

2019 Regular Session

SENATE BILL NO. 45

BY SENATOR JOHNS AND REPRESENTATIVE MOSS

TAX/SALES. Provides for a state sales tax exemption for certain purchases of motor vehicles for the use or transportation of persons with permanent orthopedic disabilities. (10/1/19)

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AN ACT

To enact R.S. 47:302(BB)(110), 305.72, 321(P)(111), 321.1(I)(111), 331(V)(111), and 337.10(P), relative to sales and use tax exemptions; to exempt certain purchases of motor vehicles and motor vehicle modifications for use by persons with permanent orthopedic disabilities from state sales and use tax; to authorize an exemption from local sales and use taxes; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:302(BB)(110), 305.72, 321(P)(111), 321.1(I)(111), 331(V)(111), and 337.10(P) are hereby enacted to read as follows:

§302. Imposition of tax

* * *

BB. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provisions of this Chapter, beginning July 1, 2018, through June 30, 2025, there shall be no exemptions and no exclusions to the tax levied pursuant to the provisions of this Section, except for the retail sale, use, consumption, distribution, or storage for use or consumption of the following:

* * *

(110) Motor vehicles for use by persons with permanent orthopedic disabilities as provided in R.S. 47:305.72.

* * *

§305.72. Exemption; motor vehicles for use by persons with permanent orthopedic disabilities

A. The sales and use tax imposed by the state shall not apply to the purchase of a motor vehicle by an individual that has been or will be modified for operation by, or for the transportation of, a person who is permanently orthopedically disabled at the time of purchase, and that is primarily driven by or used for the transportation of the person. The modifications shall be made in accordance with a prescription issued for the person by a physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the state. Any political subdivision authorized by the constitution and laws of this state to levy and impose a sales and use tax may apply this exemption to all or part of the sales and use tax levied and imposed by the political subdivision.

B. For purposes of this Section:

(1) "Orthopedically disabled" means a person who has permanent, limited movement of body extremities and loss of physical functions. The physical impairment shall be such that the person is either unable to operate or be transported in a reasonable manner in a motor vehicle that has not been specially modified.

(2) "Modifications of a vehicle for the purpose of transporting a person with an orthopedic disability" shall include installation of items such as a wheelchair lift, hoist, attached ramp, wheelchair hold-down clamps, or special seat restraints other than conventional seat belts to allow for the transportation of a person with an orthopedic disability in a reasonable manner.

(3) "Modifications of a vehicle for operation by a person with an orthopedic disability" shall include altering items such as the conventional

1 brake, acceleration, or steering systems to facilitate the operation of the vehicle
 2 by a person with an orthopedic disability, and the installation of items such as
 3 a wheelchair lift, hoist, or attached ramp to allow a person with an orthopedic
 4 disability to enter the motor vehicle.

5 (4) "Motor vehicle" shall not include vehicles purchased for resale or
 6 lease, or vehicles used for nonpersonal, business, or commercial purposes,
 7 including ambulances, or travel trailers, or other vehicles not designed to
 8 transport people.

9 C.(1) To be eligible for the exemption, the purchaser shall request an
 10 exemption certificate in the form and manner prescribed by the secretary. A
 11 purchaser who requests an exemption certificate shall provide to the secretary
 12 the prescription requiring the vehicle modifications for which the exemption is
 13 requested, and a letter from the physician, chiropractor, or driver rehabilitation
 14 specialist describing the orthopedic disability, that requires the modifications,
 15 and at the discretion of the secretary, provide documentation evidencing the
 16 proposed purchase price of the vehicle, the proposed modifications to the
 17 vehicle, and an estimate of the cost of the proposed modifications.

18 (2) The secretary, in regulations adopted in consultation with the
 19 Louisiana Department of Health, may provide for a method for the review by
 20 appropriate personnel of the department of the prescriptions, letters, and other
 21 documentation that the secretary deems necessary that are submitted with the
 22 requests for exemption.

23 (3) If upon audit or examination the secretary determines that the
 24 purchaser was not eligible for an exemption pursuant to this Section, the
 25 purchaser shall remit all state and local sales and use taxes that are due on the
 26 purchase of the motor vehicle.

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28 §321. Imposition of tax

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1 P. Notwithstanding any other provision of law to the contrary, including but
2 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
3 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
4 levied pursuant to the provisions of this Section, except for the retail sale, use,
5 consumption, distribution, or storage for use or consumption of the following:

6 * * *

7 **(111) Motor vehicles for use by persons with permanent orthopedic**
8 **disabilities as provided in R.S. 47:305.72.**

9 * * *

10 §321.1. Imposition of tax

11 * * *

12 I. Notwithstanding any other provision of law to the contrary, including but
13 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
14 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
15 levied pursuant to the provisions of this Section, except for the retail sale, use,
16 consumption, distribution, or storage for use or consumption of the following:

17 * * *

18 **(111) Motor vehicles for use by persons with permanent orthopedic**
19 **disabilities as provided in R.S. 47:305.72.**

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21 §331. Imposition of tax

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23 V. Notwithstanding any other provision of law to the contrary, including but
24 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
25 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
26 levied pursuant to the provisions of this Section, except for the retail sale, use,
27 consumption, distribution, or storage for use or consumption of the following:

28 * * *

29 **(111) Motor vehicles for use by persons with permanent orthopedic**

1 **disabilities as provided in R.S. 47:305.72.**

2 * * *

3 §337.10. Optional exclusions and exemptions

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5 **P. As provided for in R.S. 47:305.72, any political subdivision authorized**
6 **by the constitution and laws of this state to levy and impose a sales and use tax**
7 **may by ordinance or resolution apply the exemption for motor vehicles for use**
8 **by persons with permanent orthopedic disabilities to all or part of the sales and**
9 **use tax levied and imposed by the political subdivision.**

10 Section 2. This Act shall become effective on October 1, 2019.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 45 Engrossed

2019 Regular Session

Johns

Proposed law exempts motor vehicles for use by persons with permanent orthopedic disabilities from state sales and use tax.

Proposed law authorizes political subdivisions to apply all or part of the exemption to local sales and use taxes.

Proposed law provides definitions for permanent orthopedic disability, vehicle, and modifications to which the exemption applies.

Present law provides the exclusive list of state sales and use tax exemptions applicable until July 1, 2025.

Proposed law adds the exemption for purchases of motor vehicles for use by persons with permanent orthopedic disabilities to the list of applicable state sales and use tax exemptions.

Proposed law requires purchasers who are determined to be ineligible for the exemption upon audit or examination by the secretary to remit all state and local sales tax due on the vehicle purchase.

Proposed law authorizes local government taxing authorities to exempt all or part of the purchase of motor vehicles and modifications for use by persons with permanent orthopedic disabilities from local sales and use tax.

Effective October 1, 2019.

(Adds R.S. 47:302(BB)(110), 305.72, 321(P)(111), 321.1(I)(111), 331(V)(111), and 337.10(P))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Add a clawback provision.
2. Make technical corrections.