



**Revenue Information Bulletin  
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Sales Tax**

**Legislature Expands Sales Tax Exemptions for Rail Rolling Stock**

Act 397 of the 2005 Regular Session of the Louisiana Legislature expands state and local sales and use tax exemptions applicable to sales and leases of rail rolling stock, and provides a new state exemption and optional local exemption for parts and services used in the fabrication, modification, or repair of rail rolling stock.

The act amends La. Rev. Stat. Ann. § 47:305.50(B)(1) to provide that the sales and use tax levied by the state or any of its local political subdivisions or statewide tax authorities shall not apply to rail rolling stock sold or leased in the state. Formerly, this exemption was limited to rail rolling stock manufactured in the state for use in interstate commerce. Because the character as railroad rolling stock of the property sold, purchased, or leased should be clearly evident from the business records of sellers, buyers, lessors, and lessees, the department will not require buyers or lessees to present exemption certificates to document their eligibility for this exemption.

Act 397 also enacts La. Rev. Stat. Ann. § 47:305.50(B)(2) and 47:337.10(J) to mandate the exemption from state sales and use taxes, and to allow political subdivisions of the state the option of providing exemption from their sales or use taxes, for parts or services used in the fabrication, modification, or repair of rail rolling stock.

Act 397 was effective upon signature by the Governor on July 1, 2005. Questions concerning this act can be directed to the Taxpayer Services Division at 225.219.7356.

Cynthia Bridges  
Secretary

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