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DIGEST

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HB 264 Original

2017 Regular Session

Bishop

**Abstract:** Excludes fixed fee and guaranteed maximum price construction contracts from the levy of a new state or local sales and use tax.

Present law establishes a sales and use tax exclusion from taxes imposed by the state and its political subdivisions for certain materials and services involved in construction contracts in the instance of a new sales and use tax levy.

Present law excludes from any new sales tax levy, materials and services for a lump sum or unit price construction contract entered into and reduced to writing either before the effective date of the new tax levy, or within 90 days of that date if the contract involves contractual obligations undertaken prior to that date and were computed and bid on the basis of tax rates effective and existing prior to the effective date of the new tax.

Proposed law changes present law by including in the types of contracts specified as eligible for the exclusion fixed rate and guaranteed maximum price construction contracts.

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

(Amends R.S. 47:305.11(A))