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The original instrument was prepared by James Benton. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

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DIGEST

SB 12 Reengrossed

2016 Second Extraordinary Session

Morrell

Present law provides an exemption from state and local sales and use tax for sales at certain domed stadium facilities, domed arena facilities, baseball facilities, and the publicly owned property on which these facilities are located. The only taxable sales are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law removes the exemptions from sales and use and amusement taxes at such events in a domed stadium facility, except as follows:

- (1) Admission tickets to athletic contests or any large scale bid-upon event including contests and events where sales tax obligations created on or after April 1, 2016 were absorbed and the outstanding tax has yet to be remitted sold in the primary ticket market but not the secondary market unless made by a nonprofit host organization.
- (2) Any sale, service, or other transaction, including the sale of parking, occurring in such facility in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests or any large scale bid-upon events, wherever sold.
- (5) Tours of the facility.
- (6) The full price of admission tickets for nonathletic events and any sale, service, or other transaction, including the sale of parking, related to the nonathletic event if the event was under contract on or before September 1, 2016.
- (7) Parking pursuant to events allowed under an existing lease or extension thereof.

Present law applies to events, activities, or enterprises conducted on property containing a domed arena facility with a seating capacity of at least 12,500 located in a parish with a population of more than 185,000 and less than 250,000 based on the most recent federal decennial census.

Proposed law removes upper population limit of more than 250,000.

Present law applies to events, activities, or enterprises at an open baseball site publicly owned with a seating capacity of at least 10,000 having a class Triple A professional baseball franchise and

located in more than one parish.

Proposed law changes seating capacity to 7,500.

Proposed law removes the exemptions from sales and use and amusement taxes at events in a domed arena facility except as follows:

- (1) Admission tickets to athletic contests or any large scale bid-upon events, or any other events allowed under an existing lease or extension thereof including contests and events where sales tax obligations created on or after April 1, 2016 were absorbed and the outstanding tax has yet to be remitted, sold in the primary ticket market, but not secondary market sales of such tickets unless such sales are made by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in such facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests or any large scale bid-upon events, wherever sold.
- (5) Tours of the facility.
- (6) The full price of admission tickets for nonathletic events if the event was under contract on or before September 1, 2016.

Proposed law removes the exemptions from sales and use and amusement taxes at events conducted in an open baseball site, except as follows:

- (1) Admission tickets to athletic events, or any large scale bid-upon events or any other events allowed under an existing lease or extension thereof, including for contests and events where the sales tax obligations created on or after April 1, 2016 were absorbed and the outstanding tax has yet to be remitted or any other events allowed under an existing lease or extension thereof, sold in the primary ticket market, but not secondary market sales of tickets unless made by a nonprofit host organization.
- (2) Any sale, service, or other transaction, including the sale of parking, occurring in such facility in connection with athletic contests or any other events allowed under an existing lease or extension thereof.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests, wherever sold or any other events allowed under an existing

lease or extension thereof.

- (5) Tours of the site.
- (6) The full price of admission tickets for nonathletic events if the event was under contract on or before April 1, 2016.

Further provides that proposed law exemptions also apply to any event, activity, or enterprise held in conjunction with athletic contests held in or adjacent to the respective facility to which they apply.

Present law provides an exemption from state sales tax for sales at other publicly owned facilities if the local jurisdiction in which the facility is located also exempts these sales. The only taxable sales are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law removes the exemptions from state sales and use and amusement taxes for sales at these facilities except as follows:

- (1) Admission tickets to athletic events sold in the primary ticket market but not secondary market sales unless sold by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in the facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic events or other large scale bid-upon events or any other events allowed under existing an lease or extension thereof.
- (5) Tours of the facility.
- (6) The full price of admission tickets for nonathletic events if the event was under contract on or before April 1, 2016.

Proposed law provides that these exemptions also apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to the facility to which the exemptions apply.

Requires that the exemptions provided in proposed law apply to events hosted by a nonprofit organization, located in a parish with a population of more than 250,000, whose mission is to bid upon, contract and manage large scale sporting and entertainment events on behalf of the state, which may have a bid requirement of a waiver of taxes, or a waiver of all tax offered as an enhancement to significantly increase the probability of awarding the event to Louisiana.

Applicable to taxable periods beginning on or after April 1, 2016.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:467 and 468)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Provides that exemptions also apply to events allowed under certain existing leases or extensions thereof.
2. Adds provision for applying exemptions to events hosted by a nonprofit organization in a parish with a population in excess of 250,000.