition of a New One-Cent Sales and Use Tax*;
- [Revenue Information Bulletin 16-014](#): *Taxability of Dues Paid to Nonprofit, Civic Organizations Which Entitle the Member to Receive Access to Clubs or the Privilege of Having Access to or the Use of Amusement, Entertainment, Athletic, or Recreational Facilities*;
and
- [Acts 25 and 26 – Taxable Rate of Transactions for Exemptions and Exclusions](#)