

From: Louisiana Municipal Association info@lma.org
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Legislative Bulletin

June 29, 2015

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Dear LMA Members:

If your municipality owns a utility system (water, gas, electricity) you will be affected by HCR 8, which passed in the final hour of the 2015 Louisiana Legislative Session. HCR 8 temporarily suspends the sales tax exemption on certain business utilities. Utility companies will now be required to collect a 1% state sales and use tax levied on businesses effective July 1st. You will be receiving a letter soon from the Louisiana Department of Revenue regarding what will be required from municipalities and parishes that own utilities regarding how they should begin collecting this state sales tax. This tax will only be assessed on business customers, not residential customers. The Department is working diligently to determine what steps need to be taken to ensure compliance with this directive.

In the meantime, attached is a **Frequently Asked Question** paper prepared by the Louisiana Department of Revenue. This is an informal document and is to be considered as merely technical assistance from the LDR. A more formal official directive from the LDR will be sent out soon to provide more clarity. The LMA will continue to keep its members informed as soon as more information is available.

[Click here](#) for HCR 8 Q&A

If you have any questions, please contact the Louisiana Department of Revenue Tax Administration Division at 225.219.2797.