

2017 Regular Session

HOUSE BILL NO. 673

BY REPRESENTATIVE STOKES

TAX/SALES & USE: Provides with respect to the exclusions and exemptions applicable to sales and use taxes

1 AN ACT

2 To amend and reenact R.S. 4:168 and 227, R.S. 12:425, R.S. 47:301(7)(b), (10)(b) and
3 (c)(ii), 13(a) and (h), (14)(b), (23), and (24)(introductory paragraph), (a), and (b),
4 305(A)(4)(a) and (b) and (D)(1)(a), (h), (i), (k)(i), and (u), 305.11(A), 305.14(A)(1)
5 through (4), 305.19, 305.28(A), 305.44(A)(introductory paragraph), 305.47, 305.48,
6 305.49, 305.50(E)(2), 305.66(A), 315(B)(4), 315.5(A), 337.9(C)(1), (4), and (13),
7 and (D)(21), and 6001(A), to enact R.S. 47:301(10)(ii) and (18)(q), 305.73 through
8 305.98, 315(B)(5), 315.6 through 315.10, and 337.10(P) through (T), and to repeal
9 R.S. 38:2212.4(C), R.S. 39:467 and 468, R.S. 47:301(3)(g), (j), and (k), (4)(i) and
10 (k), (6)(b), (7)(c), (e) through (g), (h), and (l), (8)(b) and (d) through (f),
11 (10)(c)(i)(bb), (d), (h) through (j), (l), (n) through (r), (t), (z) through (hh), (13)(c),
12 (e), (l), (m), (g)(iii), (h) and (k), (16)(b)(ii), (c), (f), (h), (i) through (k), and (p), and
13 (18)(c), (e), (f), (h), (k), and (m) through (p), 302(D), 305(A)(1), (B), and (F), 305.2,
14 305.6, 305.7, 305.9, 305.13, 305.14(A)(5), 305.18, 305.26, 305.30, 305.33, 305.40
15 through 305.43, 305.44(B), 305.45, 305.51, 305.52, 305.53, 305.57(C), 305.59,
16 305.60, 305.61, 305.65, 305.67 through 305.71, 337.9(B), (C)(23), (D)(3), (4), (6),
17 (9), (10), (18), (19), and (26) through (33), 337.10(C), (E), (G), (K), and (M), and
18 6003, relative to the sales and use taxes; to provide for exclusions and exemption
19 from sales and use taxes; to provide with respect to the tax treatment of the sale,
20 lease, rental, or storage of certain tangible personal property and sale of certain

1 services; to repeal certain sales and use tax exemptions and exclusions; to establish
2 certain sales and use tax refunds; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 4:168 and 227 are hereby amended and reenacted to read as follows:

5 §168. License fees, commissions, and taxes of this Part in lieu of all other such
6 taxes

7 The license fees, commissions, and taxes imposed in this Part are in lieu of
8 all other such licenses, ~~sales~~, excise, and occupational taxes to the state or to any
9 parish, city, town, or other political subdivision thereof.

10 * * *

11 §227. License fees, commissions, and taxes of this Part in lieu of all other such
12 taxes

13 The license fees, commissions, and taxes imposed upon an offtrack wagering
14 facility in this Part are in lieu of all other such licenses, ~~sales~~, excise, and
15 occupational taxes to the state or to any parish, city, town, municipality, or other
16 political subdivision thereof.

17 Section 2. R.S. 12:425 is hereby amended and reenacted to read as follows:

18 §425. Taxation

19 Each cooperative shall pay annually, on or before the first day of July, to the
20 ~~department of revenue~~ Department of Revenue, a fee of ten dollars for each one
21 hundred persons or fraction thereof to whom electricity is supplied within the state
22 by it, but shall be exempt from all other excise and income taxes whatsoever.
23 Notwithstanding any provision of law to the contrary, this exemption shall be
24 applicable to all sales and use taxes imposed by the state.

25 Section 3. R.S. 47:301(7)(b), (10)(b) and (c)(ii), 13(a) and (h), (14)(b), (23), and
26 (24)(introductory paragraph), (a), and (b), 305(A)(4)(a) and (b) and (D)(1)(a), (h), (i), (k)(i),
27 and (u), 305.11(A), 305.14(A)(1) through (4), 305.19, 305.28(A), 305.44(A)(introductory
28 paragraph), 305.47, 305.48, 305.49, 305.50(E)(2), 305.66(A), 315(B)(4), 315.5(A),
29 337.9(C)(1), (4), and (13), and (D)(21), and 337.10(I)(1), and 6001(A) are hereby amended

1 and reenacted and R.S. 47:301(10)(ii) and (18)(q), 305.73 through 305.98, 315(B)(5), 315.6
2 through 315.10, and 337.10(P) through (T) are here by enacted to read as follows:

3 §301. Definitions

4 As used in this Chapter the following words, terms, and phrases have the
5 meanings ascribed to them in this Section, unless the context clearly indicates a
6 different meaning:

7 * * *

8 (7)

9 * * *

10 (b) ~~Solely for purposes of the state sales and use taxes imposed under R.S.~~
11 ~~47:302, 321, and 331, the~~ The term "lease or rental", as herein defined, shall not
12 mean or include the lease or rental made for the purposes of re-lease or re-rental of
13 casing tools and pipe, drill pipe, tubing, compressors, tanks, pumps, power units,
14 other drilling or related equipment used in connection with the operating, drilling,
15 completion, or reworking of oil, gas, sulphur, or other mineral wells.

16 * * *

17 (10)

18 * * *

19 (b)(i) ~~Solely for purposes of the sales and use tax levied by the state, the sale~~
20 ~~of tangible personal property to a dealer who purchases said property for resale~~
21 ~~through coin-operated vending machines shall be considered a "sale at retail", subject~~
22 ~~to such tax. The subsequent resale of the property by the dealer through~~
23 ~~coin-operated vending machines shall not be considered a "sale at retail".~~

24 (ii) ~~Solely for purposes of the sales and use tax levied by political~~
25 ~~subdivisions, the~~ The term "sale at retail" shall include the sale of tangible personal
26 property by a dealer through a kiosk or coin-operated vending machines machine.

27 * * *

28 (c)

29 * * *

1 amount of money actually received by the dealer from the purchaser for each such
 2 telephone, or (ii) ~~twenty-five~~ one hundred percent of the cost of such telephone to
 3 the dealer, but shall not include any amount received by the dealer from the
 4 purchaser for providing mobile telecommunications services or any commissions,
 5 fees, rebates, or other amounts received by the dealer from any source other than the
 6 purchaser as a result of or in connection with the sale of the telephone.

7 * * *

8 (14) "Sales of services" means and includes the following:

9 * * *

10 (b)(i) ~~(aa)~~ The sale of admissions to places of amusement, to athletic
 11 entertainment ~~other than that of schools, colleges, and universities,~~ and recreational
 12 events, and the furnishing, for dues, fees, or other consideration of the privilege of
 13 access to clubs or the privilege of having access to or the use of amusement,
 14 entertainment, athletic, or recreational facilities.

15 ~~(bb) The term "sales of services" shall not include membership fees or dues~~
 16 ~~of nonprofit, civic organizations, including by way of illustration and not of~~
 17 ~~limitation the Young Men's Christian Association, the Catholic Youth Organization,~~
 18 ~~and the Young Women's Christian Association.~~

19 ~~(ii) Places of amusement shall not include "museums", which are hereby~~
 20 ~~defined as public or private nonprofit institutions which are organized on a~~
 21 ~~permanent basis for essentially educational or aesthetic purposes and which use~~
 22 ~~professional staff to do all of the following:~~

23 ~~(aa) Own or use tangible objects, whether animate or inanimate.~~

24 ~~(bb) Care for those objects.~~

25 ~~(cc) Exhibit them to the public on a regular basis.~~

26 ~~(iii) Museums include but are not limited to the following institutions:~~

27 ~~(aa) Museums relating to art, history, including historic buildings, natural~~
 28 ~~history, science, and technology.~~

1 in order to be used in a specific work environment or to perform a specific function
2 for the user.

3 (c) Updates, upgrades, and new versions of custom computer software shall
4 be considered custom computer software, provided such upgrades, updates, and new
5 versions meet the definition of custom computer software ~~contained in this Chapter~~
6 as provided in this Paragraph.

7 (d) Prewritten software means a data processing program prepared for sale
8 or license to multiple users, and not to the special order or specifications of a single
9 customer. Prewritten software is commonly referred to as "canned" or "off-the-
10 shelf" or "standardized" software.

11 (24) The term "news publication" shall mean any printed periodical,
12 including advertising supplements and other printed matter ultimately distributed
13 with or a part of printed periodicals, that:

- 14 (a) Appears at regular intervals, of not less than quarterly.
- 15 (b) Contains reports of a varied character, such as political, social, cultural,
- 16 sports, moral, religious, editorial comment, announcements, advertising, public
- 17 notices, or other subjects of general public interest.

18 * * *

19 §305. Exclusions and exemptions from the tax

20 A.

21 * * *

22 (4)(a) The purchase of feed and feed additives for the purpose of sustaining
23 animals which are held primarily for commercial, ~~business,~~ or agricultural use shall
24 be exempted from the taxes levied by taxing authorities. Notwithstanding any
25 provision of law to the contrary, the exemption authorized in this Paragraph shall be
26 applicable to all state sales and use tax levies.

27 (b) For purposes of this Subsection:

- 28 (i) "Commercial use" means the purchasing, producing, or maintaining of
- 29 animals, including breeding stock and race horses, for resale;

1 (k)(i) Solely for purposes of the state sales and use tax, orthotic, including
2 but not limited to prescription eyeglasses and contact lenses, ~~and~~ prosthetic devices
3 ~~and~~, wheelchairs and wheelchair lifts, hearing aids, and augmentative
4 communication devices prescribed by physicians, optometrists ~~or~~, licensed
5 chiropractors, licensed audiologists, or licensed speech-language pathologists for
6 personal consumption or use.

7 * * *

8 (u) Solely for purposes of the state sales and use tax, adaptive driving
9 equipment and motor vehicle modifications prescribed for personal use by a
10 physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the
11 state. Notwithstanding any provision of law to the contrary, this exemption shall be
12 applicable to all sales and use taxes imposed by the state.

13 * * *

14 §305.11. Exclusions and exemptions; contracts prior to and within ninety days of
15 tax levy

16 A. No new or additional sales or use tax shall be applicable to sales of
17 materials or services involved in lump sum ~~or~~, unit price, fixed fee, or guaranteed
18 maximum price construction contracts entered into and reduced to writing prior to
19 the effective date of the statute or ordinance levying same or to sales or services
20 involved in such contracts entered into and reduced to writing within ninety days
21 thereafter, if such contracts involve contractual obligations undertaken prior to such
22 effective date and were computed and bid on the basis of sales taxes at the rates
23 effective and existing prior to such effective date.

24 * * *

25 §305.14. Exclusions and exemptions; nonprofit organizations; ~~nature of exemption;~~
26 limitations; qualifications; ~~newspapers;~~ determination of tax exempt status

27 A.(1)(a) ~~The sales and use taxes imposed by taxing authorities shall not~~
28 ~~apply to sales~~ Sales of tangible personal property at, ~~or~~ admission or outside
29 gate charges for, ~~outside gate admissions to, or~~ and parking fees associated with,

1 qualifying events sponsored by a nonprofit organization shall be exempt from sales
2 and use taxes imposed by the state or any other taxing authority.

3 (a) For purposes of this Section, a qualifying event is an event that meets
4 both of the following criteria:

5 (i) It is sponsored by a nonprofit organization and the net proceeds from the
6 event are used exclusively for the purpose for which the organization is deemed to
7 be tax exempt under the Internal Revenue Code. "Net proceeds" means those
8 revenues from the event that are realized after accounting for customary expenses
9 of such an event which include but shall not be limited to fees paid for guest
10 speakers, chair and table rentals, and food and beverage utilities.

11 (ii) All for-profit dealers or vendors participating in the event have registered
12 with the Department of Revenue for purposes of collection of sales and use and
13 individual and corporation income taxes.

14 ~~(b) Notwithstanding any other provision of this Section, the sales and use tax~~
15 ~~imposed by taxing authorities shall not apply to an event sponsored by a domestic~~
16 ~~nonprofit organization that is exempt from tax under Section 501(c)(3) of the~~
17 ~~Internal Revenue Code when the event provides Louisiana heritage, culture, crafts,~~
18 ~~art, food, and music, and the sponsor has contracted for production management and~~
19 ~~financing services for the event. Such services shall constitute necessary expenses~~
20 ~~of the sponsor for purposes of the event. The provisions of this Subparagraph shall~~
21 ~~apply only to the sales of tangible personal property and admission charges for,~~
22 ~~outside gate admissions to, or parking fees associated with an event when the sales,~~
23 ~~charges, and fees are payable to or for the benefit of the sponsor of the event. The~~
24 ~~provisions of this Subparagraph shall apply only to an event which transpires over~~
25 ~~a minimum of seven but not more than twelve days and has a five-year annual~~
26 ~~average attendance of at least three hundred thousand over the duration of the event.~~
27 ~~For purposes of determining the five-year annual average attendance, the calculation~~
28 ~~shall include the total annual attendance for each of the five most recent years. For~~
29 ~~purposes of this Section, "nonprofit organization" means a domestic, civic,~~
30 ~~educational, historical, charitable, fraternal, or religious organizations, which are~~

1 contrary, the exemption established in this Section shall be applicable for all sales
2 and use taxes imposed by the state.

3 * * *

4 §305.28. Exclusions and exemptions; gasohol

5 A. The Notwithstanding any other provision of law to the contrary, all sales
6 or use taxes imposed by the state of Louisiana or any such taxes imposed by any
7 parish or municipality or other local entity within the state shall not apply to the sale
8 at retail, the use, the consumption, the distribution, and the storage, to be used or
9 consumed in this state, of any motor fuel known as gasohol, containing a blend of
10 at least ten percent alcohol, if the alcohol therein has been produced, fermented, and
11 distilled in Louisiana from agricultural commodities. Alcohol to be used in gasohol
12 must have been rendered unsuitable for human consumption at the time of its
13 manufacture or immediately thereafter.

14 * * *

15 §305.44. Exclusions and exemptions; ~~raw~~ materials used in printing process

16 ~~A. The sales and use taxes imposed by the state under R.S. 47:302, R.S.~~
17 ~~47:321, and R.S. 47:331 and by any political subdivision shall not apply to purchases~~
18 ~~and sales of the following, including all chemical supplies necessary to produce such~~
19 ~~items whether manufactured by a printer or purchased from a subcontractor: The sale~~
20 ~~or use of materials that are purchased for the purpose of inclusion into tangible~~
21 ~~personal property to be sold at retail by a printer shall be exempt from all sales and~~
22 ~~use taxes imposed by the state or any other taxing authority.~~

23 * * *

24 §305.47. Exclusions and exemptions; pharmaceutical samples distributed without
25 charge

26 The sales and use tax imposed by the state of Louisiana or any of its political
27 subdivisions shall not apply to pharmaceutical samples approved by the United
28 States Food and Drug Administration which are manufactured in the state or
29 imported into the state for distribution without charge to physicians, dentists, clinics,

1 or hospitals. Notwithstanding any provision of law to the contrary, this exemption
2 shall be applicable to all sales and use taxes imposed by the state.

3 §305.48. Exemption; automobiles owned by military personnel

4 ~~Solely for purposes of the sales and use taxes levied by the state, motor~~
5 Motor vehicles subject to the vehicle registration tax previously purchased in another
6 state by active duty military personnel stationed in Louisiana, shall, at the time of
7 transfer of registration, be exempt from such use tax imposed by ~~this Chapter~~ the
8 state or any other taxing authority if a sales tax was imposed and collected upon the
9 purchase of the motor vehicle by the state in which the vehicle was purchased and
10 the purchaser was a resident or stationed in the state where the taxes were paid. The
11 motor vehicle shall continue to be exempt from such use tax as long as the registered
12 owner remains on active duty in any branch of the armed forces of the United States
13 and is stationed in Louisiana.

14 §305.49. Catalog distribution; exemption

15 Notwithstanding any provision of law to the contrary, no sales or use tax shall
16 be imposed by the state or any political subdivision on the value of catalogs
17 distributed, or intended for distribution in the state, without charge to the recipient.
18 This exemption shall apply to all sales and use taxes imposed by the state.

19 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;
20 railroad ties

21 * * *

22 E.

23 * * *

24 (2)(a) The sales and use tax imposed by the state of Louisiana or statewide
25 taxing authorities shall not apply to parts or services used in the fabrication,
26 modification, or repair of rail rolling stock. A political subdivision may, by
27 ordinance, provide that sales and use tax imposed by the political subdivision shall
28 not apply to parts or service used in the fabrication, modification, or repair of rail
29 rolling stock.

1 of all tax has been offered as an enhancement to significantly increase the probability
2 of awarding the event to Louisiana.

3 (3) "Sales" means sales of taxable services and tangible personal property
4 at an event at a state-owned domed facility or baseball facility, or on the publicly
5 owned property on which the facility is located, or as provided in Subsection F of
6 this Section.

7 (4) "State-owned domed facility or baseball facility" means a public facility
8 or site that is owned and operated by or for the state, or any of its agencies, boards,
9 or commissions and is located within a body politic and corporate and political
10 subdivision of the state composed of more than one parish and that meets any of the
11 following criteria:

12 (a) A domed facility which has a seating capacity of at least seventy
13 thousand, or the publicly owned property on which the facility is located.

14 (b) A domed facility which has a seating capacity of at least twelve thousand
15 five hundred, or the publicly owned property on which the facility is located.

16 (c) An open baseball site, or the property on which the site is located, which
17 site has a seating capacity of at least seven thousand five hundred, and has a
18 professional sports franchise that participates in Class Triple-A professional baseball.

19 (5) "Trade show" means a trade show or other event at which the sale of
20 goods is the primary purpose of the event.

21 B. Exemptions. (1) Sales occurring for or at an event at a state-owned
22 domed facility or baseball facility shall be exempt from sales and use taxes imposed
23 by the state and any other taxing authority as follows:

24 (a) Admission tickets to athletic contests or any large scale bid-upon events
25 or any other events allowed under an existing lease or extension thereof, including
26 such contests and events where sales tax obligations created on or after April 1,
27 2016, were absorbed and the outstanding tax has yet to be remitted, sold in either of
28 the following:

29 (i) The primary ticket market.

1 (ii) Secondary market ticket sales by a nonprofit host organization whose
2 mission is to bid upon, contract, and manage large scale sporting and entertainment
3 events on behalf of the state of Louisiana.

4 (b) Any sale, service, or other transaction, including the sale of parking, and
5 for purposes of a state-owned baseball facility, parking on adjacent property under
6 the same jurisdiction, such sales occurring in the facility in connection with athletic
7 contests or any large scale bid-upon events or any other events allowed under an
8 existing lease or extension thereof.

9 (c) Sales of goods from a team merchandise store at the facility.

10 (d) Fifty percent of the cost price of admission tickets to events, activities,
11 or enterprises other than tickets to athletic contests or any large scale bid-upon
12 events, including such contests and events where sales tax obligations created on or
13 after April 1, 2016, were absorbed and the outstanding tax has yet to be remitted,
14 wherever sold.

15 (e) Tours of the facility.

16 (f) The full price of admission on tickets for nonathletic events and any sale,
17 service, or other transaction, including the sale of parking, relating to such
18 nonathletic events, if the event was bid upon, awarded, or under contract on or before
19 September 1, 2016.

20 (2) Disposition of state tax proceeds. Of the monies remaining after
21 satisfaction of the requirements of Article VII, Section 9(B) of the Constitution of
22 Louisiana concerning the Bond Security and Redemption Fund, and R.S. 47:318(A)
23 concerning support of economic development, an amount equal to thirty percent of
24 the proceeds of the tax imposed under R.S. 47:321 on sales occurring for or at the
25 state-owned domed facility described in Subparagraph (A)(4)(a) of this Section shall
26 be allocated one-half to the Louisiana School for Math, Science, and the Arts, and
27 one-half to the New Orleans Center for Creative Arts. All monies remaining
28 thereafter shall be deposited into the state general fund. For purposes of this
29 allocation, on the last day of November of each year the secretary of the Department
30 of Revenue shall provide to the chairman of the Joint Legislative Committee on the

1 Budget and the commissioner of administration an official estimate of the amount
2 of state revenues received within the previous twelve months which were derived
3 from the tax imposed pursuant to R.S. 47:321 from sales for or at the state-owned
4 domed facility described in Subparagraph (A)(4)(a) of this Section. The estimate
5 shall be utilized by the commissioner of administration in the preparation of the
6 following year's executive budget in which a recommendation shall be made to
7 appropriate such amounts as may be necessary to provide for this allocation.

8 (3) Disposition of local tax proceeds from event sales at a state-owned
9 domed facility.

10 (a) If the local sales and use tax proceeds were derived from event sales at
11 a facility located on the property of a public postsecondary educational institution
12 located in the parish, all such tax proceeds shall be distributed to that institution. This
13 provision shall not apply to the Baton Rouge River Center or the Cajundome and
14 Convention Center.

15 (b) After satisfaction of the requirements of Subparagraph (a) of this
16 Paragraph, of the total remaining local sales and use tax proceeds in a parish having
17 a population in excess of three hundred twenty thousand and less than four hundred
18 thousand persons as of the latest federal decennial census, which proceeds were
19 derived from event sales at a state-owned domed facility subject to the provisions of
20 this Section, an amount equal to twenty percent shall be distributed to the New
21 Orleans Council on Aging. Monies to satisfy this dedication shall be derived
22 proportionately from the sales and use tax distributions for the following purposes:
23 fifty percent from the Orleans Parish School Board and fifty percent from the
24 Regional Transit Authority.

25 (c) After satisfaction of the requirements of Subparagraph (a) of this
26 Paragraph, of the total remaining local sales and use tax proceeds derived from event
27 sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-six
28 percent shall be allocated to the West Feliciana Parish School Board, and an amount
29 equal to thirty-four percent shall be allocated to the West Feliciana Council on
30 Aging.

1 C. The exemptions established in this Section shall apply to any event,
2 activity, or enterprise held in conjunction with athletic events or any large scale bid-
3 upon event or other event allowed under an existing lease or an extension thereof,
4 inclusive of activities within and adjacent to the facility to which the exemptions
5 apply.

6 D. The exemptions established in this Section shall not extend to any sale of
7 services or tangible personal property not specifically provided for in this Section.

8 E. The provisions of this Section shall not be interpreted as either imposing
9 or rendering the following activities subject to the imposition of any state or local
10 tax:

11 (1) Sales of admission tickets and parking for intercollegiate athletic events
12 sponsored or promoted by a Louisiana-based college or university, including any
13 conference, league, or association in which it participates, and a nonprofit
14 organization affiliated with such college or university.

15 (2) Sales of admission tickets and parking for high school athletic events
16 sponsored or promoted by a Louisiana high school, including any conference, league,
17 or association in which it participates.

18 (3) Sales of admission tickets and parking for youth sports events sponsored
19 or promoted by a Louisiana-based youth sports league or association.

20 F. Notwithstanding any provision of law to the contrary, for purposes of state
21 and local sales and use taxes, the exemptions provided in Subsection B of this
22 Section shall apply to sales for or at a regularly scheduled major annual sporting
23 event when the income taxes attributable to the nonresident professional athletes
24 participating in the event are dedicated to the Sports Facility Assistance Fund in
25 accordance with the provisions of R.S. 39:100.1.

26 G. Notwithstanding any provision of law to the contrary, including any
27 contrary provisions of R.S. 47:302(X), (Y) or (AA), R.S. 47:321(L) and (M), R.S.
28 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided
29 for in Subparagraphs (B)(1)(a), (d), and (f) of this Section, the exemptions from state

1 sales and use taxes authorized in this Section shall be applicable and effective on and
2 after April 1, 2016.

3 §305.74. Exemption; sales at certain public facilities

4 A. The provisions of this Section shall apply to any public facility that is not
5 subject to the provisions of R.S. 47:305.73.

6 B. Definitions. For purposes of this Section the following terms and phrases
7 shall have the following meanings:

8 (1) "Event" means any event, large scale bid-upon event, activity, or
9 enterprise, excluding a trade show.

10 (2) "Large scale bid-upon event" means the instance when a nonprofit
11 organization, located in a parish with a population of more than two hundred fifty
12 thousand, whose mission is to bid upon, contract, and manage large scale sporting
13 and entertainment events on behalf of the state of Louisiana, has bid upon or been
14 awarded an event which may have a bid requirement of a waiver of taxes or a waiver
15 of all tax has been offered as an enhancement to significantly increase the probability
16 of awarding the event to Louisiana.

17 (3) "Locally or university-owned domed facility" means a domed arena
18 facility and adjacent and connected facilities which are under the jurisdiction of any
19 political subdivision, or any commission of such political subdivision, if the domed
20 arena facility on such property has a seating capacity of at least twelve thousand five
21 hundred and is located within a parish with a population of more than one hundred
22 eighty-five thousand according to the most recent federal decennial census, or the
23 publicly-owned property on which the facilities are located.

24 (4) "Public facility" means a facility, other than a locally or university-
25 owned domed facility or a facility subject to the provisions of R.S. 47:305.73, that
26 is owned and operated by or for the state, or any of its agencies, boards, or
27 commissions, or by any political subdivision, or on the publicly-owned property on
28 which the facility is located.

29 (5) "Sales" means sales of taxable services and tangible personal property
30 at an event at a public facility or a locally or university-owned domed facility.

1 (6) "Trade show" means a trade show or other event at which the sale of
2 goods is the primary purpose of the event.

3 C. Exemptions for event sales at a public facility or locally or university-
4 owned domed facility.

5 (1) The exemptions from the state sales and use tax for event sales shall be
6 the same as those in effect for purposes of local sales and use taxes.

7 (2) A local taxing authority may adopt exemptions from any tax levied by
8 that authority for any and all event sales occurring at a public facility or a locally or
9 university-owned domed facility within the jurisdiction of the local taxing authority.

10 (3) Notwithstanding any contrary provisions of Paragraph (2) of this
11 Subsection, a local taxing authority may adopt any of the following exemptions:

12 (a) Admission tickets to athletic events sold in either of the following:

13 (i) The primary ticket market.

14 (ii) Secondary market ticket sales by a nonprofit host organization.

15 (b) Any sale, service, or other transaction occurring in such facility in
16 connection with officially sanctioned events affiliated with athletic contests held at
17 a facility subject to the provisions of R.S. 47:305.73.

18 (c) Sales of goods from a team merchandise store at the facility.

19 (d) Fifty percent of the cost price of admission tickets to events, activities,
20 or enterprises other than tickets to athletic events, wherever sold.

21 (e) Tours of the facility.

22 (f) The full price of admission on tickets for nonathletic events if the event
23 was bid upon, awarded, or under contract on or before September 1, 2016.

24 (g) Parking for events allowed under an existing lease or extension thereof.

25 D. The exemptions provided in this Section shall apply to any event, activity,
26 or enterprise held in conjunction with athletic events or any large scale bid-upon
27 event or other event allowed under an existing lease or an extension thereof,
28 inclusive of activities within and adjacent to the facility to which the exemptions
29 apply.

30 E. Disposition of local tax proceeds.

1 (1) If the local sales and use tax proceeds were derived from event sales at
2 a public facility located on the property of a public postsecondary educational
3 institution located in the parish, all such tax proceeds shall be distributed to that
4 institution; however, the provisions of this Subsection shall not apply to tax proceeds
5 from sales associated with an event at a locally or university-owned domed facility.

6 (2) After satisfaction of the requirements of Paragraph (1) of this Subsection,
7 of the total remaining local sales and use tax proceeds in a parish having a population
8 in excess of three hundred twenty thousand and less than four hundred thousand
9 persons as of the latest federal decennial census which proceeds were derived from
10 event sales at a public facility subject to the provisions of this Section, an amount
11 equal to twenty percent shall be distributed to the New Orleans Council on Aging.
12 Monies to satisfy this dedication shall be derived proportionately from the sales and
13 use tax distributions for the following purposes: fifty percent from the Orleans
14 Parish School Board and fifty percent from the Regional Transit Authority.

15 (3) After satisfaction of the requirements of Paragraph (1) of this
16 Subsection, of the total remaining local sales and use tax proceeds derived from
17 event sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-
18 six percent shall be allocated to the West Feliciana Parish School Board, and an
19 amount equal to thirty-four percent shall be allocated to the West Feliciana Council
20 on Aging.

21 F. The provisions of this Section shall not be interpreted as either imposing
22 or rendering the following activities subject to the imposition of any state or local
23 tax:

24 (1) Sales of admission tickets and parking for intercollegiate athletic events
25 sponsored or promoted by a Louisiana-based college or university, including any
26 conference, league, or association in which it participates, and a nonprofit
27 organization affiliated with such a college or university.

28 (2) Sales of admission tickets and parking for high school athletic events
29 sponsored or promoted by a Louisiana high school, including any conference, league,
30 or association in which it participates.

1 (3) Sales of admission tickets and parking for youth sports events sponsored
2 or promoted by a Louisiana-based youth sports league or association.

3 G. Notwithstanding any provision of law to the contrary, including any
4 contrary provisions of R.S. 47:302(X) and (Y), R.S. 47:321(L) and (M), R.S.
5 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided
6 for in Subparagraph (C)(3)(f) of this Section, the exemptions from state sales and use
7 taxes authorized in this Section shall be applicable and effective on and after April
8 1, 2016.

9 §305.75. Exemption; certain major entertainment events sponsored by a domestic
10 nonprofit organization

11 Sales of admission to an event which meets both of the following
12 requirements shall be exempt from sales taxes imposed by the state or any other
13 taxing authority to the extent of one-half of the admission price:

14 (1) The event is sponsored by a domestic nonprofit organization that is
15 exempt from tax under Section 501(c)(3) of the Internal Revenue Code when the
16 event provides Louisiana heritage, culture, crafts, art, food, and music, and the
17 sponsor has contracted for production management and financing services for the
18 event, such services constituting necessary expenses of the sponsor for purposes of
19 the event.

20 (2) The event transpires over a minimum of seven but not more than twelve
21 days and has a five-year annual average attendance of at least three hundred
22 thousand over the duration of the event. For purposes of determining the five-year
23 annual average attendance, the calculation shall include the total annual attendance
24 for each of the five most recent years.

25 §305.76. Exemption; contracts for construction or overhaul of U.S. Navy vessels
26 Any actions performed, including leases of property, pursuant to a contract
27 with the United States Department of the Navy for construction or overhaul of U.S.
28 Navy vessels shall be exempt from sales and use taxes imposed by the state or any
29 other taxing authority.

1 §305.77. Exemption; certain parochial and private schools

2 The sale, purchase, use, lease, or rental of tangible personal property or
3 services by an approved parochial and private elementary and secondary school
4 which complies with the court order in Brumfield v. Dodd, 405 F.Supp. 338 (1975)
5 and Section 501(c)(3) of the Internal Revenue Code shall be exempt from sales and
6 use taxes imposed by the state or any other taxing authority, as follows:

7 (1) Sale of tangible personal property by the school, its students,
8 administrators, teachers, or other employees, if the money from such sale, less
9 reasonable and necessary expenses associated with the sale, is used solely and
10 exclusively to support the school or its program or curricula, shall be exempt from
11 tax. This exemption shall not be construed to allow tax-free sales to students or their
12 families by promoters or regular commercial dealers through the use of schools,
13 school faculty, or school facilities.

14 (2) Purchase, use, lease, or rental of educational materials or equipment for
15 classroom instruction purposes, limited to books, workbooks, computers, computer
16 software, films, videos, and audio tapes shall be exempt from tax.

17 (3) Purchase of food items for school lunch or breakfast programs by
18 nonpublic elementary or secondary schools which participate in the National School
19 Lunch and School Breakfast programs and the purchase of food items by nonprofit
20 organizations which serve students in nonpublic elementary or secondary schools
21 and which participate in the National School Lunch and School Breakfast programs
22 shall be exempt from tax.

23 §305.78. Exemption; lease or rental of motor vehicles by a motor vehicle dealer for
24 purposes of warranty agreements

25 The lease or rental of motor vehicles by a licensed motor vehicle dealer, as
26 defined in R.S. 32:1252(35), or a vehicle manufacturer, as defined in R.S.
27 32:1252(24), for their use in furnishing such leased or rented motor vehicles to their
28 customers in performance of their obligations under warranty agreements associated
29 with the purchase of a motor vehicle, or when the applicable warranty has lapsed and

1 the leased or rented motor vehicle is provided to the customer at no charge, shall be
2 exempt from sales and use taxes imposed by the state or any other taxing authority.

3 §305.79. Exemption; sales of repair services associated with a motor vehicle
4 warranty

5 The repair of a vehicle, including services and parts, by a licensed motor
6 vehicle dealer which is performed subsequent to the lapse of the applicable warranty
7 on that vehicle and at no charge to the owner of the vehicle shall be exempt from
8 sales and use taxes imposed by the state or any other taxing authority.

9 §305.80. Exemption; human tissue transplants

10 The sale of any human tissue transplants, which shall be defined to include
11 all human organs, bone, skin, cornea, blood, or blood products transplanted from one
12 individual into another recipient individual, shall be exempt from sales and use taxes
13 imposed by the state or any other taxing authority.

14 §305.81. Exemption; food items sold by certain youth service organizations

15 The sale of food items by youth serving organizations chartered by congress
16 shall be exempt from sales and use taxes imposed by the state or any other taxing
17 authority.

18 §305.82. Exemption; volunteer and public fire departments

19 The sale or purchase of equipment used in fire fighting by a bona fide
20 volunteer or public fire department shall be exempt from sales and use taxes imposed
21 by the state or any other taxing authority.

22 §305.83. Exemption; telephone directories

23 The transfer of title to or possession of telephone directories by an advertising
24 company that is not affiliated with a provider of telephone services shall be exempt
25 from all sales and use taxes imposed by the state or any other taxing authority if the
26 telephone directories are distributed to the public free of charge.

27 §305.84. Exemption; sales by the Military Department

28 Sales of tangible personal property by the Military Department, state of
29 Louisiana, which occur on an installation or other property owned or operated by the

1 Military Department shall be exempt from sales and use taxes imposed by the state
2 or any other taxing authority.

3 §305.85. Exemption; thrift shops located on military installations

4 Sales at a thrift shop located on a military installation shall be exempt from
5 sales and use taxes imposed by the state or any other taxing authority.

6 §305.86. Exemption; anthropogenic carbon dioxide

7 Sale of anthropogenic carbon dioxide for use in a qualified tertiary recovery
8 project approved by the assistant secretary of the office of conservation of the
9 Department of Natural Resources pursuant to R.S. 47:633.4 shall be exempt from
10 sales and use taxes imposed by the state or any other taxing authority.

11 §305.87. Exemption; athletic entertainment; schools, colleges and universities

12 Sales of admission to the following types of events shall be exempt from
13 sales and use taxes imposed by the state or any other taxing authority:

14 (1) Athletic entertainment events occurring at a college or university.

15 (2) Athletic entertainment events occurring at an elementary or secondary
16 school.

17 §305.88. Exemption; membership fees or dues for certain organizations

18 The sales of membership and access privileges for the facilities of a nonprofit
19 civic organization, including by way of illustration and not of limitation the Young
20 Men's Christian Association, the Catholic Youth Organization, and the Young
21 Women's Christian Association, shall be exempt from sales and use taxes imposed
22 by the state or any other taxing authority. For purposes of this Section, "nonprofit
23 organization" means a nonprofit organization which is deemed to be exempt under
24 Section 501(c)(3) of the Internal Revenue Code.

25 §305.89. Exemption; sales of sleeping rooms by certain camp and retreat facilities

26 Sales of sleeping rooms by a camp or retreat facility owned and operated by
27 a nonprofit organization, the net revenue from which is used solely for the purpose
28 for which the nonprofit organization qualifies for its exempt status under Section
29 501(c)(3) of the Internal Revenue Code, shall be exempt from sales and use taxes

1 imposed by the state or any other taxing authority. Any other sales of sleeping
2 rooms or other accommodations at such facilities shall be subject to tax.

3 §305.90. Exemption; pharmaceuticals administered to livestock used for agricultural
4 purposes

5 Sales or use of pharmaceuticals administered to livestock used for
6 agricultural purposes shall be exempt from sales and use taxes imposed by the state
7 or any other taxing authority. Only pharmaceuticals registered with the Louisiana
8 Department of Agriculture and Forestry shall be eligible for this exemption.

9 §305.91. Exemption; custom software

10 Notwithstanding any other provision of law to the contrary, sales of services
11 and tangible personal property constituting custom software shall be exempt from
12 sales and use taxes imposed by the state or any other taxing authority. Prewritten
13 software contained within custom software shall be subject to tax. For purposes of
14 this Section, the terms "custom software" and "prewritten software" shall have the
15 meanings defined in R.S. 47:301(23).

16 §305.92. Exemption; blood banks

17 Sale or use of materials used directly in the collection, separation, treatment,
18 testing, and storage of blood, and apheresis kits and leuko reduction filters utilized
19 by nonprofit blood banks and nonprofit blood collection centers shall be exempt
20 from sales and use taxes imposed by the state or any other taxing authority.

21 §305.93. Exemption; investment grade bullion

22 Sale or use of investment grade platinum, gold, or silver bullion shall be
23 exempt from sales and use taxes imposed by the state or any other taxing authority.

24 §305.94. Exemption; mass communication industries

25 A. Raw materials used to print a news publication. Sales and use of the
26 following, including all chemical supplies necessary to produce such items whether
27 manufactured by a printer or purchased from a subcontractor if purchased by a news
28 publication, as defined in R.S. 47:301(24), shall be exempt from sales and use taxes
29 imposed by the state or any other taxing authority:

30 (1) Artwork.

1 (2) Blankets and bars.

2 (3) Chemicals.

3 (4) Color separations.

4 (5) Dies.

5 (6) Film, including negatives.

6 (7) Offset plates.

7 (8) Press proofs and photomechanical proofs.

8 (9) Layouts.

9 (10) Typesetting.

10 (11) Rubber plates.

11 (12) Paper.

12 (13) Ink.

13 B. Sales or use of newspapers shall be exempt from sales and use taxes
14 imposed by the state or any other taxing authority.

15 C. Sales or use of machinery and equipment for a radio or television station
16 located in Louisiana, which property is mandated for a license for radio or television
17 broadcasting from the Federal Communications Commission, shall be exempt from
18 the sales and use tax imposed by the state or any other taxing authority.

19 D. Sales or use taxes paid by person for machinery or equipment for a news
20 publication may be eligible for a refund of the amount of tax paid as provided under
21 R.S. 47:315.11.

22 §305.95. Exemption; nonprofit organizations; donations

23 A. Sales or use of any tangible personal property that is purchased by a
24 nonprofit organization deemed to be tax exempt under Section 501(c)(3) of the
25 Internal Revenue Code shall be exempt from sales and use taxes imposed by the state
26 and any other taxing authority if all of the following requirements are met:

27 (1) The tangible personal property is purchased with revenues of or monies
28 donated to the nonprofit organization.

1 (2) The tangible personal property is donated free of charge for charitable
2 purposes for which the nonprofit organization is deemed to be tax exempt under
3 federal law.

4 (3) The nonprofit organization maintains a current certificate of exemption
5 granted by the secretary of the Department of Revenue for purposes of this Section.

6 B. Any use of property eligible for the exemption provided for in Subsection
7 A of this Section shall be exempt from the use tax imposed by any taxing authority.

8 §305.96. Exemption; charitable housing development, construction, and restoration

9 A. Sales or use of construction materials purchased by a nonprofit
10 organization which are intended for the following purposes shall be exempt from
11 sales and use taxes imposed by the state or any other taxing authority:

12 (1) Construction of new residential dwellings to be donated or sold at below
13 market rates by a nonprofit organization established for that purpose.

14 (2) Rehabilitation and renovation of residential dwellings that were damaged
15 in a natural disaster which will be donated or sold at below market rates by a
16 nonprofit organization established for that purpose.

17 B. For purposes of this Section, "nonprofit organization" means a nonprofit
18 organization deemed to be tax exempt under Section 501(c)(3) of the Internal
19 Revenue Code.

20 §305.97. Exemption; drilling rigs and equipment used outside of Louisiana
21 territorial waters

22 Sales of machinery and equipment and component parts thereof, and all
23 services, used in the repair, renovation, or conversion of any drilling rig which is
24 used exclusively for the exploration or development of minerals outside the
25 territorial limits of the state in Outer Continental Shelf waters shall be exempt from
26 the taxes imposed by any taxing authority. For the purposes of this Section, "drilling
27 rig" means any unit or structure, along with its component parts, which is used
28 primarily for drilling, workover, intervention, or remediation of wells used for
29 exploration or development of minerals and "component parts" means any machinery

1 or equipment necessary for a drilling rig to perform its exclusive function of
2 exploration or development of minerals.

3 §305.98. Exemption; Louisiana Insurance Guaranty Association

4 Sales of tangible personal property and services to the Louisiana Guaranty
5 Association shall be exempt from sales and use taxes imposed by any taxing
6 authority, as further provided in R.S. 22:2065.

7 * * *

8 §315. Sales returned to dealer; credit or refund of tax

9 * * *

10 B.

11 * * *

12 (4) Only an amount equal to the tax remitted may be claimed as a credit.

13 Payments received shall be applied first to the sales price and tax collected, after
14 which payments shall be applied to interest, penalties, or finance charges. A detailed
15 accounting of each account may be requested to support a request for a refund.

16 ~~(4)~~ (5) This refund applies both to sales and use taxes imposed by the state
17 of Louisiana and to such taxes authorized and levied by any school board,
18 municipality, or other local taxing authority. All local taxing authorities shall grant
19 such credit or refund as provided by Paragraph ~~(B)~~(1) of this ~~Section~~ Subsection.
20 The taxing authority shall provide for the granting of such refund either by ordinance
21 or by local rule or regulation. Such credit or refund shall be granted whenever the
22 Louisiana Department of Revenue has found the dealer to be entitled to
23 reimbursement in accordance with the provisions of Paragraph ~~(B)~~(1) of this ~~Section~~
24 Subsection.

25 * * *

26 §315.5. Sales tax refund; nonprofits employing or training persons with workplace
27 disabilities or disadvantages

28 A. ~~A~~ For the purpose of promoting social welfare for the aid and support of
29 the needy, a qualified charitable institution which submits an application to the
30 secretary of the Department of Revenue shall receive an exemption in the form of a

1 restricted refund of the sales and use tax of the state which the institution has
2 collected on the sale of donated tangible personal property or items made from such
3 donated property; provided that, the refund is used exclusively in this state for land
4 acquisition, capital construction, or equipment, or debt service related thereto, and/or
5 job training, job placement, employment, or other related community services and
6 support program costs.

7 * * *

8 §315.6. Sales tax refund; pollution control devices or systems necessary for
9 compliance with state or federal law

10 A. A person that has paid sales, use, and lease or rental taxes levied by the
11 state on the purchase or lease of an eligible pollution control device or system shall
12 be entitled to a refund of the amount of tax paid on such property, provided the
13 person claiming the refund has been certified by the secretary of the Department of
14 Revenue as an eligible taxpayer for purposes of this refund.

15 B. An eligible pollution control device or system for purposes of the tax
16 refund shall meet all of the following requirements:

17 (1) Be approved by the Department of Revenue and the Department of
18 Environmental Quality.

19 (2) Be sold or leased, and used exclusively for the purpose of eliminating or
20 reducing the volume or toxicity of industrial pollution of air, land, water, or
21 groundwater in Louisiana.

22 (3) Produce data sufficient to demonstrate a net decrease in the volume or
23 toxicity of the environmental hazard for which the device or system was purchased
24 or leased that can be directly attributable to the installation of the device or system.
25 However, property that provides only limited or incidental reductions in the volume
26 or toxicity of pollution shall not qualify when such property is acquired primarily for
27 the production of goods and services and is integral to a profit-motivated business
28 purpose or activity.

29 (4) Be necessary to comply with federal or state environmental laws or
30 regulations.

1 C. No refund shall be made under the provisions of this Section unless a
2 claim for refund covering the amount of sales, use, lease, or rental tax paid is filed
3 on or before the thirty-first day of December of the year in which the tax was paid.
4 A taxpayer may make one refund claim per year which shall include all payments
5 made in that year for which a refund is requested.

6 D. Requests for refunds of state sales and use tax pursuant to this Section
7 shall be processed by the Department of Revenue as follows:

8 (1) A properly completed refund request shall be submitted to the
9 Department of Revenue on forms provided by the Department of Revenue. For
10 purposes of this Section, a properly completed refund request shall mean a refund
11 request that includes the general information required on the face of the request, is
12 signed, and includes a copy of each invoice and all required schedules. The request
13 shall be submitted electronically unless the secretary of the Department of Revenue
14 grants permission to submit the request in an alternate form. A copy of the taxpayer's
15 approved certification as an eligible institution shall be included.

16 (2) The Department of Revenue shall make the refund from the current
17 collections of the taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B
18 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended. Any
19 sales and use tax refund issued shall be subject to subsequent audit by the
20 Department of Revenue, and any refund amount determined to be in excess of that
21 which should have been allowed shall be subject to collection by the Department of
22 Revenue.

23 E. Any local political subdivision may provide for a refund of the local sales
24 and use taxes levied on the sale, lease, or rental of tangible personal property or
25 services as provided for in this Section.

26 §315.7. Sales tax refund; regionally accredited institutions of higher education

27 A. A regionally accredited institution of higher education that has paid sales,
28 use, and lease or rental taxes levied by the state on tangible personal property or
29 services directly related to the educational mission of the institution shall be entitled
30 to a refund of the amount of tax paid on such property or services, provided the

1 institution claiming the refund has been certified as an eligible institution by the
2 secretary of the Department of Revenue.

3 B. No refund shall be made under the provisions of this Section unless a
4 claim for refund covering the amount of sales, use, lease, or rental tax paid is filed
5 on or before the thirty-first day of December of the year in which the tax was paid.
6 A taxpayer may make one refund claim per year which shall include all payments
7 made in that year for which a refund is requested.

8 C. Requests for refunds of state sales and use tax pursuant to this Section
9 shall be processed by the Department of Revenue as follows:

10 (1) A properly completed refund request shall be submitted to the
11 Department of Revenue on forms provided by the Department of Revenue. For
12 purposes of this Section, a properly completed refund request shall mean a refund
13 request that includes the general information required on the face of the request, is
14 signed, and includes a copy of each invoice and all required schedules. The request
15 shall be submitted electronically unless the secretary of the Department of Revenue
16 grants permission to submit the request in an alternate form. A copy of the taxpayer's
17 approved certification as an eligible institution shall be included.

18 (2) The Department of Revenue shall make the refund from the current
19 collections of the taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B
20 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended. Any
21 sales and use tax refund issued shall be subject to subsequent audit by the
22 Department of Revenue, and any refund amount determined to be in excess of that
23 which should have been allowed shall be subject to collection by the Department of
24 Revenue.

25 D. Any local political subdivision may provide for a refund of the local sales
26 and use taxes levied on the sale, lease, or rental of tangible personal property or
27 services as provided for in this Section.

28 §315.8. Sales tax refund; new farm equipment used in poultry production

29 A person that has paid sales, use, and lease or rental taxes levied by the state
30 on the purchase of new farm equipment used in poultry production shall be entitled

1 to a refund of the amount of tax paid on the first fifty thousand dollars of the cost of
2 such property, provided the person claiming the refund has been certified by the
3 secretary of the Department of Revenue as an eligible taxpayer for purposes of this
4 refund. Procedures for making a claim for a refund and the processing and payment
5 of a refund claim by the department shall be those procedures established in R.S.
6 47:315.7(B) and (C). Any local political subdivision may provide for a refund of the
7 local sales and use taxes levied on the sale, lease, or rental of tangible personal
8 property or services as provided for in this Section.

9 §315.9. Sales tax refund; consumables and services used by certain manufacturers

10 A manufacturer that has paid sales, use, and lease or rental taxes levied by the
11 state on the purchase of tangible personal property consumed in the manufacturing
12 process, such as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils,
13 and on the purchase of services for the repair and maintenance of manufacturing
14 machinery and equipment shall be entitled to a refund of the amount of tax paid on
15 such property or services, provided the person claiming the refund has been certified
16 by the secretary of the Department of Revenue as an eligible taxpayer for purposes
17 of this refund. For purposes of this Section, "manufacturer" means a person whose
18 principal activity is manufacturing and who is assigned a 2007 North American
19 Industry Classification System (NAICS) Code of 3211 through 3222 or 113310.
20 Procedures for making a claim for a refund, and the processing and payment of a
21 refund claim by the department shall be those procedures established in R.S.
22 47:315.7(B) and (C). Any local political subdivision may provide for a refund of the
23 local sales and use taxes levied on the sale, lease, or rental of tangible personal
24 property or services as provided for in this Section.

25 §315.10. Sales tax refund; machinery or equipment used to produce a news
26 publication

27 A person that has paid sales, use, and lease or rental taxes levied by the state
28 on the purchase of machinery and equipment used primarily to produce a news
29 publication whether it is ultimately sold at retail or for resale or at no cost, such
30 machinery and equipment shall include but not be limited to all machinery and

1 equipment used primarily in composing, creating, and other prepress operations,
 2 electronic transmission of pages from prepress to press, pressroom operations, and
 3 mailroom operations and assembly activities, shall be entitled to a refund of the
 4 amount of tax paid on such property, provided the person claiming the refund has
 5 been certified by the secretary of the Department of Revenue as an eligible taxpayer
 6 for purposes of this refund. For purposes of this Section, "news publication" shall
 7 be defined as provided in R.S. 47:301(24). Procedures for making a claim for a
 8 refund, and the processing and payment of a refund claim by the department shall be
 9 those procedures established in R.S. 47:315.7(B) and (C). Any local political
 10 subdivision may provide for a refund of the local sales and use taxes levied on the
 11 sale, lease, or rental of tangible personal property or services as provided for in this
 12 Section.

* * *

14 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
 15 exemptions applicable

* * *

17 C.(1) ~~R.S. 47:305(A)(1)~~ R.S. 47:301(10)(ii), "key words": direct sales of
 18 livestock, poultry, and other farm products.

* * *

20 (4) ~~R.S. 47:305(B)~~ R.S. 47:301(18)(q), "key words": farm products used by
 21 farmers.

* * *

23 (13) R.S. 47:305(D)(1)(h), "key words": boiler fuel, including pelletized
 24 paper waste, except refinery gas.

* * *

26 D.

* * *

28 (21) ~~R.S. 47:305.45~~ 47:305.50, "key words": per diem or car hire on freight
 29 cars, piggy-back cars, and rolling stock.

* * *

1 §6001. Antique airplanes and certain other aircraft

2 A. No tax imposed by the state or by any parish, municipality, school board,
3 or any political subdivision of the state, other than sales and use taxes, shall be
4 imposed on antique airplanes which are maintained by private collectors and not
5 used for commercial purposes, and no personal property tax shall be imposed on any
6 aircraft weighing less than six thousand pounds which is owned by a private
7 individual and not used for commercial or profit making purposes. ~~The exemption~~
8 ~~from local taxes contained in this Section is granted notwithstanding the provisions~~
9 ~~of R.S. 47:302, and such exemption shall apply to any sales and use tax levied by~~
10 ~~any local governmental subdivision or school board.~~

11 * * *

12 Section 4. The repeal of R.S. 47:302(D) is intended to provide clarity with regard
13 to the specific services that are subject to sales and use taxes, as they are defined in R.S.
14 47:301(14). The repeal of R.S. 47:302(D) shall not be interpreted or construed to impose
15 sales and use taxes upon the sale of advertising services. Nor shall the repeal of R.S.
16 47:302(D) be interpreted or construed in any way to change the taxability of any tangible
17 personal property which is taxable under the provisions of Chapter 2 of Subtitle II of Title
18 47 of the Louisiana Revised Statutes of 1950.

19 Section 5. R.S. 38:2212.4(C), R.S. 39:467 and 468, R.S. 47:301(3)(g), (j), and (k),
20 (4)(i) and (k), (6)(b), (7)(c), (e) through (g), (h), and (l), (8)(b) and (d) through (f),
21 (10)(c)(i)(bb), (d), (h) through (j), (l), (n) through (r), (t),(z) through (hh), (13)(c), (e), (l),
22 (m), (g)(iii), (h), and (k), (16)(b)(ii), (c), (f), (h), (i) through (k), and (p), and (18)(c), (e), (f),
23 (h), and (m) through (p), 302(D), 305(A)(1), (B), and (F), 305.2, 305.6, 305.7, 305.9, 305.13,
24 305.14(A)(5), 305.18, 305.26, 305.30, 305.33, 305.40 through 305.43, 305.44(B), 305.45,
25 305.51, 305.52, 305.53, 305.57(C), 305.59, 305.60, 305.61, 305.65, 305.67 through 305.71,
26 337.9(B), (C)(23), (D)(3), (4), (6), (9), (10), (18), (19), and (26) through (33), 337.10(C),
27 (E), (G), (K), and (M), and 6003 are hereby repealed in their entirety.

28 Section 6. This Act shall become effective on July 1, 2018.

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 673 Reengrossed

2017 Regular Session

Stokes

Abstract: Provides for exclusions and exemptions applicable to sales and use taxes imposed by the state and other taxing authorities.

Present law establishes a wide variety of exclusions and exemptions from the sales and use taxes imposed by the state and other taxing authorities.

Proposed law changes numerous provisions concerning exclusions and exemptions as follows.

Present law establishes the following exemptions and exclusions from sales and use taxes imposed by the state, but permanently suspends applicability of the exemptions and exclusions for purposes of the state sales and use tax imposed under R.S. 47:321.

- (1) Nonprofit electric cooperative.
- (2) Vessels leased for use offshore.
- (3) Gasohol.
- (4) Pharmaceutical samples for distribution without charge to physicians, dentists, clinics, or hospitals.
- (5) Catalogs distributed, or intended for distribution in La., without charge.
- (6) Gasoline not subject to the tax on motor fuels.
- (7) Adaptive driving equipment.
- (8) Wood pellets used for boiler fuel.
- (9) Lease or rental of certain oilfield equipment for re-lease or re-rental.

Proposed law changes present law by making the exclusions and exemptions applicable for all state tax levies.

Present law establishes a sales and use tax exemption for purchases by parimutuel racetracks and off-track watering facilities.

Proposed law repeals present law.

Present law establishes a sales and use tax exemption for the purchase of materials, supplies, vehicles, and equipment by a public trust.

Proposed law repeals present law.

Present law provides that for purposes of state sales and use taxes, the sale of tangible personal property to a dealer who purchases the property for resale through coin-operated vending machines shall be considered a "sale at retail" and be subject to tax. The subsequent

resale of the property by the dealer through coin-operated vending machines shall not be considered a "sale at retail".

Present law provides that for purposes of sales and use taxes imposed by local taxing authorities "sale at retail" shall include the sale of tangible personal property by a dealer through coin-operated vending machines.

Proposed law changes present law by providing that for purposes of taxes imposed by all taxing authorities "sale at retail" shall include the sale of tangible personal property by a dealer through a kiosk or coin-operated vending machine.

Present law excludes from sales and use taxes imposed by all taxing authorities isolated or occasional sales made by a person not engaged in the business of selling at retail.

Proposed law retains present law and establishes a definition for "isolated or occasional sale" as follows:

- (1) Six or fewer separate sales of taxable items at retail during a twelve-month period by a person who does not habitually engage, or hold himself out as engaging, in the business of selling taxable items at retail.
- (2) The sale of all of the operating assets of a business, or of a separate division, branch, or identifiable segment of a business.
- (3) The sale of tangible personal property by an individual if the property was originally bought by the individual or a member of the individual's family for the personal use of the individual or the individual's family.
- (4) The sale of tangible personal property by an individual if the individual is not required to be registered as a dealer pursuant to this Chapter.
- (5) The sale of tangible personal property by an individual if the individual does not employ an auctioneer, broker, or factor, other than an online auction, to sell the property.
- (6) The sale of tangible personal property at a sheriff's sale or tax sale due to foreclosure on the property or the sale by an obligee of tangible personal property acquired by the obligee by foreclosure or otherwise in full or partial satisfaction of an obligation.

Present law establishes state sales and use tax exemptions for the following:

- (1) Sale of livestock, poultry, and other farm products directly by the farm that produced them.
- (2) Use of livestock, poultry, and other farm products by the farmer that produced them.

Proposed law changes present law by converting the exemptions to exclusions.

Present law establishes the following sales and use tax exclusions:

- (1) Admissions to athletic entertainment events of schools, colleges and universities.
- (2) Activities involved in a contract with the U.S. Navy concerning Navy vessels.
- (3) Sales, purchases, and leases by a parochial or private schools.
- (4) Sale of school lunch by a parochial or private school.

- (5) Lease or rental of a motor vehicle by a motor vehicle dealer for purposes of a warranty agreement.
- (6) Repair services associated with a motor vehicle warranty.
- (7) Human tissue transplants.
- (8) Food items sold by youth organizations.
- (9) Purchases by volunteer and public fire departments.
- (10) Free telephone directories.
- (11) Sales by the Military Department.
- (12) Sales by a thrift shop located at a military installation.
- (13) Sale of anthropogenic carbon dioxide for a tertiary recovery project.
- (14) Membership fees or dues for certain nonprofit clubs or organizations.
- (15) Certain sales of sleeping rooms at certain camp and retreat facilities.
- (16) Pharmaceuticals administered to livestock.
- (17) Materials used by a blood bank or nonprofit blood collection center, to include aphaeresis kits and leuko reduction filters.
- (18) Custom computer software.
- (19) Machinery and equipment for drilling rigs.

Proposed law changes present law by converting the exclusions to exemptions.

Present law defines "custom software" for purposes of sales and use taxes imposed by all taxing authorities and establishes a state sales and use tax exemption for the sale of custom software.

Proposed law changes present law by adding a definition for "pre-written software" and by extending applicability of the exemption to the taxes imposed by any taxing authority.

Present law establishes an exemption from sales and use tax for advertising services.

Proposed law repeals present law.

Present law establishes an exemption for amounts paid by a motion picture theater for motion picture film rental.

Proposed law repeals present law.

Present law provides for the definition of "sales price" and excludes from "sales price" the value of an article of tangible personal property that is traded in on the purchase of another article of tangible personal property.

Proposed law changes present law to update references to property that is traded in and adding the requirement that the trade-in occur at the same time and place as the sale at retail.

Present law provides that for purposes of sales and use taxes imposed by all taxing authorities, any cellular, PCS, or wireless telephone used in connection with the sale or use

of mobile telecommunications services, the term "sales price" shall mean and include the greater of the amount of money actually received by the dealer from the purchaser for each such telephone, or 25% of the dealer's cost for the telephone.

Proposed law changes present law by changing the condition for determining "sales price" based on the cost of the telephone to the dealer from 25% to 100% of the cost.

Present law defines "news publication" as any printed periodical that appears at regular intervals, contains reports of a varied character, such as political, social, cultural, sports, moral, religious, or other subjects of general public interest.

Proposed law changes present law by adding to the definition concerning types of content and intervals of publication.

Present law establishes an exemption from sales and use taxes imposed by any taxing authority for feed for the purpose of sustaining animals for commercial, business, or agricultural purposes. Present law defines "commercial", "business", and "agricultural" uses. Further, present law, permanently suspends applicability of the exemption for purposes of the state sales and use tax imposed under R.S. 47:321.

Proposed law changes present law by repealing the definition of "business use", including race horses in the definition of "commercial use", and by extending the exemption to all state sales and use tax levies.

Present law establishes an exemption from state sales and use taxes for storm shutter devices. Present law provides for an optional exemption from taxes imposed by local taxing authorities.

Proposed law repeals present law.

Present law establishes an exemption for the purchase by television and radio broadcasters of digital conversion equipment mandated by federal law. Present law provides for an optional exemption from taxes imposed by local taxing authorities.

Proposed law repeals present law.

Present law establishes an exemption from sales and use taxes imposed by any taxing authority for all energy sources used for boiler fuel, and permanently suspends applicability of the exemption for purposes of the state sales and use tax imposed under R.S. 47:321.

Present law establishes an exclusion from sales and use taxes imposed by any taxing authority for pelletized paper waste used for boiler fuel.

Proposed law changes present law by adding the exclusion for pelletized paper waste into the exemption for energy sources for boiler fuel and by extending the applicability of the exemption to all state sales and use tax levies.

Present law establishes an exemption from sales and use taxes imposed by the state for the purchase of orthotics, including prescription eyeglasses, contact lenses, prosthetic devices, and wheelchairs and wheelchair lifts.

Proposed law retains present law and adds hearing aids, and augmentative communication devices to the list of exempt items.

Present law provides that no new or additional sales tax shall be applicable to sales of materials or services involved in lump sum or unit price construction contracts entered into prior to the effective date of the statute or ordinance levying the tax.

Proposed law changes present law by expanding the types of contracts to which the exemption applies to include unit price, fixed fee, or guaranteed maximum price contracts.

Present law contains three different exemptions concerning admissions to and sales of parking and tangible personal property at an event sponsored by a nonprofit organization (R.S. 47:305.13, 305.14(A)(1)(a), and 305.18), with duplicate provisions.

Proposed law consolidates the three very similar exemptions into one exemption which includes the content of the previous three exemptions.

Present law establishes an exemption from taxes imposed by all taxing authorities for raw materials used in a printing process, to include a variety of types of equipment and chemical supplies. Present law permanently suspends applicability of the exemption for purposes of the state sales and use tax imposed under R.S. 47:321.

Proposed law changes present law by establishing two separate exemptions, one for a commercial printer and one for a printer of a news publication.

Proposed law regarding a commercial printer, limits the exemption to sale or use of materials purchased for the purpose of inclusion into tangible personal property to be sold at retail by the printer and extends applicability to all state sales and use tax levies.

Proposed law regarding a printer of a news publication, retains the provisions of present law but converts such provisions into a new exemption for "mass communication industries".

Present law establishes an exclusion from sales and use taxes imposed by any taxing authority for the sale of newspapers.

Proposed law changes present law by converting the exclusion for newspapers to an exemption and includes that exemption in a new exemption for "mass communication industries".

Present law establishes an exemption from state use taxes for the use of motor vehicles subject to the vehicle registration tax previously purchased in another state by active duty military personnel stationed in La.

Proposed law changes present law by extending the exemption to the use taxes imposed by any taxing authority.

Present law establishes an exemption from state sales and use taxes for purchases by a council on aging.

Proposed law changes present law by extending the applicability of the exemption to the taxes imposed by any taxing authority and by including cooperative purchasing organizations comprised of councils on aging.

Present law provides for exemptions only for taxes imposed by a taxing authority in Caddo Parish for the sale of vaso-endothelial growth factor and complex biologics.

Proposed law repeals present law.

Present law authorizes any taxing authority in Plaquemines Parish to adopt any state sales and use tax exemption.

Proposed law repeals present law.

Present law establishes exemptions from state sales and use tax for certain sales of admissions to and tangible personal property and services sold at an event occurring at a

state-owned domed stadium facility, a state-owned baseball facility, or a locally or university-owned domed stadium facility (R.S. 39:467).

Proposed law changes present law by re-designating it as R.S. 47:305.73, and by repealing the exemption for events occurring at a *locally or university-owned domed stadium facility*.

Present law authorizes optional sales and use tax exemptions for purposes of state and local taxes for certain sales of admissions, tangible personal property, and services at an event occurring at a *facility that is owned and operated by or for the state, or any of its agencies, boards, or commissions, or by any political subdivision, or on the publicly-owned property on which the facility is located.* (R.S. 39:468).

Present law does not apply to events occurring at a *state-owned domed stadium facility, a state-owned baseball facility, or a locally or university-owned domed stadium facility*.

Proposed law changes present law by re-designating it as R.S. 47:305.74, and by adding an optional exemption for sales at an event occurring at a *locally or university-owned domed stadium facility*.

Present law establishes an exemption from the sales and use taxes imposed by any taxing authority for sales of admissions, tangible personal property, and parking services occurring at an event sponsored by a domestic nonprofit organization if the event provides La. heritage, culture, crafts, art, food, and music that transpires over a minimum of seven but not more than twelve days with a five-year annual average attendance of at least 300,000 over the duration of the event.

Present law provides that the exemption shall not apply to any event intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

Proposed law changes present law by limiting the exemption for sales at an event sponsored by a domestic nonprofit organization if the event provides La. heritage, culture, crafts, art, food, and music to one-half of the cost price of admission. Further, proposed law removes the restriction that no individual contracted to provide services or equipment for the event shall make a profit on the contract.

Present law establishes a sales and use tax exclusion for the sale of platinum, gold, or silver bullion, and numismatic coins.

Proposed law changes present law by converting the exclusion to an exemption and by limiting the exemption to sales of investment grade platinum, gold, or silver bullion.

Present law establishes an exemption for the sale of admission tickets to performances at a little theater.

Proposed law repeals present law.

Present law establishes the following exemptions and exclusions for specific nonprofit organizations:

- (1) Food banks.
- (2) Nonprofit entities that sell donated goods.
- (3) Sickle cell disease organizations.
- (4) Boys State of La., Inc. and Girls State of La., Inc.
- (5) Fore!kids Foundation.

- (6) Toys to be donated.
- (7) Ducks Unlimited and Bass Life.
- (8) Organizations dedicated to the conservation of fish and migratory waterfowl.
- (9) Construction materials used by certain nonprofit retirement centers.
- (10) Literacy organizations.
- (11) Admissions to musical, dance, and drama performances.

Proposed law repeals present law and establishes a new sales and use tax exemption applicable to all taxing authorities for sales or use of any tangible personal property which is purchased by a nonprofit organization if the property is purchased with revenues of or monies donated to the organization, if the property is donated by the organization for the charitable purpose for which the organization was established, and if the organization has an exemption certificate from the Dept. of Revenue.

Present law provides for the following exemptions for purposes of specific providers of charitable residential housing construction:

- (1) St. Bernard Project, Inc.
- (2) Hands on New Orleans and Rebuilding Together New Orleans.
- (3) Make it Right Foundation.
- (4) Habitat for Humanity.
- (5) Fuller Center for Housing.

Proposed law repeals present law and establishes a new sales and use tax exemption applicable to all taxing authorities for sales or use of construction materials purchased by a nonprofit organization which are intended for the following purposes: construction of new residential dwellings to be donated or sold at below market rates by a nonprofit organization established for that purpose or rehabilitation and renovation of residential dwellings that were damaged in a natural disaster which will be donated or sold at below market rates by a nonprofit organization established for that purpose.

Present law establishes a state sales and use tax exemption for the purchase of machinery and equipment by a radio station based in La.

Proposed law changes present law by limiting the exemption to only that machinery or equipment necessary to comply with licensing requirements of the Federal Communication Commission, by extending the exemption to purchases by television stations, by extending applicability of the exemption to the taxes imposed by any taxing authority, and by moving the exemption to the newly established "mass communications industries" exemption.

Present law establishes an exemption from all taxes imposed by the state or any other taxing authority for antique airplanes and other aircraft.

Proposed law repeals present law concerning sales and use taxes.

Present law provides with regard to sales returned to a dealer for a credit or refund of tax associated with a bad debt.

Proposed law retains present law and specifies that only an amount equal to the amount of tax remitted may be claimed as a credit or refund.

Present law establishes sales and use tax exclusions or exemptions from state sales and use taxes for the following purposes:

- (1) Purchases and leases by a regionally accredited institution of higher education.
- (2) Pollution control devices.
- (3) First \$50,000 in value of new farm equipment used in poultry production.
- (4) Consumables and services used by wood and paper product manufacturers.
- (5) Machinery and equipment used to produce a news publication.

Proposed law changes present law by converting these exclusions and exemptions to refunds.

Proposed law provides the requirements for refund administration, eligibility, application, and payment.

Present law provides in the Uniform Local Sales and Use Tax law for keywords and mandatory and optional sales and use tax exemptions applicable for taxes imposed by local taxing authorities.

Proposed law repeals or revises present law for the authority for mandatory or optional exemptions from local taxes to correspond with changes in proposed law regarding exclusions and exemptions for purposes of the state sales and use tax base.

Effective July 1, 2018.

(Amends R.S. 4:168 and 227, R.S. 12:425, R.S. 47:301(7)(b), (10)(b) and (c)(ii), 13(a) and (h), (14)(b), (23), and (24)(intro. para.), (a), and (b), 305(A)(4)(a) and (b) and (D)(1)(a), (h), (i), (k)(i), and (u), 305.11(A), 305.14(A)(1)-(4), 305.19, 305.28(A), 305.44(A)(intro. para.), 305.47, 305.48, 305.49, 305.50(E)(2), 305.66(A), 315(B)(4), 315.5(A), 337.9(C)(1), (4), and (13), and (D)(21), and 6001(A); Adds R.S. 47:301(10)(ii) and (18)(q), 305.73 through 305.98, 315(B)(5), 315.6-315.10, and 337.10(P)-(T); Repeals R.S. 38:2212.4(C), R.S. 39:467 and 468, R.S. 47:301(3)(g), (j), and (k), (4)(i) and (k), (6)(b), (7)(c), (e)-(g), (h), and (l), (8)(b) and (d)-(f), (10)(c)(i)(bb), (d), (h)-(j), (l), (n)-(r), (t), (z)-(hh), (13)(c), (e), (l), (m), (g)(iii), (h) and (k), (16)(b)(ii), (c), (f), (h), (i)-(k), and (p), and (18)(c), (e), (f), (h), and (m) -(p), 302(D), 305(A)(1), (B), and (F), 305.2, 305.6, 305.7, 305.9, 305.13, 305.14(A)(5), 305.18, 305.26, 305.30, 305.33, 305.40-305.43, 305.44(B), 305.45, 305.51, 305.52, 305.53, 305.57(C), 305.59, 305.60, 305.61, 305.65, 305.67-305.71, 337.9(B), (C)(23), (D)(3), (4), (6), (9), (10), (18), (19), and (26)-(33), 337.10(C), (E), (G), (K), and (M), and 6003.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Technical revisions.
2. Add applicability for all state sales and use tax levies for the exemption for materials used by commercial printers.
3. Add changes to the exemption for repairs and fabrication of rail rolling stock to consolidate all sales and use tax exemptions concerning rail rolling stock.
4. Delete changes to the sales and use tax exemption for original artwork sold within a cultural district.

5. Add applicability for all state sales and use tax levies for the exemption for telephone directories.
6. Delete changes to the local optional sales and use tax exemption for digital conversion equipment mandated for television broadcasters to conform with other provisions of the original bill.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Delete provisions concerning the following exclusions and exemptions from proposed law:
 - a. Manufacturing machinery and equipment.
 - b. Machinery and equipment used for purposes of unblended biodiesel.
 - c. Machinery and equipment used by a motor vehicle manufacturer.
 - d. Machinery and equipment used by a glass container manufacturer.
 - e. Machinery and equipment used by a utility company regulated by the city of New Orleans.
 - f. Machinery and equipment used to perform tooling in a compression mold process.
2. Delete specific timing and other requirements concerning sales and use tax refunds established in proposed law.
3. Add applicability for the exemption for nonprofit entities to include tangible personal property bought with revenues of the entity.
4. Make technical revisions.