



# This Week in State Tax (TWIST)

June 12, 2023



LOUISIANA



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## Louisiana: Sales Tax Economic Nexus Threshold Change; Other Key Bills Pending

On May 30, 2023, Governor Jon Bel Edwards signed House Bill 171, which makes certain changes to the state marketplace facilitator and remote seller statutes. Currently, a dealer or a marketplace facilitator includes a person that has over \$100,000 of gross revenue from sales into the state, or that sold for delivery into the state more than 200 separate transactions of tangible personal property, services, or products transferred electronically. House Bill 171 removes the 200 transactions threshold. In addition, in measuring whether a marketplace facilitator meets the over \$100,000 of gross revenue economic nexus threshold, House Bill 171 provides that only “retail sales” are considered. In franchise tax news, [Senate Bill 1](#) was recently sent to the governor for signature. Effective for tax periods beginning on or after January 1, 2025 and before January 1, 2031, this bill would reduce the franchise tax rate by 25 percent each year that sufficient revenues were deposited into the state Revenue Stabilization Trust Fund. If sufficient revenues were deposited, the rate reduction would be effective January first of the year following the money being deposited into the Fund. Finally, House Bill 631, if signed, would repeal the throwout rule that excludes from the numerator and denominator of the sales factor (1) receipts assigned to a state where the taxpayer is not taxable, or (2) receipts where the state of assignment cannot be determined or reasonably approximated. The throwout rule repeal would be effective for tax years beginning on or after January 1, 2024. Please stay tuned to TWIST for additional Louisiana legislative changes.



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