

Revenue Information Bulletin No. 18-017
June 28, 2018
Sales Tax

Decrease in State Sales Tax Rate on
Telecommunications Services and Prepaid Calling Cards
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 sales tax rate on intrastate telecommunications services and prepaid calling cards will be reduced from 4 percent (4%) to 3.45 percent (3.45%) and the state sales tax rate on interstate and international telecommunications services will be reduced from 3 percent (3%) to 2.45 percent (2.45%).

If a dealer charges and collects state sales tax at the rate of 4 percent on intrastate telecommunications services and prepaid calling cards, or at the rate of 3 percent on interstate and international telecommunications services, 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.

The new tax rate of 0.45 percent levied pursuant to La. R.S. 47:321.1 will sunset on June 30, 2025.

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

Kimberly Lewis Robinson
Secretary