



This Week in State Tax (TWIST)

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Louisiana: Department of Revenue Finalizes Digital Goods Regulations

The Louisiana Department of Revenue (Department) adopted a final rule clarifying sales and use tax exemptions for digital tools, effective October 20, 2026. Digital tools include digital products, computer software, prewritten computer software access services, and information services. The rule addresses exemptions for digital tools used in commercial production and healthcare, as well as self-created digital products, and identifies uses and purchases that do not qualify for exemption.

For the commercial production exemption, direct use requires applying or incorporating a digital tool into the creation, development, or production of a final product or service for sale to a customer. Tools used to manage business operations or improve efficiency or productivity, including accounting, inventory management, project management, communication, and analytical software, do not qualify. The rule also provides examples of exempt digital products created solely for the creator's business needs and which are not the type offered for sale by that person, including in-house workflow automation tools, proprietary content management systems, internal brand style guides, and training videos. Digital tools purchased to create those products remain taxable. For example, an employee training video is exempt, but prewritten computer software access services purchased to create the video are taxable.

For the healthcare exemption, the rule defines licensed healthcare facilities and providers to include institutions and individual practitioners licensed by the Louisiana Department of Health or Louisiana State Board of Medical Examiners to deliver medical, dental, behavioral health, or related clinical services. Qualifying tools used to store or transmit healthcare information or diagnose or treat a medical condition include tools that monitor and protect the transmission and storage of patient healthcare information.

Please contact [Randall Serpas](#) and [Patrick Loynes](#) with questions about the Louisiana Department of Revenue's [Exemption for Digital Tools Regulation](#).

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