

New 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.

New 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.

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

New 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. New 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.

New 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 Dept. of Revenue a sales tax holiday exemption certificate.

New law provides that the secretary of the Dept. of Revenue shall issue sales tax holiday exemption certificates to business applicants that meet 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.

Effective upon signature of governor (November 23, 2005).

(Adds R.S. 47:305.54)