

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 42 by Representative Montgomery

Digest of Bill as Finally Passed by the House

Proposed law provides for a "sales tax holiday" on December 9, 10, and 11, 2005, affecting only the sales tax levied by the state and the Louisiana Tourism Promotion District. Local sales and use taxes will not be affected by the proposed holiday.

Proposed law provides for a "sales tax holiday" the first weekend in August beginning in 2006.

The holiday applies to consumers and does not apply to purchases made by businesses. The exemption is not applicable to motor vehicles that will be titled or to items costing more than \$2,500.

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

(Adds R.S. 47:305.54)

Digest of Bill as Proposed by Conference Committee

Proposed law provides for a "sales tax holiday" on December 16, 17, and 18, 2005, affecting only the sales tax levied by the state and the Louisiana Tourism Promotion District. Local sales and use taxes will not be affected by the proposed holiday.

Proposed law provides that the state sales tax exemption shall apply to the first \$2,500 of the sales or cost price of consumer purchases of tangible personal property and is not applicable to motor vehicles that are subject to license and title.

Proposed law provides that "consumer purchases" shall not include the purchase of meals furnished for consumption on the premises where purchased, including to-go orders.

Proposed law provides that the state sales tax exemption shall apply to the first \$2,500 of the sales or cost price of any purchases of tangible personal property made by businesses located in a Hurricane Katrina or Hurricane Rita Federal Emergency Management Agency Individual Assistance Area that occur on December 16, 17, and 18, 2005. Proposed law provides that this exemption shall only apply to business purchases that will replace property damaged, destroyed or lost as a result of the conditions created by Hurricanes Katrina or Rita.

Proposed law provides that no business shall be entitled to purchase tangible personal property without the payment of tax before applying for and receiving from the secretary of the Department of Revenue a sales tax holiday exemption certificate.

Proposed law provides that the secretary of the Department of Revenue shall issue sales tax holiday exemption certificates to business applicants that meet all of the following criteria:

1. The business is located in a Hurricane Katrina or Rita Federal Emergency Management Agency Individual Assistance Area.
2. The business had property that was damaged, destroyed or lost as a result of the conditions created by Hurricanes Katrina or Rita.