



This Week in State Tax (TWIST)

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Louisiana: Sales Tax Applies to Sales of Electricity at EV Charging Stations

In a recent ruling, the Department of Revenue determined that the sale of electricity at an electric vehicle charging station was a taxable retail sale of tangible personal property. Although the Louisiana Constitution excludes from sales and use tax the sale of utilities furnished to single, private residences, the electricity sold through charging stations was not being purchased for residential use. In addition, although purchases of electricity for business use are subject to a lower sales tax rate, the electricity sold at charging stations was not being purchased for business use. Moreover, the taxability of the transaction did not depend on whether the price charged was based on the amount of electricity consumed or the time spent using the charging station. The Department did conclude, however, that fees charged to vehicle owners for "idle time" (periods during which a vehicle is fully charged but has not been unplugged from the charging station) were not subject to sales tax, provided such fees are separately stated. Owners of charging stations may purchase the electricity sold through the station as a nontaxable sale for resale. Please contact Randy Serpas with questions on Revenue Ruling 22-004.



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