SLS 14RS-359 ORIGINAL

Regular Session, 2014

SENATE BILL NO. 515

BY SENATOR CORTEZ

TAX/LOCAL. Prohibits rebates of local sales tax for activities in certain state-owned "public facilities" if any of the contracts entered into for such activity operate to prevent the contracted person from participating in any activity conducted in any other type of public facility. (See Act)

AN ACT

To amend and reenact R.S. 39:469(B), relative to sales and use tax of political subdivisions;

to prohibit certain rebates of the sales and use taxes imposed by local governmental

subdivisions for activities in state-owned public facilities if certain contracts are

entered into; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

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Section 1. R.S. 39:469(B) is hereby amended and reenacted to read as follows:

§469. Tax rebate; publicly-owned facility activity

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B. The right of admission to any event, activity, or enterprise conducted in a publicly owned facility owned and operated by the state or any of its agencies, boards, or commissions shall be subject to rebate of sales and use taxes imposed by any local governmental subdivision as provided in this Section <u>unless any contract</u> entered into for such event, activity, or enterprise operates to prevent the contracted person or entity from participating in any other type of activity conducted in any other type of facility owned or operated by the state, any political subdivision of the state, or any agency, board, commission, or

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instrumentality thereof.

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Section 2. The provisions of this Act shall have retroactive application to any event, activity, or enterprise and contracts entered into for such event, activity, or enterprise which occurs on or after July 1, 2012, for which rebates were or will be issued. Any rebate issued before the effective date of this Act in violation of its conditions shall be considered as a tax due and shall be recaptured by the single sales tax collector of the parish in which the event, activity, or enterprise was held subject to any of the collection and enforcement provisions of Chapter 2-D of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become 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 Riley Boudreaux.

DIGEST

Cortez (SB 515)

<u>Present law</u> authorizes local governmental subdivisions located within a parish (i.e. the parish and its municipalities) in which an "event, activity, or enterprise" is undertaken in a "public facility" owned and operated by the state or any of its agencies, boards, or commissions to rebate to the promoter their sale and use taxes paid on the right of admission to the event and charges for parking.

"Event, activity, or enterprise" is defined as a musical or other entertainment undertaking in the public facility which event has been held for no less than two consecutive years prior to the undertaking for which a rebate is made, is conducted over two consecutive days, and has an average attendance of at least 25,000 per day.

"Public facility" is specifically defined as a stadium facility that is normally used for athletic or sporting events, activities, or enterprises and that has a seating capacity in excess of 90,000.

<u>Proposed law</u> prohibits such a rebate if any of the contracts entered into for the "event, activity, or enterprise" operates to prevent the contracted person or entity from participating in any other type of activity conducted in any other type of facility owned or operated by the state, any political subdivision of the state, or any agency, board, commission, or instrumentality thereof.

<u>Proposed law</u> provides that its provisions shall be applied retroactively to any event, activity, or enterprise and contracts entered into for such event which occurs on or after July 1, 2012,

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

for which rebates were or will be issued. Any rebate issued before the effective date of the <u>proposed law</u> in violation of its conditions is to be considered as a tax due and is to be recaptured by the single sales tax collector of the parish in which the event, activity, or enterprise was held subject to any of the collection and enforcement provisions of the Uniform Local Sales Tax Code.

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

(Amends R.S. 39:469(B))