



**Revenue Information Bulletin
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Sales Tax**

Legislature Provides That “Tangible Personal Property” Shall Not Include “Other Constructions” Permanently Attached to the Ground

Act 6 of the 2004 First Extraordinary Session of the Louisiana Legislature has amended Revised Statute 47:301(16)(l) to provide that the term “tangible personal property” shall not include “other constructions” permanently attached to the ground. This Act was effective upon signature of the Governor on March 25, 2004. Formerly, this exclusion from the definition of “tangible personal property” applied only to the sales and use taxes levied by political subdivisions of the state, as enacted by the Legislature in Act 61 of the 2003 Regular Legislative Session.

This exclusion in R.S. 47:301(16)(l) alters, for state and local sales and use tax administration purposes only, the Louisiana Civil Code classification of “other constructions” as movable property when there is no unity of ownership between the other constructions and the lands on which they are located. Thus, effective March 25, 2004, “other constructions,” as that term is defined in Louisiana Civil Code Articles 462, *et seq.*, will be treated, for sales and use tax administration purposes, as immovable property when permanently attached to the land, regardless of the ownership of the land.

Under the exclusion, persons constructing, selling, leasing, renting, or repairing “other constructions” that are permanently attached to the ground must treat those constructions, for both state and local sales tax purposes, as any other immovable property. Sales tax will no longer be collectible by sellers, lessors, and repair dealers on sales and leases of or on repair services rendered to “other constructions.” Instead, they will owe state and local sales or use tax on their acquisition prices of the materials that they acquire for the construction of or for providing repairs to such property.

Questions concerning this matter can be directed to the Taxpayer Services Division in Baton Rouge at 225.219.7356 or to any of the Department's regional offices.

Cynthia Bridges
Secretary

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