



Louisiana Department of Public Safety
Office of Motor Vehicles
**Policy 49.01 Exempt From Sales Tax
Lease / Rental Vehicles**

Section: 4. Motor Vehicle Registration Requirements

Effective Date: 02/05/1997

Revised Date: 07/11/2016

Authority:

[R.S. 47:305.36\(C\)](#)

[R.S. 47:301\(7\)\(a\); 10\(a\)\(i\);18\(a\)\(i\)](#)

To view Louisiana Statutes: <http://www.legis.state.la.us/>

General:

- Lease/rental companies that have a lease exemption number issued by the Department of Revenue may be partially or totally exempt from the payment of state and local parish/municipality sales tax, depending upon the purchase date and the domicile of the vehicle.

Requirements:

- Lease exemption numbers are issued to dealers who have an "N" dealer permit number, companies and/or dealers which have obtained a Motor Vehicle Lessor License from the Louisiana Motor Vehicle Commission, and financial institutions.
- Individuals must apply for a dealer permit number from the Louisiana Motor Vehicle Commission and obtain a lease exemption number from the Department of Revenue before leasing a vehicle to another individual.
- A completed R-1310 (Rev 07/15) certificate must be submitted with each file to title a leased/rental vehicle. See sample below.
- Before a tax exemption can be granted, the lease exemption number must be verified by referring to the quarterly listing provided by the Department of Revenue.
- Lease/rental companies must have a lease exemption number for each location regardless if the company is an in-state or out-of-state company.
- Leased/rental vehicles titled in the name of a titling, vehicle, or origination trust, must have a lease exemption number in that specific name or full tax will be due.
- **Rental Purchase (Rent-to-Own) Dealers**
 - Used vehicle dealers that have a lease exemption number issued by the Department of Revenue may enter into an agreement with a prospective purchaser to rent a vehicle for a long term (minimum of twelve months) with an option to purchase.
 - The original title must be properly assigned to the dealer.

- Lease exemption numbers are issued to rental purchase (rent-to-own) dealers who have a dealer permit number issued by the Used Motor Vehicle and Parts Commission. Dealers that have a lease exemption number issued by the Department of Revenue may be exempt from state and local parish/municipality sales tax.
- A completed R-1310 certificate must be submitted with each file to title a rental purchase vehicle.
 - Dealers must have a separate lease exemption number for each location.
- A consumer rental purchase agreement must be submitted with each file.
 - The agreement must indicate the complete description (year, make, model, and vin) of the vehicle, dealer's name and address, dealer code (if not indicated on the R-1310 certificate), renter's name and address, and the payment schedule.
 - The payment schedule must include the number and the amount of monthly payments and the date payments will begin.

Notes:

- All rental purchase automobiles and trucks are exempt from state and parish/municipality taxes.
- All rental purchase trailers and semi-trailers are exempt from state tax, however, parish/municipality taxes must be collected.