

Revenue Information Bulletin No. 25-023**August 14, 2025****Sales Tax****2025 Regular Session****Exemption for General Contractors and Subcontractors of Public Projects**

Act 384 of the 2025 Regular Session of the Louisiana Legislature extended the governmental sales tax exemption in La. R.S. 47:305.7(A), effective July 1, 2025. The state and local sales and use tax exemption now applies to certain purchases made by general contractors and their subcontractors when performing work pursuant to construction contracts for the state, local governments, or any agency, board, commission or instrumentality of the state (“public projects”)¹. The exemption is limited to purchases of materials and equipment rentals for the construction contract.

General contractors and their subcontractors must each complete and submit a separate Form R-85012, *Public Projects Contractor/Subcontractor Certification and Exemption Application*², electronically, through [Louisiana Taxpayer Access Point \(“LaTAP”\)](#),³ along with a copy of the contract. The application shall include the job description, contract number, state or local government entity identifying information, and valid dates or a date range for the construction project. Taxpayers must have a LaTAP account to use the electronic application and access their exemption certificate. An application may be submitted for a public project contract that was executed prior to July 1, 2025. However, the exemption does not apply to purchases made prior to July 1, 2025.

Upon approval, Form R-85014, *Public Projects Contractor/Subcontractor Certification and Sales Tax Exemption Certificate* will be issued and must be presented to vendors when making purchases. Local sales and use tax collectors shall accept the exemption certificates issued by the Department of Revenue. General contractors and subcontractors may not use the Form R-1056, *Purchases by Political Subdivisions of the State of Louisiana*. Form R-1056 may only be used by political subdivisions of Louisiana. Also, general contractors and subcontractors who have been designated as an agent of a governmental entity by using the Form R-1020, *Designation of Construction Contractor as Agent of a Governmental Entity* are

¹ La. R.S. 47:305.7(A)(1)(b)

² Pending availability of the electronic application in LaTAP, taxpayers may use the paper form, Form R-85012-T, *Public Projects Contractor/Subcontractor Sales Tax Certification and Exemption Application*. Upon approval, an exemption certificate will be mailed to the taxpayer if not yet available in LaTAP.

³ A LaTAP account can be created by following this link.

not required to obtain a Form R-85014. The R-1020 allows for the purchase of construction materials, services, leases and rentals without the payment of tax.

Pursuant to La. R.S. 47:305.7(A)(1)(c), the exemption does not apply to general contractors or subcontractors making purchases related to payment in lieu of taxes ("PILOT") agreements or other similar agreements executed after July 1, 2025, unless the agreement is approved by the secretary of the Department of Revenue ("LDR") and the secretary of the Louisiana Economic Development ("LED"). Requests for approval of PILOT agreements should be submitted to LDR first at LDRPILOTrequests@la.gov. Once approved by LDR, the request will be forwarded to LED.

Questions about completing the Form R-85012 should be emailed to LDRSales.ExemptionApplications@la.gov. Questions concerning this Bulletin should be directed by e-mail to Policy@la.gov.

Richard Nelson
Secretary