

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(10)(b) and (c)(ii), 13(a)

3 and (h), (14)(b), (23), and (24)(introductory paragraph), (a), and (b), 305(A)(4)(a)

4 and (b) and (D)(1)(a), (h), (i), (k)(i), and (u), 305.14(A)(1) through (4), 305.19,

5 305.28(A), 305.44(A)(introductory paragraph), 305.47, 305.48, 305.49,

6 305.50(E)(2), 305.66(A), 315(B)(4), 315.5(A), 337.9(C)(1), (4), and (13), and (D)(9),

7 (10), and (21), 6001(A), to enact R.S. 47:301(10)(ii) and (18)(q), 305.24, 305.73

8 through 305.100, and 315(B)(5), and to repeal R.S. 38:2212.4(C), R.S. 39:467 and

9 468, R.S. 47:301(3)(g), (j), and (k), (4)(i) and (k), (6)(b), (7)(c), (e) through (h), and

10 (l), (8)(b) and (d) through (f), (10)(c)(i)(bb), (d), (h) through (j), (l), (n) through (r),

11 (t), (z) through (hh), (13)(c), (e), (l), and (m), (14)(g)(iii), (h), and (k), (16)(b)(ii), (c),

12 (f), (h), (i) through (k), and (p), and (18)(c), (e), (f), (h), and (m) through (p),

13 302(D), 305(A)(1), (B), and (F), 305.2, 305.6, 305.7, 305.9, 305.13, 305.14(A)(5),

14 305.18, 305.26, 305.30, 305.33, 305.40 through 305.43, 305.44(B), 305.45, 305.51,

15 305.52, 305.53, 305.57(C), 305.59, 305.60, 305.61, 305.65, 305.67 through 305.71,

16 337.9(B), (C)(23), (D)(3), (4), (6), (9), (10), (18), (19), and (26) through (33),

17 337.10(C), (E), (G), (K), and (M), and 6003, relative to the sales and use taxes; to

18 provide for exclusions and exemption from sales and use taxes; to provide with

19 respect to the tax treatment of the sale, lease, rental, or storage of certain tangible

20 personal property and sale of certain services; to repeal certain sales and use tax

1 exemptions and exclusions; to establish certain sales and use tax refunds; and to
2 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(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), 305.14(A)(1) through (4), 305.19, 305.28(A), 305.44(A)(introductory paragraph),
28 305.47, 305.48, 305.49, 305.50(E)(2), 305.66(A), 315(B)(4), 315.5(A), 337.9(C)(1), (4), and
29 (13), and (D)(9), (10), and (21), and 6001(A) are hereby amended and reenacted and R.S.

1 47:301(10)(ii) and (18)(q), 305.24, 305.73 through 305.100, 315(B)(5), and 315.6 are hereby
2 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 (10)

9 * * *

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

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

18 (c)

19 * * *

20 ~~(ii)(aa) Solely for purposes of the sales and use tax levied by the state, the~~
21 ~~term "sale at retail" does not include sales of electricity for chlor-alkali~~
22 ~~manufacturing processes.~~

23 ~~(bb)~~ The term phrase "sale at retail" does not include an isolated or
24 occasional sale of tangible personal property by a person not engaged in such
25 business. "Isolated or occasional sale" means any of the following:

26 (aa) Six or fewer separate sales of taxable items at retail during a
27 twelve-month period by a person who does not habitually engage or hold himself out
28 as engaging in the business of selling taxable items at retail.

1 terms of money paid or delivered by a buyer to a seller occurring at the same time
 2 and place. As a result, the buyer of tangible personal property shall be entitled to
 3 reduce the measure of retail sales or use tax due on the purchase if both of the
 4 following conditions are met:

5 (aa) The buyer delivers the trade-in property to the seller as consideration for
 6 the purchase.

7 (bb) The trade-in property is property of a like kind to that being purchased.

8 (ii) The phrase "property of a like kind" means an article of tangible personal
 9 property of the same general classification which shall be determined by the nature
 10 of the property and its function or use, but not of its grade or quality. "Property of
 11 a like kind" also includes all property within a general classification rather than
 12 within a specific category within the classification, for illustrative purposes: furniture
 13 for furniture, a motor vehicle for a motor vehicle, or an appliance for an appliance.

14 * * *

15 (h) Solely for the purpose of state sales and use taxes imposed by the state
 16 under R.S. 47:302, 321, and 331 and those of all other taxing authorities in the state
 17 of any cellular, PCS, or wireless telephone used in connection with the sale or use
 18 of mobile telecommunications services, as defined in R.S. 47:301(10)(v), ~~after~~
 19 ~~January 1, 2002~~, the term "sales price" shall mean and include the greater of (i) the
 20 amount of money actually received by the dealer from the purchaser for each such
 21 telephone, or (ii) ~~twenty-five~~ one hundred percent of the cost of such telephone to
 22 the dealer, but shall not include any amount received by the dealer from the
 23 purchaser for providing mobile telecommunications services or any commissions,
 24 fees, rebates, or other amounts received by the dealer from any source other than the
 25 purchaser as a result of or in connection with the sale of the telephone.

26 * * *

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

28 * * *

1 (b)(i) ~~(aa)~~ The sale of admissions to places of amusement, to athletic
2 entertainment ~~other than that of schools, colleges, and universities~~, and recreational
3 events, and the furnishing, for dues, fees, or other consideration of the privilege of
4 access to clubs or the privilege of having access to or the use of amusement,
5 entertainment, athletic, or recreational facilities.

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

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

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

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

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

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

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

20 ~~(bb) Aquariums and zoological parks.~~

21 ~~(cc) Botanical gardens and arboretums.~~

22 ~~(dd) Nature centers.~~

23 ~~(ee) Planetariums.~~

24 ~~(iv) For purposes of the sales and use taxes of all tax authorities in the state,~~
25 ~~the term "places of amusement" as used herein shall not include camp and retreat~~
26 ~~facilities owned and operated by nonprofit organizations exempt from federal income~~
27 ~~tax under Section 501(a) of the Internal Revenue Code as an organization described~~
28 ~~in Section 501(c)(3) of the Internal Revenue Code provided that the net revenue~~

1 ~~derived from the organization's property is devoted wholly to the nonprofit~~
2 ~~organization's purposes.~~

3 * * *

4 (18)

5 * * *

6 (q) For purposes of the sales and use tax of all taxing authorities, "use tax"
7 shall not apply to livestock and livestock products, to poultry and poultry products,
8 or to farm, range, and agricultural products when produced by the farmer and used
9 by the farmer and the farmer's family.

10 * * *

11 (23)(a) The term "custom computer software" means ~~computer software a~~
12 data processing program prepared, created, adapted, or modified to the special order
13 or specifications of a particular purchaser, licensee, or user; or to meet the specific
14 needs or requirements of a particular purchaser, licensee, or user, regardless of the
15 means by or through which such computer software is furnished, delivered, or
16 transmitted, and regardless of whether such software incorporates or consists of
17 preexisting routines, utilities, or other computer software components. Custom
18 computer software may contain prewritten software.

19 (b) In order to be considered "custom computer software", the computer
20 software must require preparation, creation, adaption, or modification by the vendor
21 in order to be used in a specific work environment or to perform a specific function
22 for the user.

23 (c) Updates, upgrades, and new versions of custom computer software shall
24 be considered custom computer software, provided such upgrades, updates, and new
25 versions meet the definition of custom computer software ~~contained in this Chapter~~
26 as provided in this Paragraph.

27 (d) Prewritten software means a data processing program prepared for sale
28 or license to multiple users and not to the special order or specifications of a single

1 customer. Prewritten software is commonly referred to as "canned" or "off-the-
2 shelf" or "standardized" software.

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

6 (a) Appears at regular intervals, of not less than quarterly.

7 (b) Contains reports of a varied character, such as political, social, cultural,
8 sports, moral, religious, editorial comment, announcements, advertising, public
9 notices, or other subjects of general public interest.

10 * * *

11 §305. Exclusions and exemptions from the tax

12 A.

13 * * *

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

19 (b) For purposes of this Subsection:

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

22 ~~(ii) "Business use" means the keeping and maintaining of animals which are~~
23 ~~used in performing services in conjunction with a business enterprise, such as sentry~~
24 ~~dogs and rental horses;~~

25 ~~(iii)~~ (ii) "Agricultural use" means the maintaining of work animals and beasts
26 of burden which are utilized in the activity of producing crops or animals for market,
27 in the production of food for human consumption, in the production of animal hides

1 or other animal products for market, or in the maintaining of breeding stock for the
2 propagation of such agricultural use animals.

3 * * *

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

8 * * *

9 (a) Gasoline not subject to the tax on motor fuels shall be exempt from all
10 sales and use taxes imposed by the state.

11 * * *

12 (h) All energy sources when used for boiler fuel including pelletized paper
13 waste, ~~except~~ and excluding refinery gas. Notwithstanding any provision of law to
14 the contrary, this exemption shall be applicable to all sales and use taxes imposed by
15 the state.

16 (i) New trucks, new automobiles, new aircraft, and new boats, vessels, or
17 other water craft withdrawn from stock by factory authorized new truck, new
18 automobile, new aircraft dealers, and factory-authorized dealers of new boats,
19 vessels, or other water craft, and used trucks and used automobiles withdrawn from
20 stock by new or used motor vehicle dealers, which are withdrawn for use as
21 demonstrators. Notwithstanding any provision of law to the contrary, this exemption
22 shall be applicable to all state sales and use tax levies.

23 * * *

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

30 * * *

1 of the sponsor for purposes of the event. ~~The provisions of this Subparagraph shall~~
2 ~~apply only to the sales of tangible personal property and admission charges for,~~
3 ~~outside gate admissions to, or parking fees associated with an event when the sales,~~
4 ~~charges, and fees are payable to or for the benefit of the sponsor of the event. The~~
5 ~~provisions of this Subparagraph shall apply only to an event which transpires over~~
6 ~~a minimum of seven but not more than twelve days and has a five-year annual~~
7 ~~average attendance of at least three hundred thousand over the duration of the event.~~
8 ~~For purposes of determining the five-year annual average attendance, the calculation~~
9 ~~shall include the total annual attendance for each of the five most recent years. For~~
10 purposes of this Section, "nonprofit organization" means a domestic, civic,
11 educational, historical, charitable, fraternal, or religious organizations, which are
12 nonprofit, when the entire proceeds, except for necessary expenses such as fees paid
13 for guest speakers, chair and table rentals, and food and beverage utility related items
14 connected therewith, are used for educational, charitable, religious, or historical
15 restoration purposes, including the furtherance of the civic, educational, historical,
16 charitable, fraternal, or religious purpose of the organization. In addition,
17 newspapers published in this state by religious organizations shall also be exempt
18 from such taxes, provided that the price paid for the newspaper or a subscription to
19 the newspaper does not exceed the cost to publish such newspaper. organization that
20 is deemed to be tax exempt under Section 501(c)(3) of the Internal Revenue Code.

21 (2) The exemption provided herein shall not apply to any event intended to
22 yield a profit to the promoter ~~or to any individual contracted to provide services or~~
23 ~~equipment, or both, for the event.~~

24 (3) This Section shall not be construed to exempt any organization or activity
25 from the payment of sales or use taxes otherwise required by law to be made on
26 purchases made by ~~these organizations~~ an organization whose events may qualify for
27 this exemption.

28 (4) This Section shall not be construed to exempt regular commercial
29 ventures of any type such as bookstores, restaurants, gift shops, commercial flea
30 markets, and similar activities that are sponsored by organizations qualifying

1 hereunder which are in competition with retail merchants. ~~However, the exemption~~
2 ~~provided in this Section shall apply to thrift shops located on military installations,~~
3 ~~the operation of which is deemed to be an "event" for purposes of this exemption.~~

4 * * *

5 §305.19. Exclusions and exemptions; leased vessels used in the production of
6 minerals

7 The taxes imposed by taxing authorities shall not apply to those vessels
8 which are leased for use offshore beyond the territorial limits of this state for the
9 production of oil, gas, sulphur, and other minerals or for the providing of services to
10 those engaged in such production. Notwithstanding any other provision of law to the
11 contrary, the exemption established in this Section shall be applicable for all sales
12 and use taxes imposed by the state.

13 * * *

14 §305.24. Exemption; farm equipment used in poultry production

15 The first fifty thousand dollars of the sale price of new farm equipment used
16 in poultry production shall be exempt from sales and use taxed imposed by the state
17 or any other taxing authority.

18 * * *

19 §305.28. Exclusions and exemptions; gasohol

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

29 * * *

1 §305.44. Exclusions and exemptions; ~~raw~~ materials used in printing process

2 A. ~~The sales and use taxes imposed by the state under R.S. 47:302, R.S.~~
3 ~~47:321, and R.S. 47:331 and by any political subdivision shall not apply to purchases~~
4 ~~and sales of the following, including all chemical supplies necessary to produce such~~
5 ~~items whether manufactured by a printer or purchased from a subcontractor: The sale~~
6 ~~or use of materials that are purchased for the purpose of inclusion into tangible~~
7 ~~personal property to be sold at retail by a printer shall be exempt from all sales and~~
8 ~~use taxes imposed by the state or any other taxing authority.~~

9 * * *

10 §305.47. Exclusions and exemptions; pharmaceutical samples distributed without
11 charge

12 The sales and use tax imposed by the state of Louisiana or any of its political
13 subdivisions shall not apply to pharmaceutical samples approved by the United
14 States Food and Drug Administration which are manufactured in the state or
15 imported into the state for distribution without charge to physicians, dentists, clinics,
16 or hospitals. Notwithstanding any provision of law to the contrary, this exemption
17 shall be applicable to all sales and use taxes imposed by the state.

18 §305.48. Exemption; automobiles owned by military personnel

19 ~~Solely for purposes of the sales and use taxes levied by the state, motor~~
20 Motor vehicles subject to the vehicle registration tax previously purchased in another
21 state by active duty military personnel stationed in Louisiana, shall, at the time of
22 transfer of registration, be exempt from such use tax imposed by ~~this Chapter~~ the
23 state or any other taxing authority if a sales tax was imposed and collected upon the
24 purchase of the motor vehicle by the state in which the vehicle was purchased and
25 the purchaser was a resident or stationed in the state where the taxes were paid. The
26 motor vehicle shall continue to be exempt from such use tax as long as the registered
27 owner remains on active duty in any branch of the armed forces of the United States
28 and is stationed in Louisiana.

1 §305.49. Catalog distribution; exemption

2 Notwithstanding any provision of law to the contrary, no sales or use tax shall
3 be imposed by the state or any political subdivision on the value of catalogs
4 distributed, or intended for distribution in the state, without charge to the recipient.

5 This exemption shall apply to all sales and use taxes imposed by the state.

6 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;
7 railroad ties

8 * * *

9 E.

10 * * *

11 (2)(a) The sales and use tax imposed by the state of Louisiana or statewide
12 taxing authorities shall not apply to parts or services used in the fabrication,
13 modification, or repair of rail rolling stock. A political subdivision may, by
14 ordinance, provide that sales and use tax imposed by the political subdivision shall
15 not apply to parts or service used in the fabrication, modification, or repair of rail
16 rolling stock.

17 (b) The sales, lease, and use tax imposed by the state of Louisiana or any
18 other taxing authorities shall not apply to the following tangible personal property
19 or services:

20 (i) Hourly, daily, or periodic mileage or other charges referred to as "per
21 diem or car hire" on freight cars and other rolling stock when such charges are paid
22 by reason of the presence of freight cars and other rolling stock owned by another
23 on the tracks of the taxpayer.

24 (ii) Piggyback trailers or containers when brought into or operated as
25 piggyback trailers or containers in this state.

26 (iii) Rolling stock, such as engines, switch engines, freight cars, and
27 machinery owned, operated, or leased by a railroad or any other person, firm, or
28 corporation.

29 * * *

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

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

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

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

11 (a) Admission tickets to athletic contests or any large scale bid-upon events
12 or any other events allowed under an existing lease or extension thereof, including
13 such contests and events where sales tax obligations created on or after April 1,
14 2016, were absorbed and the outstanding tax has yet to be remitted, sold in either of
15 the following:

16 (i) The primary ticket market.

17 (ii) A secondary ticket market operated by a nonprofit host organization
18 whose mission is to bid upon, contract, and manage large-scale sporting and
19 entertainment events on behalf of the state of Louisiana.

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

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

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

1 (e) Tours of the facility.

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

6 (2) Disposition of state tax proceeds. Of the monies remaining after
7 satisfaction of the requirements of Article VII, Section 9(B) of the Constitution of
8 Louisiana concerning the Bond Security and Redemption Fund, and R.S. 47:318(A)
9 concerning support of economic development, an amount equal to thirty percent of
10 the proceeds of the tax imposed under R.S. 47:321 on sales occurring for or at the
11 state-owned domed facility described in Subparagraph (A)(4)(a) of this Section shall
12 be allocated one-half to the Louisiana School for Math, Science, and the Arts, and
13 one-half to the New Orleans Center for Creative Arts. All monies remaining
14 thereafter shall be deposited into the state general fund. For purposes of this
15 allocation, on the last day of November of each year the secretary of the Department
16 of Revenue shall provide to the chairman of the Joint Legislative Committee on the
17 Budget and the commissioner of administration an official estimate of the amount
18 of state revenues received within the previous twelve months which were derived
19 from the tax imposed pursuant to R.S. 47:321 from sales for or at the state-owned
20 domed facility described in Subparagraph (A)(4)(a) of this Section. The estimate
21 shall be utilized by the commissioner of administration in the preparation of the
22 following year's executive budget in which a recommendation shall be made to
23 appropriate such amounts as may be necessary to provide for this allocation.

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

26 (a) If the local sales and use tax proceeds were derived from event sales at
27 a facility located on the property of a public postsecondary educational institution
28 located in the parish, all such tax proceeds shall be distributed to that institution. This
29 provision shall not apply to the Raising Cane's River Center or the Cajundome and
30 Convention Center.

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

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

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

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

24 **E. The provisions of this Section shall not be interpreted as either imposing**
25 **or rendering the following activities subject to the imposition of any state or local**
26 **tax:**

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

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

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

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

12 G. Notwithstanding any provision of law to the contrary, including any
13 contrary provisions of R.S. 47:302(X), (Y) or (AA), R.S. 47:321(L) and (M), R.S.
14 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided
15 for in Subparagraphs (B)(1)(a), (d), and (f) of this Section, the exemptions from state
16 sales and use taxes authorized in this Section shall be applicable and effective on and
17 after April 1, 2016.

18 §305.74. Exemption; sales at certain public facilities

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

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

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

25 (2) "Large-scale bid-upon event" means the instance when a nonprofit
26 organization, located in a parish with a population of more than two hundred fifty
27 thousand, whose mission is to bid upon, contract, and manage large-scale sporting
28 and entertainment events on behalf of the state of Louisiana, has bid upon or been
29 awarded an event which may have a bid requirement of a waiver of taxes or a waiver

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

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

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

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

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

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

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

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

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

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

29 (i) The primary ticket market.

30 (ii) A secondary ticket market operated by a nonprofit host organization.

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

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

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

7 (e) Tours of the facility.

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

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

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

16 E. Disposition of local tax proceeds.

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

22 (2) After satisfaction of the requirements of Paragraph (1) of this Subsection,
23 of the total remaining local sales and use tax proceeds in a parish having a population
24 in excess of three hundred twenty thousand and less than four hundred thousand
25 persons as of the latest federal decennial census which proceeds were derived from
26 event sales at a public facility subject to the provisions of this Section, an amount
27 equal to twenty percent shall be distributed to the New Orleans Council on Aging.
28 Monies to satisfy this dedication shall be derived proportionately from the sales and
29 use tax distributions for the following purposes: fifty percent from the Orleans

1 Parish School Board and fifty percent from the New Orleans Regional Transit
2 Authority.

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

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

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

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

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

21 G. Notwithstanding any provision of law to the contrary, including any
22 contrary provisions of R.S. 47:302(X) and (Y), R.S. 47:321(L) and (M), R.S.
23 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided
24 for in Subparagraph (C)(3)(f) of this Section, the exemptions from state sales and use
25 taxes authorized in this Section shall be applicable and effective on and after April
26 1, 2016.

1 §305.75. Exemption; certain major entertainment events sponsored by a domestic
2 nonprofit organization

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

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

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

17 §305.76. Exemption; contracts for construction or overhaul of U.S. Navy vessels

18 Any actions performed, including leases of property, pursuant to a contract
19 with the United States Department of the Navy for construction or overhaul of U.S.
20 Navy vessels shall be exempt from sales and use taxes imposed by the state or any
21 other taxing authority.

22 §305.77. Exemption; certain parochial and private schools

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

28 (1) Sale of tangible personal property by the school, its students,
29 administrators, teachers, or other employees, if the money from such sale, less
30 reasonable and necessary expenses associated with the sale, is used solely and

1 exclusively to support the school or its program or curricula, shall be exempt from
2 tax. This exemption shall not be construed to allow tax-free sales to students or their
3 families by promoters or regular commercial dealers through the use of schools,
4 school faculty, or school facilities.

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

8 (3) Purchase of food items for school lunch or breakfast programs by
9 nonpublic elementary or secondary schools which participate in the National School
10 Lunch and School Breakfast programs and the purchase of food items by nonprofit
11 organizations which serve students in nonpublic elementary or secondary schools
12 and which participate in the National School Lunch and School Breakfast programs
13 shall be exempt from tax.

14 §305.78. Exemption; lease or rental of motor vehicles by a motor vehicle dealer for
15 purposes of warranty agreements

16 The lease or rental of motor vehicles by a licensed motor vehicle dealer, as
17 defined in R.S. 32:1252(35), or a vehicle manufacturer, as defined in R.S.
18 32:1252(24), for their use in furnishing such leased or rented motor vehicles to their
19 customers in performance of their obligations under warranty agreements associated
20 with the purchase of a motor vehicle, or when the applicable warranty has lapsed and
21 the leased or rented motor vehicle is provided to the customer at no charge, shall be
22 exempt from sales and use taxes imposed by the state or any other taxing authority.

23 §305.79. Exemption; sales of repair services associated with a motor vehicle
24 warranty

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

1 §305.80. Exemption; human tissue transplants

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

6 §305.81. Exemption; food items sold by certain youth service organizations

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

10 §305.82. Exemption; volunteer and public fire departments

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

14 §305.83. Exemption; telephone directories

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

19 §305.84. Exemption; sales by the Military Department

20 Sales of tangible personal property by the Military Department, state of
21 Louisiana, which occur on an installation or other property owned or operated by the
22 Military Department shall be exempt from sales and use taxes imposed by the state
23 or any other taxing authority.

24 §305.85. Exemption; thrift shops located on military installations

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

27 §305.86. Exemption; anthropogenic carbon dioxide

28 Sale of anthropogenic carbon dioxide for use in a qualified tertiary recovery
29 project approved by the assistant secretary of the office of conservation of the

1 Department of Natural Resources pursuant to R.S. 47:633.4 shall be exempt from
2 sales and use taxes imposed by the state or any other taxing authority.

3 §305.87. Exemption; athletic entertainment; schools, colleges and universities

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

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

7 (2) Athletic entertainment events occurring at an elementary or secondary
8 school.

9 §305.88. Exemption; membership fees or dues for certain organizations

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

17 §305.89. Exemption; sales of sleeping rooms by certain camp and retreat facilities

18 Sales of sleeping rooms by a camp or retreat facility owned and operated by
19 a nonprofit organization, the net revenue from which is used solely for the purpose
20 for which the nonprofit organization qualifies for its exempt status under Section
21 501(c)(3) of the Internal Revenue Code, shall be exempt from sales and use taxes
22 imposed by the state or any other taxing authority. Any other sales of sleeping
23 rooms or other accommodations at such facilities shall be subject to tax.

24 §305.90. Exemption; pharmaceuticals administered to livestock used for agricultural
25 purposes

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

1 §305.91. Exemption; custom software

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

8 §305.92. Exemption; blood banks

9 Sale or use of materials used directly in the collection, separation, treatment,
10 testing, and storage of blood, and apheresis kits and leukoreduction filters utilized
11 by nonprofit blood banks and nonprofit blood collection centers shall be exempt
12 from sales and use taxes imposed by the state or any other taxing authority.

13 §305.93. Exemption; investment grade bullion

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

16 §305.94. Exemption; mass communication industries

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

22 (1) Artwork.

23 (2) Blankets and bars.

24 (3) Chemicals.

25 (4) Color separations.

26 (5) Dies.

27 (6) Film, including negatives.

28 (7) Offset plates.

29 (8) Press proofs and photomechanical proofs.

30 (9) Layouts.

1 (10) Typesetting.

2 (11) Rubber plates.

3 (12) Paper.

4 (13) Ink.

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

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

11 §305.95. Exemption; consumables and services used by the logging industry and
12 sawmills, and by wood and paper product manufacturers

13 The sale, use, lease, or rental of tangible personal property consumed in the
14 manufacturing process, such as fuses, belts, felts, wires, conveyor belts, lubricants,
15 and motor oils, and the sale of services for repair and maintenance of manufacturing
16 machinery and equipment, shall be exempt from sales and use taxes imposed by the
17 state if purchased by a person whose principal activity is classified under the North
18 American Industry Classification System of 2007 as industry group 3211 through
19 3222 or 113310.

20 §305.96. Exemption; charitable housing development, construction, and restoration

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

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

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

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

4 §305.97. Exemption; drilling rigs and equipment used outside of Louisiana
5 territorial waters

6 Sales of machinery and equipment and component parts thereof, and all
7 services, used in the repair, renovation, or conversion of any drilling rig which is
8 used exclusively for the exploration or development of minerals outside the
9 territorial limits of the state in Outer Continental Shelf waters shall be exempt from
10 the taxes imposed by any taxing authority. For the purposes of this Section, "drilling
11 rig" means any unit or structure, along with its component parts, which is used
12 primarily for drilling, workover, intervention, or remediation of wells used for
13 exploration or development of minerals and "component parts" means any machinery
14 or equipment necessary for a drilling rig to perform its exclusive function of
15 exploration or development of minerals.

16 §305.98. Exemption; Louisiana Insurance Guaranty Association

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

20 §305.99. Exemption; regionally accredited institutions of higher education

21 The sale, use, lease, or rental of tangible personal property and services
22 purchased by a regionally accredited institution of higher education that are directly
23 related to the mission of the institution shall be exempt from the sales and use taxes
24 imposed by the state.

25 §305.100. Exemption; pollution control devices necessary for compliance with
26 state or federal law

27 A. The purchase, lease, or use of an eligible pollution control device or
28 system shall be exempt from the sales and use taxes imposed by the state.

29 B. Eligible devices and systems. An eligible pollution control device or
30 system shall mean tangible personal property that meets all of the following criteria:

1 The taxing authority shall provide for the granting of such refund either by ordinance
 2 or by local rule or regulation. Such credit or refund shall be granted whenever the
 3 Louisiana Department of Revenue has found the dealer to be entitled to
 4 reimbursement in accordance with the provisions of Paragraph ~~(B)~~(1) of this ~~Section~~
 5 Subsection.

6 * * *

7 §315.5. Sales tax refund; nonprofits employing or training persons with workplace
 8 disabilities or disadvantages

9 A. ~~A~~ For the purpose of promoting social welfare for the aid and support of
 10 the needy, a qualified charitable institution which submits an application to the
 11 secretary of the Department of Revenue shall receive an exemption in the form of a
 12 restricted refund of the sales and use tax of the state which the institution has
 13 collected on the sale of donated tangible personal property or items made from such
 14 donated property; provided that, the refund is used exclusively in this state for land
 15 acquisition, capital construction, or equipment, or debt service related thereto, and/or
 16 job training, job placement, employment, or other related community services and
 17 support program costs.

18 * * *

19 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
 20 exemptions applicable

21 * * *

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

24 * * *

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

27 * * *

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

30 * * *

1 D.

2 * * *

3 (9) ~~R.S. 47:305.13~~ R.S. 47:305.14, "key words": admissions to
4 entertainments furnished by certain domestic nonprofit corporations.

5 (10) ~~R.S. 47:305.14~~ R.S. 47:305.94, "key words": nonprofit organizations
6 and certain newspapers.

7 * * *

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

10 * * *

11 §6001. Antique airplanes and certain other aircraft

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

21 * * *

22 Section 4. The repeal of R.S. 47:302(D) is intended to provide clarity with regard
23 to the specific services that are subject to sales and use taxes, as they are defined in R.S.
24 47:301(14). The repeal of R.S. 47:302(D) shall not be interpreted or construed to impose
25 sales and use taxes upon the sale of advertising services. Nor shall the repeal of R.S.
26 47:302(D) be interpreted or construed in any way to change the taxability of any tangible
27 personal property which is taxable under the provisions of Chapter 2 of Subtitle II of Title
28 47 of the Louisiana Revised Statutes of 1950.

29 Section 5. R.S. 38:2212.4(C), R.S. 39:467 and 468, R.S. 47:301(3)(g), (j), and (k),
30 (4)(i) and (k), (6)(b), (7)(c), (e) through (h), and (l), (8)(b) and (d) through (f), (10)(c)(i)(bb),

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

8 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 Re-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.

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 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.

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 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.

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

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(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), 305.14(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)(9), (10) and (21), and 6001(A); Adds R.S. 47:301(10)(ii) and (18)(q), 305.24, 305.73-305.100, and 315(B)(5); 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)-(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), and (m), (14)(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.

The House Floor Amendments to the reengrossed bill:

1. Delete provisions concerning the exemption for sales of materials and services involved in a lump sum, unit price, fixed fee, or guaranteed maximum price contract entered into at least 90 days before the imposition of a new tax.
2. Delete provisions establishing a new exemption for nonprofit entities.
3. Delete provisions concerning lease of oilfield drilling equipment.
4. Delete provisions concerning machinery and equipment used to produce a news publication.
5. Delete provisions which convert the following exclusions to refunds, and provide instead that they be established as exemptions:
 - a. The first \$50,000 of farm equipment used in poultry production.
 - b. Purchase by a regionally accredited institution of higher education.
 - c. Purchases of consumables and services by sawmills, logging companies, and paper product manufacturers.
 - d. Purchase of pollution control devices and systems necessary for compliance with federal law.