

2017 Regular Session

HOUSE BILL NO. 668

BY REPRESENTATIVE STOKES

TAX/SALES & USE: Extends the applicability of certain sales and use tax exemptions to local sales and use taxes

1 AN ACT

2 To amend and reenact R.S. 47:305(A)(2), (5), and (6), and (D)(1)(k) through (m) and (s),

3 305.20(A), 305.25(A)(introductory paragraph) and (B), 305.37(A), 305.63,

4 305.64(A)(1), to enact R.S. 47:305.72, and to repeal R.S. 47:301(16)(n), 305.20(G),

5 305.25(C), 305.37(B), and 337.10(D) and (N), relative to sales and use taxes; to

6 provide with respect to certain exemptions and exclusions from tax; to provide for

7 applicability of certain exemptions and exclusions from locals sales and use taxes:

8 to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:305(A)(2), (5), and (6), and (D)(1)(k) through (m) and (s),

11 305.20(A), 305.25(A)(introductory paragraph) and (B), 305.37(A), 305.63, 305.64(A)(1) are

12 hereby amended and reenacted and R.S. 47:305.72 is hereby enacted to read as follows:

13 \* \* \*

14 §305. Exclusions and exemptions from the tax

15 A.

16 \* \* \*

17 (2)(a) The gross proceeds derived from the sale in this state of livestock at

18 public sales sponsored by breeders' or registry associations or livestock auction

19 markets are exempted from the sales and use tax levied by the state ~~only~~ or any other

20 taxing authority. When public sales of livestock are made to consumers by any

1 person other than through a public sale sponsored by a breeders' or registry  
2 association or a livestock auction market, they are not exempted from the sales and  
3 use tax imposed by the state or any other taxing authority. This Section shall be  
4 construed as exempting race horses entered in races and claimed at any racing meet  
5 held in Louisiana, whether the horse claimed was owned by the original breeder or  
6 not.

7 (b) The applicability of the exemption provided for in this Paragraph for  
8 purposes of the sales and use tax imposed by any taxing authority other than the state  
9 shall be phased-in as follows:

10 (i) For the period beginning October 1, 2017, and ending September 30,  
11 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
12 sale.

13 (ii) For the period beginning October 1, 2018, and ending September 30,  
14 2019, the exemption shall apply to fifty percent of the amount of the taxable sale.

15 (iii) For the period beginning October 1, 2019, and ending September 30,  
16 2020, the exemption shall apply to seventy-five percent of taxable sale.

17 (iv) For taxable periods beginning on and after October 1, 2020, the  
18 exemption shall apply to one hundred percent of the amount of the taxable sale.

19 \* \* \*

20 ~~(5)(a) Solely for purposes of the sales and use tax levied by the state, such~~  
21 ~~tax shall not apply to the~~ The sale or use of bait, feed, materials, supplies, equipment,  
22 fuel, and related items other than vessels used in the production or harvesting of  
23 crawfish shall be exempt from sales and use taxes imposed by the state or any other  
24 taxing authority. The person who purchases the exempt items shall claim the  
25 exemption by executing a certificate at the time of purchase. The Department of  
26 Revenue shall provide the certificates to retail merchants. Any merchant who in  
27 good faith, and after examination of the applicability of the certificate to that  
28 purchase with due care, neglects or fails to collect the tax herein provided, due to the  
29 presentation by the purchaser of a tax exemption certificate issued by the Department

1 of Revenue, including those issued pursuant to R.S. 47:305.10, shall not be liable for  
2 the payment of the tax.

3 (b) ~~Solely for purposes of the sales and use tax levied by the state, such tax~~  
4 ~~shall not apply to the sale or use of bait and feed used in the production or harvesting~~  
5 ~~of crawfish. The person who purchases the exempt items shall claim the exemption~~  
6 ~~by executing a certificate at the time of purchase. The Department of Revenue shall~~  
7 ~~provide the certificates to retail merchants. Any merchant who in good faith, and~~  
8 ~~after examination of the applicability of the certificate to that purchase with due care,~~  
9 ~~neglects or fails to collect the tax herein provided, due to the presentation by the~~  
10 ~~purchaser of a tax exemption certificate issued by the Department of Revenue,~~  
11 ~~including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment~~  
12 ~~of the tax. The applicability of the exemption provided for in this Paragraph for~~  
13 ~~purposes of the sales and use tax imposed by any taxing authority other than the state~~  
14 ~~shall be phased-in as follows:~~

15 (i) For the period beginning October 1, 2017, and ending September 30,  
16 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
17 sale.

18 (ii) For the period beginning October 1, 2018, and ending September 30,  
19 2019, the exemption shall apply to fifty percent of the amount of the taxable sale.

20 (ii) For the period beginning October 1, 2019, and ending September 30,  
21 2020, the exemption shall apply to seventy-five percent of taxable sale.

22 (iv) For taxable periods beginning on and after October 1, 2020, the  
23 exemption shall apply to one hundred percent of the amount of the taxable sale.

24 (6) ~~Solely for purposes of the sales and use tax levied by the state, such tax~~  
25 ~~shall not apply to the~~ (a) The sale or use of materials, supplies, equipment, fuel, bait,  
26 and related items other than vessels used in the production or harvesting of catfish  
27 shall be exempt from sales and use taxes imposed by the state or any other taxing  
28 authority. The person who purchases the exempt items shall claim the exemption by  
29 executing a certificate at the time of purchase. The Department of Revenue shall

1 provide the certificates to retail merchants. Any merchant who in good faith, and  
2 after examination of the applicability of the certificate to that purchase with due care,  
3 neglects or fails to collect the tax herein provided, due to the presentation by the  
4 purchaser of a tax exemption certificate issued by the Department of Revenue, shall  
5 not be liable for the payment of the tax.

6 (b) The applicability of the exemption provided for in this Paragraph from  
7 the sales and use tax imposed by any taxing authority other than the state shall be  
8 phased-in as follows:

9 (i) For the period beginning October 1, 2017, and ending September 30,  
10 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
11 sale.

12 (ii) For the period beginning October 1, 2018, and ending September 30,  
13 2019, the exemption shall apply to fifty percent of the amount of the taxable sale.

14 (iii) For the period beginning October 1, 2019, and ending September 30,  
15 2020, the exemption shall apply to seventy-five percent of taxable sale.

16 (iv) For taxable periods beginning on and after October 1, 2020, the  
17 exemption shall apply to one hundred percent of the amount of the taxable sale.

18 \* \* \*

19 D.(1) The sale at retail, the use, the consumption, the distribution, and the  
20 storage to be used or consumed in the taxing jurisdiction of the following tangible  
21 personal property is hereby specifically exempted from the tax imposed by taxing  
22 authorities, except as otherwise provided in this Paragraph:

23 \* \* \*

24 ~~(k)(i) Solely for purposes of the state sales and use tax, orthotic, Orthotics,~~  
25 including prescription eyeglasses and contact lenses, and prosthetic devices and  
26 wheelchairs and wheelchair lifts prescribed by physicians, optometrists or licensed  
27 chiropractors for personal consumption or use.

28 ~~(ii) Solely for purposes of the sales and use tax of political subdivisions, the~~  
29 ~~sale to, or the purchase by, an individual or by a medical service provider such as a~~

1 ~~physician, clinic, surgical center, or other healthcare facility of a prosthetic device~~  
2 ~~which is sold or purchased with the intention of being personally used or consumed~~  
3 ~~by individuals pursuant to a prescription by a physician when the individual is~~  
4 ~~covered by the state of Louisiana Medicaid insurance program or a Medicaid~~  
5 ~~insurance program administered by a third party on behalf of the state of Louisiana.~~

6 The applicability of the exemption provided for in this Subparagraph for purposes  
7 of the sales and use tax imposed by any taxing authority other than the state shall be  
8 phased-in as follows:

9 (aa) For the period beginning October 1, 2017, and ending September 30,  
10 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
11 sale.

12 (bb) For the period beginning October 1, 2018, and ending September 30,  
13 2019, the exemption shall apply to fifty percent of the amount of the taxable sale.

14 (cc) For the period beginning October 1, 2019, and ending September 30,  
15 2020, the exemption shall apply to seventy-five percent of taxable sale.

16 (dd) For taxable periods beginning on and after October 1, 2020, the  
17 exemption shall apply to one hundred percent of the amount of the taxable sale.

18 ~~(l) Solely for purposes of the state sales and use tax, the (i) The sale or~~  
19 ~~purchase of any ostomy, ileostomy or colostomy device or any other appliance~~  
20 ~~including catheters or any related item which is required as the result of any surgical~~  
21 ~~procedure by which an artificial opening is created in the human body for the~~  
22 ~~elimination of natural waste.~~

23 (ii) The applicability of the exemption provided for in this Subparagraph for  
24 purposes of the sales and use tax imposed by any taxing authority other than the state  
25 shall be phased-in as follows:

26 (aa) For the period beginning October 1, 2017, and ending September 30,  
27 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
28 sale.









1 or any other taxing authority shall not apply to the sale of polyroll tubing sold or  
2 used for commercial farm irrigation.

3 B. The applicability of the exemption provided for in this Section for  
4 purposes of the sales and use tax imposed by any taxing authority other than the state  
5 shall be phased-in as follows:

6 (1) For the period beginning October 1, 2017, and ending September 30,  
7 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
8 sale.

9 (2) For the period beginning October 1, 2018, and ending September 30,  
10 2019, the exemption shall apply to fifty percent of the amount of the taxable sale.

11 (3) For the period beginning October 1, 2019, and ending September 30,  
12 2020, the exemption shall apply to seventy-five percent of taxable sale.

13 (4) For taxable periods beginning on and after October 1, 2020, the  
14 exemption shall apply to one hundred percent of the amount of the taxable sale.

15 §305.64. Exemption; qualifying radiation therapy treatment centers

16 A.(1) (a) The sales and use tax imposed by the state ~~of Louisiana~~ or any  
17 other taxing authority shall not apply to the amount paid by qualifying radiation  
18 therapy treatment centers for the purchase, lease, or repair of capital equipment and  
19 the purchase, lease, or repair of software used to operate capital equipment. ~~Any~~  
20 ~~political subdivision of this state, including parishes and municipalities, may elect~~  
21 ~~to grant a sales and use tax exemption for the amount paid by qualifying radiation~~  
22 ~~therapy treatment centers for the purchase, lease, or repair of capital equipment and~~  
23 ~~the purchase, lease, or repair of software used to operate capital equipment.~~

24 (b) The applicability of the exemption provided for in this Paragraph for  
25 purposes of the sales and use tax imposed by any taxing authority other than the state  
26 shall be phased-in as follows:

27 (1) For the period beginning October 1, 2017, and ending September 30,  
28 2018, the exemption shall apply to twenty-five percent of the amount of the taxable  
29 sale.



1 Section 2. R.S. 47:301(16)(n), 305.20(G), 305.25(C), 305.37(B), and 337.10(D) and  
2 (N) are hereby repealed in their entirety.

3 Section 3. This Act shall take effect on October 1, 2017, and become operative if the  
4 Act which originated as House Bill No. 562 of this 2017 Regular Session of the Legislature  
5 is enacted and becomes effective.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 668 Original

2017 Regular Session

Stokes

**Abstract:** Extends applicability of various state sales and use tax exclusions and exemptions to sales and use taxes imposed by local and other taxing authorities.

Proposed law extends applicability of various state sales and use tax exemptions to the taxes imposed by taxing authorities other than the state, with the application phased in over four years, beginning Oct. 1, 2017, when the exemptions would be applicable to 25% of the sale, and with 100% of the sale to be exempt starting Oct. 1, 2020.

Present law establishes an exclusion from state sales and use taxes for machinery and equipment purchased by the owner of a radio station located within La. that is licensed by the Federal Communications Commission for radio broadcasting, if the owner meets certain requirements concerning business ownership and payroll in La.

Proposed law changes present law by changing the preferential tax treatment for machinery and equipment purchased by the owner of a radio station from a state only exclusion to an exemption applicable to taxes imposed by the state or any other taxing authority.

Proposed law repeals requirements concerning radio station ownership domicile and payroll, and requires instead that the machinery and equipment be necessary to maintain a license with the FCC. Proposed law further extends the exemption to machinery and equipment purchased by the owner of a television station.

Present law establishes an exemption from state sales and use taxes for the gross proceeds derived from the sale of livestock at public sales sponsored by breeders' or registry associations or livestock auction markets.

Proposed law retains present law and extends applicability of the exemption for sales of livestock to taxes imposed by any other taxing authority.

Present law establishes an exclusion from state sales and use taxes for the sale or use of bait, feed, materials, supplies, equipment, fuel, and related items other than vessels used in the production or harvesting of crawfish.

Proposed law changes present law by changing the preferential tax treatment for the sale of bait, feed, materials, supplies, equipment, fuel, and related items used in the production or harvesting of crawfish from a state only exclusion to an exemption applicable to taxes imposed by the state or any other taxing authority.

Present law establishes an exclusion from state sales and use taxes for the sale or use of bait, feed, materials, supplies, equipment, fuel, and related items other than vessels used in the production or harvesting of catfish.

Proposed law changes present law by changing the preferential tax treatment for the sale of bait, feed, materials, supplies, equipment, fuel, and related items used in the production or harvesting of catfish from a state only exclusion to an exemption applicable to taxes imposed by the state or any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of orthotics, including prescription eyeglasses and contact lenses, and prosthetic devices and wheelchairs and wheelchair lifts prescribed by physicians, optometrists or licensed chiropractors for personal consumption or use.

Proposed law retains present law and extends applicability of the exemption for the sale of orthotics to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of ostomy, ileostomy or colostomy devices or any other appliance including catheters or any related item which is required as the result of any surgical procedure by which an artificial opening is created in the human body for the elimination of natural waste.

Proposed law retains present law and extends applicability of the exemption for the sale of ostomy and related supplies to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of patient aids prescribed by a physician or a licensed chiropractor for home use.

Proposed law retains present law and extends applicability of the exemption for the sale of patient aids to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of medical devices used exclusively by the patient in the medical treatment of various diseases or administered exclusively to the patient by a physician, nurse, or other health care professional or health care facility in the medical treatment of various diseases under the supervision of and prescribed by a licensed physician.

Proposed law retains present law and extends applicability of the exemption for the sale of medical devices to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of supplies, equipment, materials, repairs, and vessels used by commercial fishermen or a seafood processor who processes the catch of such a fisherman.

Proposed law retains present law and extends applicability of the exemption for the sale of supplies, equipment, and services for the vessel of a commercial fisherman or seafood processor to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes the first \$50,000 of the sales price for farm equipment including tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers, attachments, sprayers, clippers, cultivators, discs, plows, spreaders, irrigation wells, drives, motors, and other equipment and farm facilities used for the production of food and fiber or for the storage of grain or any materials used to construct such structures on a farm facility.

Proposed law retains present law and extends applicability of the exemption for the sale of a variety of farm implements, equipment, and facilities to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of diesel fuel, butane, propane, or other liquefied petroleum gases used for farm purposes.

Proposed law retains present law and extends applicability of the exemption for the sale of fuel for farm purposes to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of polyroll tubing sold or used for commercial farm irrigation.

Proposed law retains present law and extends applicability of the exemption for the sale of polyroll tubing to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for sales to a qualifying radiation therapy treatment center for the purchase, lease, or repair of capital equipment and the purchase, lease, or repair of software used to operate capital equipment.

Proposed law retains present law and extends applicability of the exemption for purchases by a qualifying radiation therapy center to taxes imposed by any other taxing authority.

Effective Oct. 1, 2017, if House Bill No. 562 of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 47:305(A)(2), (5), and (6), and (D)(1)(k) through (m) and (s), 305.20(A), 305.25(A)(introductory paragraph) and (B), 305.37(A), 305.63, and 305.64(A)(1); Adds R.S. 47:305.72; Repeals R.S. 47:301(16)(n), 305.20(G), 305.25(C), 305.37(B) and 337.10(D) and (N))