

2024 Regular Session

SENATE BILL NO. 500

BY SENATOR REESE

TAX/TAXATION. Provides relative to the levy of local fees and taxes on certain non-gaming incentives or inducements granted by certain licensees. (gov sig)

1 AN ACT

2 To enact R.S. 47:337.11.4, relative to the levy of local fees and taxes on certain nongaming
3 incentives or inducements; to provide relative to the imposition of local hotel
4 occupancy taxes; to prohibit the levy of local fees and taxes by a local governing
5 authority on nongaming incentives or inducements awarded by certain gaming
6 licensees; to provide for relative to net gaming proceeds; to authorize the Louisiana
7 Gaming Control Board to adopt rules; to provide for effectiveness; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:337.11.4 is hereby enacted to read as follows:

11 **§337.11.4. Local taxes; prohibition on levy of local taxes on nongaming**
12 **incentives or inducements**

13 **A.(1) Except as expressly provided in R.S. 33:4574.11 and by express**
14 **written agreement duly signed and consented to by a local governing authority**
15 **and the holder of a license as defined in R.S. 27:44 and provided for in Chapter**
16 **4 of Title 27 of the Louisiana Revised Statutes of 1950, no local governing**
17 **authority, including a local political subdivision or school board, shall levy any**

1 fee or tax on nongaming incentives or inducements granted by such licensee to
2 a patron on a complimentary basis, or solely through the redemption of rewards
3 from a loyalty rewards program, including room stays, admissions to
4 entertainment venues, or parking charges. If nongaming incentives or
5 inducements are granted to a patron by a licensee on a discounted basis, or
6 partially through the redemption of rewards from a loyalty rewards program,
7 any fee or taxes levied shall be limited to the actual cash portion, if any, paid by
8 the patron and no tax shall be applied to the extent of the discount or rewards.

9 (2) Except as expressly provided in R.S. 33:4574.11 and by express
10 written agreement duly signed and consented to by a local governing authority
11 and the holder of a license as defined in R.S. 27:353 and provided for in Chapter
12 7 of Title 27 of the Louisiana Revised Statutes of 1950, no local governing
13 authority, including a local political subdivision or school board, shall levy any
14 fee or tax on nongaming incentives or inducements granted by such licensee to
15 a patron on a complimentary basis, or solely through the redemption of rewards
16 from a loyalty rewards program, including room stays, admissions to
17 entertainment venues, or parking charges. If nongaming incentives or
18 inducements are granted to a patron by a licensee on a discounted basis, or
19 partially through the redemption of rewards from a loyalty rewards program,
20 any fee or taxes levied shall be limited to the actual cash portion, if any, paid by
21 the patron and no tax shall be applied to the extent of the discount or rewards.

22 B. Notwithstanding any other provision of this Section to the contrary,
23 nothing in this Section shall be interpreted to restrict the imposition of sales or
24 use tax on the following:

25 (1) Any sales tax levied upon the purchase by a licensee of tangible
26 personal property used as a complimentary incentive or inducement.

27 (2) Any use tax levied upon the use by a licensee of tangible personal
28 property used as a complimentary incentive or inducement.

29 Section 2. This Act is interpretative and not substantive; it does not change the law

1 or establish new rules, rights, or duties to any person.

2 Section 3. This Act shall become effective upon signature by the governor or, if not
3 signed by the governor, upon expiration of the time for bills to become law without signature
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become
6 effective on the day following such approval.

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

DIGEST

SB 500 Reengrossed

2024 Regular Session

Reese

Present law (R.S. 33:4574.11) provides for the levy of a tax upon the occupancy of hotel rooms, motel rooms and overnight camping by the Southwest Louisiana Convention and Visitors Bureau.

Proposed law retains present law.

Present law provides for the imposition of local sales and use tax upon the sales of the furnishing of sleeping rooms by hotels and motels, the sales of meals, admissions to places of amusement, athletic, and recreational events, and the furnishing, for dues, fees, or other consideration of the privilege of access to clubs or the privilege of having access to or the use of amusement or entertainment, and parking.

Proposed law retains present law but prohibits a local governing authority, including a local political subdivision or school board, from levying any fee or tax on nongaming incentives or inducements granted by the holder of a riverboat license or the holder of a license to operate slot machine gaming to a patron on a complimentary basis or solely, through the redemption of rewards from a loyalty rewards program, including but not limited to room stays, admissions to entertainment venues, or parking charges except for taxes authorized by the Southwest Louisiana Convention and Visitors Bureau as provided for in present law and by express written agreement by a local governing authority and the holder of a riverboat license or the holder of a license to operate slot machine gaming.

Proposed law provides that if nongaming incentives or inducements are granted to a patron by a licensee on a discounted basis, any fee or taxes levied shall be limited to the actual cash portion, if any, paid by the patron and no tax shall be applied to the extent of the discount.

Proposed law restricts nongaming incentives or inducements to rooms stays, admissions to entertainment venues, or parking charges, then granted by a licensee to a patron.

Proposed law eliminates meals as a nongaming incentive or inducement granted by a licensee to a patron.

Proposed law provides that there shall be no restriction upon the imposition of sales and use taxes levied pursuant to present law upon the purchase or upon the use by a licensee of tangible personal property used as complimentary incentive or inducement.

Proposed law is interpretative and not substantive; it does not change the law or establish new rules, rights, or duties to any person.

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

(Adds R.S. 47:337.11.4)

Summary of Amendments Adopted by Senate

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

1. Removes provisions allowing the Louisiana Gaming Control Board to interpret and enforce net gaming proceeds and taxable net slot machine proceeds with respect to holders of certain holders of gaming licenses for riverboats (R.S. 27:44) and slot machines (R.S. 27:353).
2. Removes provisions for retroactive application of law.
3. Makes technical amendments.

Senate Floor Amendments to engrossed bill

1. Removes reference to local fees and taxes levied pursuant to present law by a local governing authority on net gaming proceeds and taxable net slot machine proceeds.
2. Removes reference to promotional play wagers and allowances for promotional play.
3. Restricts nongaming incentives or inducements to those granted by a licensee on a complimentary basis or solely through the redemption of rewards to a patron.
4. Eliminates meals as a nongaming incentive or inducement granted by a licensee to a patron.
5. Restricts nongaming incentives or inducements to rooms stays, admissions to entertainment venues, or parking charges, when granted by a licensee to a patron.
6. Make technical changes.