

2016 First Extraordinary Session

HOUSE BILL NO. 101

BY REPRESENTATIVE JACKSON

TAX/SALES-USE, STATE: Provides for the extent of applicability of various exclusions and exemptions from state sales and use tax (Item #36)

1 AN ACT

2 To amend and reenact R.S. 47:301(3) through (17), and (18)(d)(ii), (h), (i) through (l), and  
 3 (o), 305(A)(2), (C), (D)(1)(b) through (d) and (g) through (i), (F), (H)(introductory  
 4 paragraph) and (I), 305.1(A) and (B), 305.6, 305.7, 305.9, 305.13, 305.14(A)(1),  
 5 305.16, 305.17, 305.18, 306.19, 305.20(A) and (C)(introductory paragraph) and (G),  
 6 305.26, 305.28(A), 305.33, 305.39, 305.40, 305.41(A), 305.42, 305.43,  
 7 305.44(A)(introductory paragraph), 305.45(A)(introductory paragraph) and (B),  
 8 305.49, 305.50(A)(1) and (2)(a)(introductory paragraph) and (F), 305.51(A), 305.56,  
 9 305.57(A), 305.60, 305.61(A), 305.64(A)(1), (B), and (C), 305.65(A) and (C),  
 10 305.68, 305.70, 305.71, and 315.2 and to enact R.S. 47:302(V), 321(L), and 331(S),  
 11 relative to state sales and use taxes; to provide with respect to the applicability of  
 12 exclusions and exemptions from sales and use taxes; to provide for effectiveness; and  
 13 to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 47:301(3) through (17), and (18)(d)(ii), (h), (i) through (l), and (o),  
 16 305(A)(2), (C), (D)(1)(b) through (d) and (g) through (i), (F), (H)(introductory paragraph)  
 17 and (I), 305.1(A) and (B), 305.6, 305.7, 305.9, 305.13, 305.14(A)(1), 305.16, 305.17,  
 18 305.18, 306.19, 305.20(A) and (C)(introductory paragraph) and (G), 305.26, 305.28(A),  
 19 305.33, 305.39, 305.40, 305.41(A), 305.42, 305.43, 305.44(A)(introductory paragraph),  
 20 305.45(A)(introductory paragraph) and (B), 305.49, 305.50(A)(1) and (2)(a)(introductory

1 paragraph) and (F), 305.51(A), 305.56, 305.57(A), 305.60, 305.61(A), 305.64(A)(1), (B),  
2 and (C), 305.65(A) and (C), 305.68, 305.70, 305.71, and 315.2 are hereby amended and  
3 reenacted, and R.S. 47:302(V), 321(L), and 331(S) are hereby enacted to read as follows:

4 §301. Definitions

5 As used in this Chapter the following words, terms, and phrases have the  
6 meaning ascribed to them in this Section, unless the context clearly indicates a  
7 different meaning:

8 \* \* \*

9 (3)(a) "Cost price" means the actual cost of the articles of tangible personal  
10 property without any deductions therefrom on account of the cost of materials used,  
11 labor, or service cost, except those service costs for installing the articles of tangible  
12 personal property if such cost is separately billed to the customer at the time of  
13 installation, transportation charges, or any other expenses whatsoever, or the  
14 reasonable market value of the tangible personal property at the time it becomes  
15 susceptible to the use tax, whichever is less.

16 (b) In the case of tangible personal property which has acquired a tax situs  
17 in a taxing jurisdiction and is thereafter transported outside the taxing jurisdiction for  
18 repairs performed outside the taxing jurisdiction and is thereafter returned to the  
19 taxing jurisdiction, the cost price shall be deemed to be the actual cost of any parts  
20 and/or materials used in performing such repairs, if applicable labor charges are  
21 separately stated on the invoice. If the applicable labor charges are not separately  
22 stated on the invoice, it shall be presumed that the cost price is the total charge  
23 reflected on the invoice.

24 (c) "Cost price" shall not include the supplying and installation of board  
25 roads to oil field operators if the installation charges are separately billed to the  
26 customer at the time of installation.

27 (d)(i) In the case of interchangeable components located in Louisiana, a  
28 taxpayer may elect to determine the cost price of such components as follows:

1           (aa) The taxpayer shall send to the secretary written notice of the calendar  
2 month selected by the taxpayer as the first month for the determination of cost price  
3 under this Paragraph (the "First Month"). The taxpayer may select any month. The  
4 taxpayer shall send to the secretary notice of an election to designate a First Month  
5 on the first day of the designated First Month, or ninety days from July 1, 1990,  
6 whichever is later.

7           (bb) For the First Month and each month thereafter, cost price shall be based  
8 and use tax shall be paid only on one-sixtieth of the aggregate cost price of the  
9 interchangeable components deployed and earning revenue within Louisiana during  
10 the month, without regard to any credit or other consideration for Louisiana state,  
11 political subdivision, or school board use tax previously paid on such  
12 interchangeable components.

13           (cc) Any election made under this Paragraph shall be irrevocable for a period  
14 of sixty consecutive months inclusive of the First Month. If at any time after the  
15 sixty-month period the taxpayer revokes its election, no credit or other consideration  
16 for use taxes paid pursuant thereto shall be applied to any use tax liability arising  
17 after such revocation.

18           (ii)(aa) For purposes of this Paragraph, "interchangeable component" means  
19 a component that is used or stored for use in measurement-while-drilling instruments  
20 or systems manufactured or assembled by the taxpayer, which measurement-while-  
21 drilling instruments or systems collectively generate eighty percent or more of their  
22 annual revenue from their use outside of the state.

23           (bb) "Measurement-while-drilling instruments or systems" means  
24 instruments or systems which measure information from a downhole location in a  
25 borehole, transmit the information to the surface during the process of drilling the  
26 borehole using a wireless technique, and receive and decode the information on the  
27 surface.

28           (iii) The method for determining cost price of interchangeable components  
29 provided for in this Paragraph shall apply to any use taxes imposed by a local

1 political subdivision or school board. For purposes of that application, the words  
2 "political subdivision" or "school board" as the case may be, shall be substituted for  
3 the words "Louisiana" or "State" in each instance where those words appear in this  
4 Paragraph and an appropriate official of the local political subdivision or school  
5 board shall be designated to receive the notices required by this Paragraph.

6 (e) "Cost price" shall not include any amount designated as a cash discount  
7 or a rebate by a vendor or manufacturer of any new vehicle subject to the motor  
8 vehicle license tax. For purposes of this Paragraph "rebate" means any amount  
9 offered by the vendor or manufacturer as a deduction from the listed retail price of  
10 the vehicle.

11 (f) The "cost price" of refinery gas shall be fifty-two cents per thousand  
12 cubic feet multiplied by a fraction the numerator of which shall be the posted price  
13 for a barrel of West Texas Intermediate Crude Oil on December first of the preceding  
14 calendar year and the denominator of which shall be twenty-nine dollars, and  
15 provided further that such cost price shall be the maximum value placed upon  
16 refinery gas by the state and by any political subdivision under any authority or grant  
17 of power to levy and collect use taxes.

18 (g) "Cost price", for purposes of the use tax imposed by the state and its  
19 political subdivisions, shall exclude any amount that a manufacturer pays directly to  
20 a dealer of the manufacturer's product for the purpose of reducing and that actually  
21 results in an equivalent reduction in the retail "cost price" of that product. This  
22 exclusion shall not apply to the value of the coupons that dealers accept from  
23 purchasers as part payment of the "sales price" and that are redeemable by the  
24 dealers through manufacturers or their agents. The value of such coupons is deemed  
25 to be part of the "cost price" of the product purchased through the use of the coupons.

26 (h)(i) For purposes of a publishing business which distributes its news  
27 publications at no cost to readers and pays unrelated third parties to print such news  
28 publications, the term "cost price" shall mean only the lesser of the following costs:

1 (aa) The printing cost paid to unrelated third parties to print such news  
2 publications, less any itemized freight charges for shipping the news publications  
3 from the printer to the publishing business and any itemized charges for paper and  
4 ink.

5 (bb) Payments to a dealer or distributor as consideration for distribution of  
6 the news publications.

7 (ii) The definition of "cost price" provided for in this Subparagraph shall be  
8 applicable to taxes levied by ~~all tax authorities in the state~~ any political subdivision.

9 (i)(i) For purposes of the imposition of the use tax levied by the state and any  
10 political subdivision whose boundaries are coterminous with those of the state, the  
11 cost price of machinery and equipment used by a manufacturer in a plant facility  
12 predominately and directly in the actual manufacturing for agricultural purposes or  
13 the actual manufacturing process of an item of tangible personal property, which is  
14 for ultimate sale to another and not for internal use, at one or more fixed locations  
15 within Louisiana, shall be reduced as follows:

16 (aa) For the period ending on June 30, 2005, the cost price shall be reduced  
17 by five percent.

18 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the  
19 cost price shall be reduced by nineteen percent.

20 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the  
21 cost price shall be reduced by thirty-five percent.

22 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the  
23 cost price shall be reduced by fifty-four percent.

24 (ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the  
25 cost price shall be reduced by sixty-eight percent.

26 (ff) For all periods beginning on or after July 1, 2009, the cost price shall be  
27 reduced by one hundred percent.

28 (ii) For purposes of this Subparagraph, the following definitions shall apply:

1           (aa) "Machinery and equipment" means tangible personal property or other  
2 property that is eligible for depreciation for federal income tax purposes and that is  
3 used as an integral part in the manufacturing of tangible personal property for sale.  
4 "Machinery and equipment" shall also mean tangible personal property or other  
5 property that is eligible for depreciation for federal income tax purposes and that is  
6 used as an integral part of the production, processing, and storing of food and fiber  
7 or of timber.

8           (I) Machinery and equipment, for purposes of this Subparagraph, also  
9 includes but is not limited to the following:

10           (aaa) Computers and software that are an integral part of the machinery and  
11 equipment used directly in the manufacturing process.

12           (bbb) Machinery and equipment necessary to control pollution at a plant  
13 facility where pollution is produced by the manufacturing operation.

14           (ccc) Machinery and equipment used to test or measure raw materials, the  
15 property undergoing manufacturing or the finished product, when such test or  
16 measurement is a necessary part of the manufacturing process.

17           (ddd) Machinery and equipment used by an industrial manufacturing plant  
18 to generate electric power for self consumption or cogeneration.

19           (eee) Machinery and equipment used primarily to produce a news  
20 publication whether it is ultimately sold at retail or for resale or at no cost. Such  
21 machinery and equipment shall include but not be limited to all machinery and  
22 equipment used primarily in composing, creating, and other prepress operations,  
23 electronic transmission of pages from prepress to press, pressroom operations, and  
24 mailroom operations and assembly activities. The term "news publication" shall  
25 mean any publication issued daily or regularly at average intervals not exceeding  
26 three months, which contains reports of varied character, such as political, social,  
27 cultural, sports, moral, religious, or subjects of general public interest, and  
28 advertising supplements and any other printed matter ultimately distributed with or  
29 a part of such publications.

1 (II) Machinery and equipment, for purposes of this Subparagraph, does not  
2 include any of the following:

3 (aaa) A building and its structural components, unless the building or  
4 structural component is so closely related to the machinery and equipment that it  
5 houses or supports that the building or structural component can be expected to be  
6 replaced when the machinery and equipment are replaced.

7 (bbb) Heating, ventilation, and air-conditioning systems, unless their  
8 installation is necessary to meet the requirements of the manufacturing process, even  
9 though the system may provide incidental comfort to employees or serve, to an  
10 insubstantial degree, nonproduction activities.

11 (ccc) Tangible personal property used to transport raw materials or  
12 manufactured goods prior to the beginning of the manufacturing process or after the  
13 manufacturing process is complete.

14 (ddd) Tangible personal property used to store raw materials or  
15 manufactured goods prior to the beginning of the manufacturing process or after the  
16 manufacturing process is complete.

17 (bb) "Manufacturer" means:

18 ~~(f) A person whose principal activity is manufacturing, as defined in this~~  
19 ~~Subparagraph, and who is assigned by the Louisiana Workforce Commission a North~~  
20 ~~American Industrial Classification System code within the agricultural, forestry,~~  
21 ~~fishing, and hunting Sector 11, the manufacturing Sectors 31-33, the information~~  
22 ~~Sector 511110 as they existed in 2002, or industry code 423930 as a recyclable~~  
23 ~~material merchant wholesaler engaged in manufacturing activities, which must~~  
24 ~~include shredding facilities, as determined by the secretary of the Department of~~  
25 ~~Revenue.~~

26 (II) A person whose principal activity is manufacturing and who is not  
27 required to register with the Louisiana Workforce Commission for purposes of  
28 unemployment insurance, but who would be assigned a North American Industrial  
29 Classification System code within the agricultural, forestry, fishing, and hunting

1 Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they  
2 existed in 2002, as determined by the Louisiana Department of Revenue from federal  
3 income tax data, if he were required to register with the Louisiana Workforce  
4 Commission for purposes of unemployment insurance.

5 (cc) "Manufacturing" means putting raw materials through a series of steps  
6 that brings about a change in their composition or physical nature in order to make  
7 a new and different item of tangible personal property that will be sold to another.  
8 Manufacturing begins at the point at which raw materials reach the first machine or  
9 piece of equipment involved in changing the form of the material and ends at the  
10 point at which manufacturing has altered the material to its completed form. Placing  
11 materials into containers, packages, or wrapping in which they are sold to the  
12 ultimate consumer is part of this manufacturing process. Manufacturing, for  
13 purposes of this Subparagraph, does not include any of the following:

14 (I) Repackaging or redistributing.

15 (II) The cooking or preparing of food products by a retailer in the regular  
16 course of retail trade.

17 (III) The storage of tangible personal property.

18 (IV) The delivery of tangible personal property to or from the plant.

19 (V) The delivery of tangible personal property to or from storage within the  
20 plant.

21 (VI) Actions such as sorting, packaging, or shrink wrapping the final  
22 material for ease of transporting and shipping.

23 (dd) "Manufacturing for agricultural purposes" means the production,  
24 processing, and storing of food and fiber and the production, processing, and storing  
25 of timber.

26 (ee) "Plant facility" means a facility, at one or more locations, in which  
27 manufacturing, referred to in Sectors 11 and 31-33 of the North American Industrial  
28 Classification system as of 2002, of a product of tangible personal property takes  
29 place.



1 (ff) "Used directly" means used in the actual process of manufacturing or  
2 manufacturing for agricultural purposes.

3 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or  
4 equipment as defined herein without payment of the tax imposed by R.S. 47:302,  
5 321, and 331 before receiving a certificate of exclusion from the secretary of the  
6 Department of Revenue certifying that he is a manufacturer as defined herein.

7 (iv) The secretary of the Department of Revenue is hereby authorized to  
8 adopt rules and regulations in order to administer the exclusion provided for in this  
9 Subparagraph.

10 (j) For the purpose of the sales and use taxes imposed by the state or any  
11 political subdivision whose boundaries are coterminous with those of the state, the  
12 "cost price" of electric power or energy, or natural gas for the period beginning July  
13 1, 2007 and thereafter, purchased or used by paper or wood products manufacturing  
14 facilities shall not include any of such cost.

15 (k)(i) For purposes of the imposition of the sales and use tax levied by the  
16 state or any political subdivision whose boundaries are coterminous with those of the  
17 state, the tax on the cost price of tangible property consumed in the manufacturing  
18 process, such as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils  
19 and the tax on the cost price of repairs and maintenance of manufacturing machinery  
20 and equipment shall be reduced as follows:

21 (aa) For the period beginning July 1, 2010, and ending on June 30, 2011, the  
22 state sales and use tax on the cost price shall be reduced by twenty-five percent.

23 (bb) For the period beginning July 1, 2011, and ending June 30, 2012, the  
24 state sales and use tax on the cost price shall be reduced by fifty percent.

25 (cc) For the period beginning July 1, 2012, and ending June 30, 2013, the  
26 state sales and use tax on the cost price shall be reduced by seventy-five percent.

27 (dd) For all periods beginning on and after July 1, 2013, the state sales and  
28 use tax on the cost price shall be reduced by one hundred percent.

1 (ii) For purposes of this Subparagraph, "manufacturer" means a person  
2 whose principal activity is manufacturing and who is assigned an industry group  
3 designation by the United States Census of 3211 through 3222 or 113310 pursuant  
4 to the North American Industry Classification System of 2007.

5 (4) "Dealer" includes every person who manufactures or produces tangible  
6 personal property for sale at retail, for use, or consumption, or distribution, or for  
7 storage to be used or consumed in a taxing jurisdiction. "Dealer" is further defined  
8 to mean:

9 (a) Every person who imports, or causes to be imported, tangible personal  
10 property from any other state, foreign country, or other taxing jurisdiction for sale  
11 at retail, for use, or consumption, or distribution, or for storage to be used or  
12 consumed in a taxing jurisdiction.

13 (b) Every person who sells at retail, or who offers for sale at retail, or who  
14 has in his possession for sale at retail, or for use, or consumption, or distribution, or  
15 storage to be used or consumed in the taxing jurisdiction, tangible personal property  
16 as defined herein.

17 (c) Any person who has sold at retail, or used, or consumed, or distributed,  
18 or stored for use or consumption in the taxing jurisdiction, tangible personal property  
19 and who cannot prove that the tax levied by this Chapter has been paid on the sale  
20 at retail, the use, the consumption, the distribution, or the storage of said tangible  
21 personal property.

22 (d)(i) Any person who leases or rents tangible personal property for a  
23 consideration, permitting the use or possession of the said property without  
24 transferring title thereto.

25 (ii) However, a person who leases or rents tangible personal property to  
26 customers who provide information to such person that they will use the property  
27 only offshore beyond the territorial limits of the state shall not be included in the  
28 term "dealer" for purposes of the collection of the rental or lease tax of the state,  
29 statewide political subdivisions, and other political subdivisions on such lease or

1 rental contracts. For purposes of this Item, "use" means the operational or functional  
2 use of the property and not other uses related to its possession such as transportation,  
3 maintenance, and repair. It is the intention of this Item that the customers of such  
4 persons shall remit any tax due on the lease or rental of such property directly to the  
5 state and local taxing bodies to whom they are due.

6 (e) Any person who is the lessee or rentee of tangible personal property and  
7 who pays to the owner of such property a consideration for the use or possession of  
8 such property without acquiring title thereto.

9 (f) Any person, who sells or furnishes any of the services subject to tax under  
10 this Chapter.

11 (g) Any person, as used in this act, who purchases or receives any of the  
12 services subject to tax under this Chapter.

13 (h) Any person engaging in business in the taxing jurisdiction. "Engaging in  
14 business in the taxing jurisdiction" means and includes any of the following methods  
15 of transacting business: maintaining directly, indirectly, or through a subsidiary, an  
16 office, distribution house, sales house, warehouse, or other place of business or by  
17 having an agent, salesman, or solicitor operating within the taxing jurisdiction under  
18 the authority of the seller or its subsidiary irrespective of whether such place of  
19 business, agent, salesman, or solicitor is located in such taxing jurisdiction  
20 permanently or temporarily or whether such seller or subsidiary is qualified to do  
21 business in such taxing jurisdiction, or any person who makes deliveries of tangible  
22 personal property into the taxing jurisdiction other than by a common or contract  
23 carrier.

24 (i) Any person who sells at retail any tangible personal property to a vending  
25 machine operator for resale through coin-operated vending machines.

26 (j) Any person who makes deliveries of tangible personal property into the  
27 taxing jurisdiction in a vehicle owned or operated by said person.

28 (k) The term "dealer" shall not include lessors of railroad rolling stock used  
29 either for freight or passenger purposes. However, the term "dealer" shall include

1 lessees, other than a railway company or railroad corporation, of such property and  
2 such lessees shall be responsible for the collection and payment of all state and local  
3 sales and use taxes.

4 (l) Every person who engages in regular or systematic solicitation of a  
5 consumer market in the taxing jurisdiction by the distribution of catalogs,  
6 periodicals, advertising fliers, or other advertising, or by means of print, radio or  
7 television media, by mail, telegraphy, telephone, computer data base, cable, optic,  
8 microwave, or other communication system.

9 (5) "Gross sales" means the sum total of all retail sales of tangible personal  
10 property, without any deduction whatsoever of any kind or character except as  
11 provided in this Chapter.

12 (6)(a) "Hotel" means and includes any establishment engaged in the business  
13 of furnishing sleeping rooms, cottages, or cabins to transient guests, where such  
14 establishment consists of six or more sleeping rooms, cottages, or cabins at a single  
15 business location.

16 (b) For purposes of the sales and use taxes of all tax authorities in this state,  
17 the term "hotel" as defined herein shall not include camp and retreat facilities owned  
18 and operated by nonprofit organizations exempt from federal income tax under  
19 Section 501(a) of the Internal Revenue Code as an organization described in Section  
20 501(c)(3) of the Internal Revenue Code provided that the net revenue derived from  
21 the organizations's property is devoted wholly to the nonprofit organization's  
22 purposes. However, for purposes of this Paragraph, the term "hotel" shall include  
23 camp and retreat facilities which shall sell rooms or other accommodations to  
24 transient guests who are not attending a function of such nonprofit organization that  
25 owns and operates the camp and retreat facilities or a function of another nonprofit  
26 organization exempt from federal income tax under Section 501(a) of the Internal  
27 Revenue Code as an organization described in Section 501(c)(3) of the Internal  
28 Revenue Code. It is the intention of the legislature to tax the furnishing of rooms to  
29 those who merely purchase lodging at such facilities.

1 (c) For purposes of the sales and use taxes of all tax authorities in this state,  
2 the term "hotel", as defined herein, shall not include a temporary lodging facility  
3 which is operated by a nonprofit organization described in Section 501(c)(3) of the  
4 Internal Revenue Code, provided that the facility is devoted exclusively to the  
5 temporary housing, for periods no longer than thirty days' duration, of homeless  
6 transient persons whom the organization determines to be financially incapable of  
7 engaging lodging at a facility defined by Subparagraph (a) of this Paragraph, and  
8 further provided that the lodging charge to such persons is no greater than twenty  
9 dollars per day.

10 (7)(a) "Lease or rental" means the leasing or renting of tangible personal  
11 property and the possession or use thereof by the lessee or renter, for a consideration,  
12 without transfer of the title of such property. For the purpose of the leasing or  
13 renting of automobiles, "lease" means the leasing of automobiles and the possession  
14 or use thereof by the lessee, for a consideration, without the transfer of the title of  
15 such property for a one hundred eighty-day period or more. "Rental" means the  
16 renting of automobiles and the possession or use thereof by the renter, for a  
17 consideration, without the transfer of the title of such property for a period less than  
18 one hundred eighty days.

19 (b) Solely for purposes of sales tax levied and imposed by a local political  
20 subdivision, the ~~The~~ term "lease or rental", however, as herein defined, shall not  
21 mean or include the lease or rental made for the purposes of re-lease or re-rental of  
22 casing tools and pipe, drill pipe, tubing, compressors, tanks, pumps, power units,  
23 other drilling or related equipment used in connection with the operating, drilling,  
24 completion, or reworking of oil, gas, sulphur, or other mineral wells.

25 (c) The term "lease or rental", as herein defined shall not mean or include a  
26 lease or rental of property to be used in performance of a contract with the United  
27 States Department of the Navy for construction or overhaul of U.S. Naval vessels.

1           (d) Solely for purposes of sales tax levied by a local political subdivision, the  
2       ~~The~~ term "lease or rental", as herein defined, shall not mean the lease or rental of  
3       airplanes or airplane equipment by a commuter airline domiciled in Louisiana.

4           (e) For purposes of state and political subdivision sales and use tax, the term  
5       "lease or rental", as herein defined, shall not mean the lease or rental of items,  
6       including but not limited to supplies and equipment, which are reasonably necessary  
7       for the operation of free hospitals.

8           (f) For purposes of state and political subdivision sales and use tax, "lease  
9       or rental" shall not mean the lease or rental of educational materials or equipment  
10      used for classroom instruction by approved parochial and private elementary and  
11      secondary schools which comply with the court order from the Dodd Brumfield  
12      decision and Section 501(c)(3) of the Internal Revenue Code, limited to books,  
13      workbooks, computers, computer software, films, videos, and audio tapes.

14          (g) For purposes of state and political subdivision sales and use tax, "lease  
15      or rental" shall not mean the lease or rental of tangible personal property to Boys  
16      State of Louisiana, Inc. and Girls State of Louisiana, Inc. which is used by such  
17      organizations for their educational and public service programs for youth.

18          (h) For purposes of state and political subdivision sales and use tax, the term  
19      "lease or rental" shall not mean or include the lease or rental of motor vehicles by  
20      licensed motor vehicle dealers, as defined in R.S. 32:1252(14), or vehicle  
21      manufacturers, as defined in R.S. 32:1252(11), for their use in furnishing such leased  
22      or rented motor vehicles to their customers in performance of their obligations under  
23      warranty agreements associated with the purchase of a motor vehicle or when the  
24      applicable warranty has lapsed and the leased or rented motor vehicle is provided to  
25      the customer at no charge.

26          (i) For purposes of sales and use taxes levied and imposed by local  
27      governmental subdivisions, school boards, and other political subdivisions whose  
28      boundaries are not coterminous with those of the state, "lease or rental" by a person

1 shall not mean or include the lease or rental of tangible personal property if such  
2 lease or rental is made under the provisions of Medicare.

3 (j) ~~Solely for purposes of the sales and use tax levied by the state or any~~  
4 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
5 ~~term "lease or rental" shall not include the lease or rental in this state of~~  
6 ~~manufacturing machinery and equipment used or consumed in this state to~~  
7 ~~manufacture, produce, or extract unblended biodiesel.~~

8 (k)(i) For purposes of any sales, use, or lease tax levied by ~~the state or local~~  
9 any political subdivision of the state, the term "lease or rental" shall not include the  
10 lease or rental of a crane and related equipment with an operator.

11 (ii) Notwithstanding the provisions of Item (i) of this Subparagraph, cranes  
12 leased or rented with an operator are subject to the provisions of the sales and use tax  
13 law upon first use in Louisiana.

14 (l)(i) For purposes of the sales and use tax levied by ~~all tax authorities~~ any  
15 political subdivision in this state, the term "lease or rental" shall not apply to leases  
16 or rentals of pallets which are used in packaging products produced by a  
17 manufacturer.

18 (ii) For purposes of this Subparagraph, the term "manufacturer" shall mean  
19 a person whose primary activity is manufacturing and who is assigned by the  
20 Louisiana Workforce Commission a North American Industrial Classification  
21 System code within the manufacturing sectors 31-33 as they existed in 2002.

22 (8)(a) "Person", except as provided in Subparagraph (c), includes any  
23 individual, firm, copartnership, joint adventure, association, corporation, estate, trust,  
24 business trust, receiver, syndicate, this state, any parish, city and parish,  
25 municipality, district or other political subdivision thereof or any board, agency,  
26 instrumentality, or other group or combination acting as a unit, and the plural as well  
27 as the singular number.

28 (b) Solely for purposes of the payment of state sales or use tax on the lease  
29 or rental or the purchase of tangible personal property or services, "person" shall not

1 include a regionally accredited independent institution of higher education which is  
2 a member of the Louisiana Association of Independent Colleges and Universities,  
3 if such lease or rental or purchase is directly related to the educational mission of  
4 such institution. However, the term "person" shall include such institution for  
5 purposes of the payment of tax on sales by such institution if the sales are not  
6 otherwise exempt.

7 (c)(i) For purposes of the payment of the state sales and use tax and the sales  
8 and use tax levied by any political subdivision, "person" shall not include this state,  
9 any parish, city and parish, municipality, district, or other political subdivision  
10 thereof, or any agency, board, commission, or instrumentality of this state or its  
11 political subdivisions.

12 (ii) Upon request by any political subdivision for an exemption identification  
13 number, the Department of Revenue shall issue such number. The secretary may  
14 promulgate rules and regulations in accordance with the Administrative Procedure  
15 Act to carry out the provisions of this Item.

16 (d)(i) For purposes of the payment of the state sales and use tax and the sales  
17 and use tax levied by any political subdivision, the term "person" shall not include  
18 a church or synagogue that is recognized by the United States Internal Revenue  
19 Service as entitled to exemption under Section 501(c)(3) of the United States Internal  
20 Revenue Code.

21 (ii) The secretary of the Department of Revenue shall promulgate rules and  
22 regulations defining the terms "church" and "synagogue" for purposes of this  
23 exclusion. The definitions shall be consistent with the criteria established by the  
24 U.S. Internal Revenue Service in identifying organizations that qualify for church  
25 status for federal income tax purposes.

26 (iii) No church or synagogue shall claim exemption or exclusion from the  
27 state sales and use tax or the sales and use tax levied by any political subdivision  
28 before having obtained a certificate of authorization from the secretary of the  
29 Department of Revenue. The secretary shall develop applications for such



1 certificates. The certificates shall be issued without charge to the institutions that  
2 qualify.

3 (iv) The exclusion from the sales and use tax authorized by this  
4 Subparagraph shall apply only to purchases of bibles, song books, or literature used  
5 for religious instruction classes.

6 (e)(i) For purposes of the payment of the state sales and use tax and the sales  
7 and use tax levied by any political subdivision, the term "person" shall not include  
8 the Society of the Little Sisters of the Poor.

9 (ii) The secretary of the Department of Revenue shall promulgate rules and  
10 regulations for purposes of this exclusion. The definitions shall be consistent with  
11 the criteria established by the U.S. Internal Revenue Service in identifying tax-  
12 exempt status for federal income tax purposes.

13 (iii) No member of the Society of the Little Sisters of the Poor shall claim  
14 exemption or exclusion from the state sales and use tax or the sales and use tax  
15 levied by any political subdivision before having obtained a certificate of  
16 authorization from the secretary of the Department of Revenue. The secretary shall  
17 develop applications for such certificates. The certificates shall be issued without  
18 charge to the entities which qualify.

19 (f)(i) For purposes of the payment of sales and use tax levied by this state  
20 and any political subdivision whose boundaries are coterminous with those of the  
21 state, the term "person" shall not include a nonprofit entity which sells donated goods  
22 and spends seventy-five percent or more of its revenues on directly employing or  
23 training for employment persons with disabilities or workplace disadvantages.

24 (ii) The secretary shall promulgate rules and regulations for the use of  
25 exclusion certificates for purposes of implementation of this Subparagraph. Each  
26 nonprofit entity electing to utilize the exclusion provided for in this Subparagraph  
27 shall apply for an exclusion certificate annually. Any exclusion certificate granted  
28 by the Department of Revenue shall be effective for a one-year period.

1 (iii) The secretary shall provide forms for nonprofit entities to request an  
2 exclusion certificate.

3 (9) "Purchaser" means and includes any person who acquires or receives any  
4 tangible personal property, or the privilege of using any tangible personal property,  
5 or receives any services pursuant to a transaction subject to tax under this Chapter.

6 (10)(a)(i) Solely for the purposes of the imposition of the state sales and use  
7 tax, "retail sale" or "sale at retail" means a sale to a consumer or to any other person  
8 for any purpose other than for resale as tangible personal property, or for the lease  
9 of automobiles in an arm's length transaction, and shall mean and include all such  
10 transactions as the secretary, upon investigation, finds to be in lieu of sales; provided  
11 that sales for resale or for lease of automobiles in an arm's length transaction must  
12 be made in strict compliance with the rules and regulations. Any dealer making a  
13 sale for resale or for the lease of automobiles, which is not in strict compliance with  
14 the rules and regulations, shall himself be liable for and pay the tax.

15 (ii) Solely for purposes of the imposition of the sales and use tax levied by  
16 a political subdivision or school board, "retail sale" or "sale at retail" shall mean a  
17 sale to a consumer or to any other person for any purpose other than for resale in the  
18 form of tangible personal property, or resale of those services defined in Paragraph  
19 (14) of this Section provided the retail sale of the service is subject to sales tax in this  
20 state, and shall mean and include all such transactions as the collector, upon  
21 investigation, finds to be in lieu of sales; provided that sales for resale be made in  
22 strict compliance with the rules and regulations. Any dealer making a sale for resale,  
23 which is not in strict compliance with the rules and regulations shall himself be liable  
24 for and pay the tax. A local collector shall accept a resale certificate issued by the  
25 Department of Revenue, provided the taxpayer includes the parish of its principal  
26 place of business and local sales tax account number on the state certificate.  
27 However, in the case of an intra-parish transaction from dealer to dealer, the  
28 collector may require that the local exemption certificate be used in lieu of the state

1 certificate. The department shall accommodate the inclusion of such information on  
2 its resale certificate for such purposes.

3 (iii) "Retail sale" or "sale at retail" for purposes of sales and use taxes  
4 imposed by the state on transactions involving the sale for rental of automobiles  
5 which take place on or after January 1, 1991, and by political subdivisions on such  
6 transactions on or after July 1, 1996, and state sales and use taxes imposed on  
7 transactions involving the lease or rental of tangible personal property other than  
8 automobiles which take place on or after July 1, 1991, means a sale to a consumer  
9 or to any other person for any purpose other than for resale as tangible personal  
10 property, or for lease or rental in an arm's length transaction in the form of tangible  
11 personal property, and shall mean and include all such transactions as the secretary,  
12 upon investigation, finds to be in lieu of sales; provided that sales for resale or for  
13 lease or rental in an arm's length transaction must be made in strict compliance with  
14 the rules and regulations. Any dealer making a sale for resale or for lease or rental,  
15 which is not in strict compliance with the rules and regulations, shall himself be  
16 liable for and pay the tax. For purposes of the imposition of the tax imposed by any  
17 political subdivision of the state, for the period beginning on July 1, 1999, and  
18 ending on June 30, 2000, the term "retail sale" or "sale at retail" shall not include  
19 one-fourth of the sales price of any tangible personal property which is sold in order  
20 to be leased or rented in an arm's length transaction in the form of tangible personal  
21 property. For purposes of the imposition of the tax imposed by any political  
22 subdivision of the state, for the period beginning on July 1, 2000, and ending on June  
23 30, 2001, the term "retail sale" or "sale at retail" shall not include one-half of the  
24 sales price of any tangible personal property which is sold in order to be leased or  
25 rented in an arm's length transaction in the form of tangible personal property. For  
26 purposes of the imposition of the tax imposed by any political subdivision of the  
27 state, for the period beginning on July 1, 2001, and ending on June 30, 2002, the  
28 term "retail sale" or "sale at retail" shall not include three-fourths of the sales price  
29 of any tangible personal property which is sold in order to be leased or rented in an

1 arm's length transaction in the form of tangible personal property. Beginning July  
2 1, 2002, for the purposes of imposition of the tax levied by any political subdivision  
3 of the state, the term "retail sale" or "sale at retail" shall not include the sale of any  
4 tangible personal property which is sold in order to be leased or rented in an arm's  
5 length transaction in the form of tangible personal property.

6 (iv) "Retail sale" or "sale at retail", for purposes of sales and use taxes  
7 imposed by the state on transactions involving the sale for rental of automobiles  
8 which take place prior to January 1, 1991, and by political subdivisions on such  
9 transactions prior to July 1, 1996, and imposed on transactions involving the lease  
10 or rental of tangible personal property other than autos which take place prior to July  
11 1, 1991, and for purposes of local sales and use taxes levied by political subdivisions  
12 except for transactions involving the sale for rental of automobiles on or after July  
13 1, 1996, means a sale to a consumer or to any other person for any purpose other  
14 than for resale in the form of tangible personal property, and shall mean and include  
15 all such transactions as the secretary, upon investigation, finds to be in lieu of sales;  
16 provided that sales for resale must be made in strict compliance with the rules and  
17 regulations. Any dealer making a sale for resale, which is not in strict compliance  
18 with the rules and regulations, shall himself be liable for and pay the tax. However,  
19 contrary provisions of law notwithstanding, any political subdivision may, by  
20 ordinance, adopt the definition of "retail sale" or "sale at retail" provided in Item (iii)  
21 of this Subparagraph for purposes of the imposition of its sales and use tax.

22 (v) Became null and void on June 30, 2006. See Acts 2002, 1st Ex. Sess.,  
23 No. 3.

24 ~~(vi)(a) Solely for purposes of the payment of state sales and use tax, until~~  
25 ~~January 1, 2007, the term "sale at retail" shall not include purchases made in~~  
26 ~~connection with the filming or production of a motion picture by a motion picture~~  
27 ~~production company which has been relieved from the payment of state sales and use~~  
28 ~~tax under the provisions of Chapter 12 of Subtitle H of this Title, also known as the~~  
29 ~~"Louisiana Motion Picture Incentive Act". This exclusion shall be retroactively~~

1       ~~revoked if it is determined that a motion picture production company that has been~~  
2       ~~relieved from payment of state sales and use tax under Chapter 12 failed to meet the~~  
3       ~~conditions of such relief.~~

4               ~~(b)(i)~~ Solely for purposes of the sales and use tax levied by the state, the sale  
5       of tangible personal property to a dealer who purchases said property for resale  
6       through coin-operated vending machines shall be considered a "sale at retail", subject  
7       to such tax. The subsequent resale of the property by the dealer through  
8       coin-operated vending machines shall not be considered a "sale at retail".

9               (ii) Solely for purposes of the sales and use tax levied by political  
10       subdivisions, the term "sale at retail" shall include the sale of tangible personal  
11       property by a dealer through coin-operated vending machines.

12               ~~(c)(i)(aa)(b)(i)(aa)~~ The term "sale at retail" does not include sale of materials  
13       for further processing into articles of tangible personal property for sale at retail.

14               ~~(bb)~~ Solely for purposes of the sales and use tax levied by the state, natural  
15       gas when used in the production of iron in the process known as the "direct reduced  
16       iron process" is not a catalyst and is recognized by the legislature to be a material for  
17       further processing into an article of tangible personal property for sale at retail.

18               ~~(ii)(aa)~~ Solely for purposes of the sales and use tax levied by the state, the  
19       term "sale at retail" does not include sales of electricity for chlor-alkali  
20       manufacturing processes.

21               (bb) The term "sale at retail" does not include an isolated or occasional sale  
22       of tangible personal property by a person not engaged in such business.

23               (d) The term "sale at retail" does not include the sale of any human tissue  
24       transplants, which shall be defined to include all human organs, bone, skin, cornea,  
25       blood, or blood products transplanted from one individual into another recipient  
26       individual.

27               (e) The term "sale at retail" does not include the sale of raw agricultural  
28       commodities, including but not limited to feed, seed, and fertilizer, to be utilized in  
29       preparing, finishing, manufacturing, or producing crops or animals for market. The

1 Department of Agriculture and Forestry may develop and promulgate guidelines to  
2 determine who meets this definition. Any person meeting such guidelines shall  
3 receive a certificate from the Department of Agriculture and Forestry indicating that  
4 such person is eligible to purchase such items without paying tax thereon.

5 (f) Notwithstanding any other law to the contrary, for purposes of the  
6 imposition of the sales and use tax of any political subdivision, the sale of a vehicle  
7 subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) shall be  
8 deemed to be a "retail sale" or a "sale at retail":

9 (i) In the political subdivision of the principal residence of the purchaser if  
10 the vehicle is purchased for private use, or

11 (ii) In the political subdivision of the principal location of the business if the  
12 vehicle is purchased for commercial use, unless the vehicle purchased for  
13 commercial use is assigned, garaged, and used outside of such political subdivision,  
14 in which case the sale shall be deemed a "retail sale" or a "sale at retail" in the  
15 political subdivision where the vehicle is assigned, garaged, and used.

16 (g) The term "retail sale" does not include a sale of corporeal movable  
17 property which is intended for future sale to the United States government or its  
18 agencies, when title to such property is transferred to the United States government  
19 or its agencies prior to the incorporation of that property into a final product.

20 (h) The term "sale at retail" does not include the sale of food items by youth  
21 serving organizations chartered by congress.

22 (i) The term "sale at retail" does not include the purchase of a new school  
23 bus or a used school bus which is less than five years old by an independent operator,  
24 when such bus is to be used exclusively in a public school system. This exclusion  
25 shall apply to all sales and use taxes levied by any local political subdivision.

26 (j) The term "sale at retail" does not include the sale of tangible personal  
27 property to food banks, as defined in R.S. 9:2799.

1           (k) Solely for purposes of sales and use taxes levied by any local political  
2 subdivision, the ~~The~~ term "sale at retail" shall not include the sale of airplanes or  
3 airplane equipment or parts to a commuter airline domiciled in Louisiana.

4           (l) ~~Solely for purposes of the state sales and use tax, the term "sale at retail"~~  
5 ~~shall not include the sale of a pollution control device or system. Pollution control~~  
6 ~~device or system shall mean any tangible personal property approved by the~~  
7 ~~Department of Revenue and the Department of Environmental Quality and sold or~~  
8 ~~leased and used or intended for the purpose of eliminating, preventing, treating, or~~  
9 ~~reducing the volume or toxicity or potential hazards of industrial pollution of air,~~  
10 ~~water, groundwater, noise, solid waste, or hazardous waste in the state of Louisiana.~~  
11 For the purposes of any sales and use tax levied by a political subdivision, the term  
12 "sale at retail" shall include the sale of a pollution control device or system. In order  
13 to qualify, the pollution control device or system must demonstrate either: a net  
14 decrease in the volume or toxicity or potential hazards of pollution as a result of the  
15 installation of the device or system; or that installation is necessary to comply with  
16 federal or state environmental laws or regulations.

17           (m) Solely for ~~For~~ purposes of sales and use taxes ~~imposed or levied by the~~  
18 ~~state or~~ any political subdivision, the term "sale at retail" shall not include the sales  
19 of Louisiana-manufactured or Louisiana-assembled passenger aircraft with a  
20 maximum capacity of eight persons, if, after all transportation, including  
21 transportation by the purchaser, has been completed, the aircraft is ultimately  
22 received by the purchaser outside of Louisiana. The place at which the aircraft is  
23 ultimately received shall be considered as the place at which the aircraft is stored  
24 after all transportation has been completed.

25           (n) For purposes of sales and use taxes imposed or levied by ~~the state or any~~  
26 local political subdivision thereof, the term "sale at retail" shall not include the sales  
27 of pelletized paper waste when purchased for use as combustible fuel by an electric  
28 utility or in an industrial manufacturing, processing, compounding, reuse, or  
29 production process, including the generation of electricity or process steam, at a

1 fixed location in this state. However, such sale shall not be excluded unless the  
2 purchaser has signed a certificate stating that the fuel purchased is for the exclusive  
3 use designated herein. For purposes of this Subparagraph, "pelletized paper waste"  
4 means pellets produced from discarded waste paper that has been diverted or  
5 removed from solid waste which is not marketable for recycling and which is wetted,  
6 extruded, shredded, or formulated into compact pellets of various sizes for use as a  
7 supplemental fuel in a permitted boiler.

8 (o) For the purposes of sales and use taxes imposed or levied by the state or  
9 any local governmental subdivision or school board, the term "sale at retail" shall not  
10 include the sale or purchase of equipment used in fire fighting by bona fide volunteer  
11 and public fire departments.

12 (p) For purposes of state and political subdivision sales and use tax, the term  
13 "sale at retail" shall not include the sale of items, including but not limited to  
14 supplies and equipment, or the sale of services as provided in this Section, which are  
15 reasonably necessary for the operation of free hospitals.

16 (q) For purposes of state and political subdivision sales and use tax, the term  
17 "sale at retail" shall not include:

18 (i) The sale of tangible personal property by approved parochial and private  
19 elementary and secondary schools which comply with the court order from the Dodd  
20 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,  
21 administrators, or teachers, or other employees of the school, if the money from such  
22 sales, less reasonable and necessary expenses associated with the sale, is used solely  
23 and exclusively to support the school or its program or curricula. This exclusion  
24 shall not be construed to allow tax-free sales to students or their families by  
25 promoters or regular commercial dealers through the use of schools, school faculty,  
26 or school facilities.

27 (ii) The sale to approved parochial and private elementary and secondary  
28 schools which comply with the court order from the Dodd Brumfield decision and  
29 Section 501(c)(3) of the Internal Revenue Code of educational materials or



1 equipment used for classroom instruction limited to books, workbooks, computers,  
2 computer software, films, videos, and audio tapes.

3 (r) For purposes of state and political subdivision sales and use tax, the term  
4 "sale at retail" shall not include the sale of tangible personal property to Boys State  
5 of Louisiana, Inc. and Girls State of Louisiana, Inc. which is used by such  
6 organizations for their educational and public service programs for youth.

7 (s) The term "sale at retail" or "retail sale", for purposes of sales and use  
8 taxes imposed by the state or any political subdivision or other taxing entity, shall  
9 not include any charge, fee, money, or other consideration received, given, or paid  
10 for the performance of funeral directing services. For purposes of this Subparagraph,  
11 "funeral directing services" means the operation of a funeral home, or by way of  
12 illustration and not limitation, any service whatsoever connected with the  
13 management of funerals, or the supervision of hearses or funeral cars, the cleaning  
14 or dressing of dead human bodies for burial, and the performance or supervision of  
15 any service or act connected with the management of funerals from time of death  
16 until the body or bodies are delivered to the cemetery, crematorium, or other agent  
17 for the purpose of disposition. However, such services shall not mean or include the  
18 sale, lease, rental, or use of any tangible personal property as those terms are defined  
19 in this Section.

20 (t) For purposes of sales and use taxes levied by ~~the state or any~~ local  
21 political subdivision of the state, the term "sale at retail" shall not include the transfer  
22 of title to or possession of telephone directories by an advertising company that is  
23 not affiliated with a provider of telephone services if the telephone directories will  
24 be distributed free of charge to the recipients of the telephone directories.

25 (u) For purposes of sales and use taxes levied and imposed by local  
26 governmental subdivisions, school boards, and other political subdivisions whose  
27 boundaries are not coterminous with those of the state, "sale at retail" by a person  
28 shall not mean or include the sale of tangible personal property if such sale is made  
29 under the provisions of Medicare.

1 (v) For purposes of the imposition of sales and use taxes imposed or levied  
2 by ~~all taxing authorities~~ any local political subdivision in the state, in the case of the  
3 sale or other disposition by a dealer of any cellular, PCS, or wireless telephone, or  
4 any electronic accessories that are physically connected with such telephones and  
5 personal communication devices used in connection with the sale or use of mobile  
6 telecommunications services, the term "retail sale" or "sale at retail" shall mean and  
7 include the sale or any other disposition of such cellular, PCS, or wireless telephone,  
8 any electronic accessories that are physically connected with such telephones and  
9 personal communication devices by the dealer to the purchaser, but shall not mean  
10 or include the withdrawal, use, distribution, consumption, storage, donation, or any  
11 other disposition of any such cellular, PCS, or wireless telephone, any electronic  
12 accessories that are physically connected with such telephones, and personal  
13 communication devices by the dealer.

14 (w) For purposes of the imposition of sales and use taxes imposed or levied  
15 by any political subdivision of the state, in the case of the sale or other disposition  
16 by a dealer of any cellular telephone, PCS telephone, wireless telephone, or other  
17 wireless personal communication device that is used in connection with the sale or  
18 use of mobile telecommunications services, or any electronic accessory that is  
19 physically connected with any such telephone or personal communication device, the  
20 term "retail sale" or "sale at retail" shall mean and include the sale or any other  
21 disposition of any such telephone, other personal communication device, or  
22 electronic accessory.

23 (x) For purposes of the sales and use tax imposed by the state or any political  
24 subdivision whose boundaries are coterminous with those of the state, the terms  
25 "retail sale" or "sale at retail" shall not include ~~the following:~~ the sale or purchase by  
26 a consumer of any fuel or gas, including but not limited to butane and propane, for  
27 residential use by the consumer.

28 ~~(i) The sale or purchase by a person of any fuel or gas, including but not~~  
29 ~~limited to butane and propane.~~

1           (ii) Beginning July 1, 2008, the sale or purchase by any person of butane and  
2 propane:

3           (y)(i) ~~Solely for the purposes of sales and use taxes levied by the state or any~~  
4 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
5 ~~term "sale at retail" shall not include the sale of manufacturing machinery and~~  
6 ~~equipment used or consumed in this state to manufacture, produce, or extract~~  
7 ~~unblended biodiesel.~~

8           (ii) As used in this Subparagraph, the following words and phrases have the  
9 meaning ascribed to them:

10          (aa) ~~"Manufacturing machinery and equipment" means tangible property~~  
11 ~~used or consumed, or held for use or consumption, as an integral part of a biodiesel~~  
12 ~~manufacturing, production, or extraction facility, process, or item of equipment.~~  
13 ~~Property shall be considered to be an integral part of such biodiesel manufacturing,~~  
14 ~~production, or extraction facility, process, or item of equipment only if such property~~  
15 ~~is used or consumed directly in the manufacturing, production, or extraction process~~  
16 ~~or is part of, physically attached to, or otherwise directly associated with such~~  
17 ~~property. Property, the installation of which is reasonably necessary for the proper~~  
18 ~~installation, operation, maintenance of property which directly results in such~~  
19 ~~manufacturing, production, or extraction shall be considered as directly associated~~  
20 ~~with such property.~~

21          (bb) ~~"Unblended biodiesel" means a fuel comprised of mono-alkyl esters of~~  
22 ~~long chain fatty acids derived from vegetable oils or animal fats, designated B100,~~  
23 ~~and meeting the requirements of the definition provided for in D 6751 of the~~  
24 ~~American Society of Testing and Materials (ATDM D 6751), before such fuel is~~  
25 ~~blended with a petroleum-based diesel fuel.~~

26          (z) ~~Solely for the purposes of sales and use taxes levied by the state or any~~  
27 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
28 ~~term "sale at retail" shall not include the sale of any alternative substance when such~~  
29 ~~alternative substance is used as a fuel by a manufacturer. "Alternative substance"~~

1 means any substance other than oil and natural gas and any product of oil and natural  
2 gas. ~~"Alternative substance" shall include petroleum coke, landfill gas, reclaimed~~  
3 ~~or waste oil, unblended biodiesel, or tire-derived fuel, but not coal, lignite, refinery~~  
4 ~~gas, nuclear fuel, or electricity. "Manufacturer" means a person whose principal~~  
5 ~~activity is manufacturing and who is assigned by the Louisiana Workforce~~  
6 ~~Commission a North American Industrial Classification System code with the~~  
7 ~~agricultural, forestry, fishing, and hunting Sector 11 or the manufacturing Sectors 31-~~  
8 ~~33 as they existed in 2002.~~

9 (aa)(i) For purposes of sales and use taxes imposed or levied by the state or  
10 any political subdivision of the state, the term "sale at retail" shall not include the  
11 sale of toys to a non-profit organization exempt from federal taxation pursuant to  
12 Section 501(c)(3) of the Internal Revenue Code if the sole purpose of the purchasing  
13 organization is to donate toys to minors and the toys are, in fact, donated.

14 (ii) The exclusion provided in this Subparagraph shall not apply if the  
15 donation is intended to ultimately yield a profit to a promoter of the organization or  
16 to any individual contracted to provide services or equipment, or both, to the  
17 organization.

18 (iii) A certificate of exclusion shall be obtained from the secretary or the tax  
19 collector of the political subdivision, under such regulations as he shall prescribe, in  
20 order for nonprofit organizations to qualify for the exclusion provided for in this  
21 Subparagraph.

22 ~~(bb) For purposes of sales and use taxes imposed or levied by the state, the~~  
23 ~~terms "retail sale" and "sale at retail" shall not include sales of natural gas to be held,~~  
24 ~~used, or consumed in providing natural gas storage services or operating natural gas~~  
25 ~~storage facilities.~~

26 (cc) For purposes of the sales and use tax imposed by the state or any  
27 political subdivision of the state, the terms "retail sale" or "sale at retail" shall not  
28 mean or include the purchase of textbooks and course-related software by a private  
29 postsecondary academic degree-granting institution, accredited by a national or

1 regional commission that is recognized by the United States Department of  
2 Education and is licensed by the Board of Regents, which institution has its main  
3 location within this state and offers only online instruction, when all of the following  
4 apply:

5 (i) The textbooks and course-related software are physically outside of this  
6 state when purchased from a vendor outside of this state and then imported into this  
7 state.

8 (ii) The first student use of the textbooks and course-related software occurs  
9 outside of this state.

10 (iii) The textbooks and course-related software are provided to the student  
11 free of charge.

12 (dd) For purposes of sales and use taxes imposed or levied by the state, the  
13 terms "retail sale" or "sale at retail" shall not include the purchase of food items for  
14 school lunch or breakfast programs by nonpublic elementary or secondary schools  
15 which participate in the National School Lunch and School Breakfast programs or  
16 the purchase of food items by nonprofit corporations which serve students in  
17 nonpublic elementary or secondary schools and which participate in the National  
18 School Lunch and School Breakfast programs.

19 ~~(cc)(i) Solely for the purposes of the imposition of the state sales and use tax,~~  
20 ~~the term "retail sale" and "sale at retail" shall not include the sale of any storm~~  
21 ~~shutter device.~~

22 ~~(ii) As used in this Subparagraph, "storm shutter device" means materials~~  
23 ~~and products manufactured, rated, and marketed specifically for the purpose of~~  
24 ~~preventing window damage from storms.~~

25 ~~(iii) The secretary of the Department of Revenue, in consultation with the~~  
26 ~~Department of Insurance, shall promulgate such rules and regulations in accordance~~  
27 ~~with the Administrative Procedure Act as may be necessary to carry out the~~  
28 ~~provisions of this Subparagraph.~~

1           (ff) For purposes of sales taxes imposed by the state or any political  
2           subdivision of the state, the term "retail sale" or "sale at retail" shall not include sales  
3           of tangible personal property by the Military Department, state of Louisiana, which  
4           occur on an installation or other property owned or operated by the Military  
5           Department.

6           (gg) For purposes of sales and use tax imposed by ~~the state or any~~ local  
7           political subdivision of the state, the term "sale at retail" shall not include the sale of  
8           anthropogenic carbon dioxide for use in a qualified tertiary recovery project  
9           approved by the assistant secretary of the office of conservation of the Department  
10          of Natural Resources pursuant to R.S. 47:633.4.

11          (hh) For purposes of sales and use tax imposed by ~~the state, any political~~  
12          ~~subdivision whose boundaries are coterminous with those of the state, or any other~~  
13          any local political subdivision, the term "sale at retail" shall not include the sale of  
14          tangible personal property at an event providing Louisiana heritage, culture, crafts,  
15          art, food, and music which is sponsored by a domestic nonprofit organization that is  
16          exempt from tax under Section 501(c)(3) of the Internal Revenue Code. The  
17          provisions of this Subparagraph shall apply only to an event which transpires over  
18          a minimum of seven but not more than twelve days and has a five-year annual  
19          average attendance of at least three hundred thousand over the duration of the event.  
20          For purposes of determining the five-year annual average attendance, the calculation  
21          shall include the total annual attendance for each of the five most recent years. The  
22          provisions of this Subparagraph shall apply only to sales by the sponsor of the event.

23          (11) "Retailer" means and includes every person engaged in the business of  
24          making sales at retail or for distribution, or use or consumption, or storage to be used  
25          or consumed in this state.

26          (12) "Sale" means any transfer of title or possession, or both, exchange,  
27          barter, conditional or otherwise, in any manner or by any means whatsoever, of  
28          tangible personal property, for a consideration, and includes the fabrication of  
29          tangible personal property for consumers who furnish, either directly or indirectly,

1 the materials used in fabrication work, and the furnishing, preparing or serving, for  
2 a consideration, of any tangible personal property, consumed on the premises of the  
3 person furnishing, preparing or serving such tangible personal property. A  
4 transaction whereby the possession of property is transferred but the seller retains  
5 title as security for the payment of the price shall be deemed a sale.

6 (13)(a) "Sales price" means the total amount for which tangible personal  
7 property is sold, less the market value of any article traded in including any services,  
8 except services for financing, that are a part of the sale valued in money, whether  
9 paid in money or otherwise, and includes the cost of materials used, labor or service  
10 costs, except costs for financing which shall not exceed the legal interest rate and a  
11 service charge not to exceed six percent of the amount financed, and losses; provided  
12 that cash discounts allowed and taken on sales shall not be included, nor shall the  
13 sales price include the amount charged for labor or services rendered in installing,  
14 applying, remodeling, or repairing property sold.

15 (b) The term "sales price" shall not include any amount designated as a cash  
16 discount or a rebate by the vendor or manufacturer of any new vehicle subject to the  
17 motor vehicle license tax. For purposes of this Paragraph "rebate" means any  
18 amount offered by a vendor or manufacturer as a deduction from the listed retail  
19 price of the vehicle.

20 (c) "Sales price" shall not include the first fifty thousand dollars of the sale  
21 price of new farm equipment used in poultry production.

22 (d) Notwithstanding any other provision of law to the contrary, for purposes  
23 of ~~state and local~~ local political subdivision sales and use tax, the "sales price" of refinery  
24 gas, except for feedstock, not ultimately consumed as an energy source by the  
25 person who owns the facility in which the refinery gas is created as provided for in  
26 Subparagraph (18)(d) of this Section, but sold to another person, whether at retail or  
27 wholesale, shall be fifty-two cents per thousand cubic feet multiplied by a fraction  
28 the numerator of which shall be the posted price for a barrel of West Texas  
29 Intermediate Crude Oil on December first of the preceding calendar year and the

1 denominator of which shall be twenty-nine dollars, and provided further that such  
2 sales price shall be the maximum value placed upon refinery gas by the state and by  
3 any political subdivision under any authority or grant of power to levy and collect  
4 sales or use taxes, and such sale shall be taxable.

5 (e) The term "sales price", for purposes of the sales tax imposed by ~~the state~~  
6 ~~and its political subdivisions~~ any local political subdivision, shall exclude any  
7 amount that a manufacturer pays directly to a dealer of the manufacturer's product  
8 for the purpose of reducing and that actually results in an equivalent reduction in the  
9 retail "sales price" of that product. This exclusion shall not apply to the value of the  
10 manufacturer's coupons that dealers accept from purchasers as part payment of the  
11 "sales price" and that are redeemable by the dealers through manufacturers or their  
12 agents. The value of such coupons is deemed to be part of the "sales price" of the  
13 product purchased through the use of the coupons.

14 (f) The term "sales price" shall exclude any charge, fee, money, or other  
15 consideration received, given, or paid for the performance of funeral directing  
16 services as defined in Subparagraph (10)(s) of this Section.

17 (g) For purposes of the imposition of sales and use taxes imposed or levied  
18 ~~by all taxing authorities in the state~~ any local political subdivision, in the case of the  
19 retail sale by a dealer of any cellular, PCS, or wireless telephone, any electronic  
20 accessories that are physically connected with such telephones and personal  
21 communications devices used in connection with the sale or use of mobile  
22 telecommunications services, as defined in R.S. 47:301(10)(v), the term "sales price"  
23 shall mean and include only the amount of money, if any, actually received by the  
24 dealer from the purchaser for each such cellular, PCS, or wireless telephone and any  
25 electronic accessories that are physically connected with such telephones and  
26 personal communication devices, but shall not include (i) any amount received by  
27 the dealer from the purchaser for providing mobile telecommunications services, or  
28 (ii) any commissions, fees, rebates, or other amounts received by the dealer from any  
29 source other than the purchaser as a result of or in connection with the sale of the



1 cellular, PCS, or wireless telephone, any electronic accessories that are physically  
2 connected with such telephones and personal communication devices.

3 (h) For the purpose of the imposition of sales and use tax imposed or levied  
4 by ~~all taxing authorities in the state~~ any local political subdivision of any cellular,  
5 PCS, or wireless telephone used in connection with the sale or use of mobile  
6 telecommunications services, as defined in R.S. 47:301(10)(v), after January 1, 2002,  
7 the term "sales price" shall mean and include the greater of (i) the amount of money  
8 actually received by the dealer from the purchaser for each such telephone, or (ii)  
9 twenty-five percent of the cost of such telephone to the dealer, but shall not include  
10 any amount received by the dealer from the purchaser for providing mobile  
11 telecommunications services or any commissions, fees, rebates, or other amounts  
12 received by the dealer from any source other than the purchaser as a result of or in  
13 connection with the sale of the telephone.

14 (i)(i) For purposes of a publishing business which distributes its news  
15 publications at no cost to readers and pays unrelated third parties to print such news  
16 publications, the term "sales price" shall mean only the lesser of the following costs:

17 (aa) The printing cost paid to unrelated third parties to print such news  
18 publications, less any itemized freight charges for shipping the news publications  
19 from the printer to the publishing business and any itemized charges for paper and  
20 ink.

21 (bb) Payments to a dealer or distributor as consideration for distribution of  
22 the news publications.

23 (ii) The definition of "sales price" provided for in this Subparagraph shall be  
24 applicable to taxes levied by ~~all tax authorities in the state~~ any local political  
25 subdivision.

26 (j) For the purpose of the imposition of sales and use tax imposed or levied  
27 by any local political subdivision of the state, in the case of any retail sale or sale at  
28 retail, of any cellular telephone, PCS telephone, or wireless telephone used in  
29 connection with the sale or use of mobile telecommunications services, as defined

1 in R.S. 47:301(10)(w), or any electronic accessory that is physically connected with  
2 any such telephone or personal communication device, the term "sales price" shall  
3 mean and include the greater of (i) the amount of money, if any, actually received  
4 by the dealer from the purchaser at the time of the retail sale or sale at retail by the  
5 dealer to the purchaser for each such telephone, personal communication device, or  
6 electronic accessory, or (ii) twenty-five percent of the cost of such telephone to the  
7 dealer, but shall not include any amount received by the dealer from the purchaser  
8 for providing mobile telecommunications services or any commissions, fees, rebates,  
9 activation charges, or other amounts received by the dealer from any source other  
10 than the purchaser as a result of or in connection with the sale of the telephone.

11 ~~(k)(i) For purposes of the imposition of the sales tax levied by the state and~~  
12 ~~any political subdivision whose boundaries are coterminous with those of the state,~~  
13 ~~the sales price of machinery and equipment purchased by a manufacturer for use in~~  
14 ~~a plant facility predominately and directly in the actual manufacturing for~~  
15 ~~agricultural purposes or the actual manufacturing process of an item of tangible~~  
16 ~~personal property, which is for ultimate sale to another and not for internal use, at~~  
17 ~~one or more fixed locations within Louisiana shall be reduced as follows:~~

18 ~~(aa) For the period ending on June 30, 2005, the sales price shall be reduced~~  
19 ~~by five percent.~~

20 ~~(bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the~~  
21 ~~sales price shall be reduced by nineteen percent.~~

22 ~~(cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the~~  
23 ~~sales price shall be reduced by thirty-five percent.~~

24 ~~(dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the~~  
25 ~~sales price shall be reduced by fifty-four percent.~~

26 ~~(ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the~~  
27 ~~sales price shall be reduced by sixty-eight percent.~~

28 ~~(ff) For all periods beginning on or after July 1, 2009, the sales price shall~~  
29 ~~be reduced by one hundred percent.~~

1           ~~(ii) For purposes of this Subparagraph, "machinery and equipment",~~  
2           ~~"manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant~~  
3           ~~facility", and "used directly" shall have the same meaning as defined in R.S.~~  
4           ~~47:301(3)(i)(ii).~~

5           ~~(iii) No person shall be entitled to purchase, use, lease, or rent machinery or~~  
6           ~~equipment as defined herein without payment of the tax imposed by R.S. 47:302,~~  
7           ~~321, and 331 before receiving a certificate of exclusion from the secretary of the~~  
8           ~~Department of Revenue certifying that he is a manufacturer as defined herein.~~

9           ~~(iv) The secretary of the Department of Revenue is hereby authorized to~~  
10           ~~adopt rules and regulations in order to administer the exclusion provided for in this~~  
11           ~~Subparagraph.~~

12           (1)(i) For purposes of the payment of ~~the state sales and use tax~~ and the sales  
13           and use tax levied by any political subdivision, the term "sales price" shall not  
14           include the price of specialty items sold to members for fund-raising purposes by  
15           nonprofit carnival organizations domiciled within Louisiana and participating in a  
16           parade sponsored by a carnival organization.

17           (ii) The secretary of the Department of Revenue shall promulgate rules and  
18           regulations for purposes of this exclusion.

19           (iii) No nonprofit carnival organization domiciled within Louisiana and  
20           participating in a parade sponsored by a carnival organization shall claim exemption  
21           or exclusion from ~~the state sales and use tax~~ or the sales and use tax levied by any  
22           political subdivision before having obtained a certificate of authorization ~~from the~~  
23           ~~secretary of the Department of Revenue. The secretary shall develop applications~~  
24           ~~for such certificates. The certificates shall be issued without charge to the entities~~  
25           ~~which qualify.~~

26           ~~(m) For purposes of the sales and use tax imposed by the state or any~~  
27           ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
28           ~~"sales price" of electric power or energy, or natural gas for the period beginning July~~

1 ~~1, 2007, and thereafter, sold for use by paper or wood products manufacturing~~  
2 ~~facilities shall not include any of such price.~~

3 (14) "Sales of services" means and includes the following:

4 (a) The furnishing of sleeping rooms, cottages or cabins by hotels.

5 (b)(i) The sale of admissions to places of amusement, to athletic  
6 entertainment other than that of schools, colleges, and universities, and recreational  
7 events, and the furnishing, for dues, fees, or other consideration of the privilege of  
8 access to clubs or the privilege of having access to or the use of amusement,  
9 entertainment, athletic, or recreational facilities; but the term "sales of services" shall  
10 not include membership fees or dues of nonprofit, civic organizations, including by  
11 way of illustration and not of limitation the Young Men's Christian Association, the  
12 Catholic Youth Organization, and the Young Women's Christian Association.

13 (ii) Places of amusement shall not include "museums", which are hereby  
14 defined as public or private nonprofit institutions which are organized on a  
15 permanent basis for essentially educational or aesthetic purposes and which use  
16 professional staff to do all of the following:

17 (aa) Own or use tangible objects, whether animate or inanimate.

18 (bb) Care for those objects.

19 (cc) Exhibit them to the public on a regular basis.

20 (iii) Museums include but are not limited to the following institutions:

21 (aa) Museums relating to art, history, including historic buildings, natural  
22 history, science, and technology.

23 (bb) Aquariums and zoological parks.

24 (cc) Botanical gardens and arboretums.

25 (dd) Nature centers.

26 (ee) Planetariums.

27 (iv) For purposes of the sales and use taxes of all tax authorities in the state,  
28 the term "places of amusement" as used herein shall not include camp and retreat  
29 facilities owned and operated by nonprofit organizations exempt from federal income

1 tax under Section 501(a) of the Internal Revenue Code as an organization described  
2 in Section 501(c)(3) of the Internal Revenue Code provided that the net revenue  
3 derived from the organization's property is devoted wholly to the nonprofit  
4 organization's purposes.

5 (c) The furnishing of storage or parking privileges by auto hotels and parking  
6 lots.

7 (d) The furnishing of printing or overprinting, lithographic, multilith, blue  
8 printing, photostating or other similar services of reproducing written or graphic  
9 matter.

10 (e) The furnishing of laundry, cleaning, pressing and dyeing services,  
11 including by way of extension and not of limitation, the cleaning and renovation of  
12 clothing, furs, furniture, carpets and rugs, and the furnishing of storage space for  
13 clothing, furs, and rugs. The service shall be taxable at the location where the  
14 laundered, cleaned, pressed, or dyed article is returned to the customer.

15 (f) The furnishing of cold storage space, except that space which is furnished  
16 pursuant to a bailment arrangement, and the furnishing of the service of preparing  
17 tangible personal property for cold storage where such service is incidental to the  
18 operation of storage facilities.

19 (g)(i)(aa) The furnishing of repairs to tangible personal property, including  
20 but not restricted to the repair and servicing of automobiles and other vehicles,  
21 electrical and mechanical appliances and equipment, watches, jewelry, refrigerators,  
22 radios, shoes, and office appliances and equipment.

23 (bb)(I) For purposes of the sales and use tax levied by the state and by tax  
24 authorities in East Feliciana Parish, charges for the furnishing of repairs to tangible  
25 personal property shall be excluded from sales of services, as defined in this  
26 Subparagraph, when the repaired property is (1) delivered to a common carrier or to  
27 the United States Post Office for transportation outside the state, or (2) delivered  
28 outside the state by use of the repair dealer's own vehicle or by use of an independent  
29 trucker. However, as to aircraft, delivery may be by the best available means. This

1 exclusion shall not apply to sales and use taxes levied by any other parish,  
2 municipality or school board. However, any other parish, municipality or school  
3 board may apply the exclusion as defined in this Subparagraph to sales or use taxes  
4 levied by any such parish, municipality, or school board. Offshore areas shall not  
5 be considered another state for the purpose of this Subparagraph.

6 (II) For purposes of the sales and use tax levied by the tax authorities in  
7 Calcasieu Parish, charges for the furnishing of repairs to aircraft shall be excluded  
8 from sales of services, as defined in this Subparagraph, provided that the repairs are  
9 performed at an airport with a runway that is at least ten thousand feet long, one  
10 hundred sixty feet wide, and fourteen inches thick.

11 (ii) For the purposes of this Subparagraph, tangible personal property shall  
12 include machinery, appliances, and equipment which have been declared immovable  
13 by declaration under the provisions of Article 467 of the Louisiana Civil Code, and  
14 things which have been separated from land, buildings, or other constructions  
15 permanently attached to the ground or their component parts as defined in Article  
16 466 of the Civil Code.

17 (iii)(aa) For purposes of the sales and use taxes imposed by ~~the state or any~~  
18 ~~of its political subdivisions~~ any local political subdivision, sale of services shall not  
19 include the labor, or sale of materials, services, and supplies, used for the repairing,  
20 renovating, or converting of any drilling rig, or machinery and equipment which are  
21 component parts thereof, which is used exclusively for the exploration or  
22 development of minerals outside the territorial limits of the state in Outer  
23 Continental Shelf waters.

24 (bb) For the purposes of this Subitem, "drilling rig" means any unit or  
25 structure, along with its component parts, which is used primarily for drilling,  
26 workover, intervention or remediation of wells used for exploration or development  
27 of minerals and "component parts" means any machinery or equipment necessary for  
28 a drilling rig to perform its exclusive function of exploration or development of  
29 minerals.

1 (h) The term "sale of service" shall not include an action performed pursuant  
2 to a contract with the United States Department of the Navy for construction or  
3 overhaul of U.S. Naval vessels.

4 (i) Solely for purposes of the sales and use tax levied by the state, the  
5 furnishing of telecommunications services for compensation, in accordance with the  
6 provisions of R.S. 47:301.1. Local political subdivisions are prohibited from levying  
7 a sales and use tax on telecommunications services not in effect on July 1, 1990,  
8 provided, however, that the provisions of this Subparagraph shall not be construed  
9 to prohibit the levy or collection of any franchise, excise, gross receipts, or similar  
10 tax or assessment by any political subdivision of the state as defined in Article VI,  
11 Section 44(2) of the Constitution of Louisiana.

12 (j) Notwithstanding any provision of law to the contrary, for purposes of  
13 sales or use taxation by the state or any local political subdivision, the term "sales of  
14 services" shall not mean or include any funeral directing services as defined in  
15 Subparagraph (10)(s) of this Section. Subject to approval by the House Committee  
16 on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, the  
17 state Department of Revenue shall devise a formula for the calculation of the tax.

18 (k) For purposes of sales and use tax imposed by ~~the state, any political~~  
19 ~~subdivision whose boundaries are coterminous with those of the state, or any other~~  
20 local political subdivision, the term "sales of services" shall not mean or include  
21 admission charges for, outside gate admissions to, or parking fees associated with  
22 an event providing Louisiana heritage, culture, crafts, art, food, and music which is  
23 sponsored by a domestic nonprofit organization that is exempt from tax under  
24 Section 501(c)(3) of the Internal Revenue Code. The provisions of this  
25 Subparagraph shall apply only to an event which transpires over a minimum of seven  
26 but not more than twelve days and has a five-year annual average attendance of at  
27 least three hundred thousand over the duration of the event. For purposes of  
28 determining the five-year annual average attendance, the calculation shall include the  
29 total annual attendance for each of the five most recent years. The provisions of this

1 Subparagraph shall apply only to admission charges for, outside gate admissions to,  
2 or parking fees associated with an event when the charges and fees are payable to or  
3 for the benefit of the sponsor of the event.

4 (15) "Storage" means and includes any keeping or retention in the taxing  
5 jurisdiction of tangible personal property for use or consumption within the taxing  
6 jurisdiction or for any purpose other than for sale at retail in the regular course of  
7 business.

8 (16)(a) "Tangible personal property" means and includes personal property  
9 which may be seen, weighed, measured, felt or touched, or is in any other manner  
10 perceptible to the senses.

11 (b) The term "tangible personal property" shall not include:

12 (i) Stocks, bonds, notes, or other obligations or securities.

13 (ii) ~~Gold~~ Solely for purposes of sales and use tax levied by any local political  
14 subdivision, gold, silver, or numismatic coins, or platinum, gold, or silver bullion.

15 (iii) Proprietary geophysical survey information or geophysical data analysis  
16 furnished under a restricted use agreement even though transferred in the form of  
17 tangible personal property.

18 (c) The term "tangible personal property" shall not include the repair of a  
19 vehicle by a licensed motor vehicle dealer which is performed subsequent to the  
20 lapse of the applicable warranty on that vehicle and at no charge to the owner of the  
21 vehicle. For the purpose of assessing a sales and use tax on this transaction, no  
22 valuation shall be assigned to the services performed or the parts used in the repair.

23 (d)(i) Notwithstanding any provision of law to the contrary and solely for  
24 purposes of state sales and use tax, any sale of a prepaid calling service or prepaid  
25 wireless calling service, or both, shall be deemed to be the sale of tangible personal  
26 property.

27 (ii) Prepaid calling services and prepaid wireless calling services shall be  
28 subject to the tax imposed by this Chapter if the sale takes place in this state. If the  
29 customer physically purchases a prepaid calling service or prepaid wireless calling



1 service at the vendor's place of business, the sale is deemed to take place at the  
2 vendor's place of business. If the customer does not physically purchase the service  
3 at the vendor's place of business, the sale of a prepaid calling service or prepaid  
4 wireless calling service is deemed to take place at the first of the following locations  
5 that applies to the sale:

6 (aa) The customer's shipping address, if the sale involves a shipment.

7 (bb) The customer's billing address.

8 (cc) Any other address of the customer that is known by the vendor.

9 (dd) The address of the vendor or, alternatively in the case of a prepaid  
10 wireless calling service, the location associated with the mobile telephone number.

11 (e) The term "tangible personal property" shall not include work products  
12 which are written on paper, stored on magnetic or optical media, or transmitted by  
13 electronic device, when such work products are created in the normal course of  
14 business by any person licensed or regulated by the provisions of Title 37 of the  
15 Louisiana Revised Statutes of 1950, unless such work products are duplicated  
16 without modification for sale to multiple purchasers. This exclusion shall not apply  
17 to work products which consist of the creation, modification, updating, or licensing  
18 of computer software.

19 (f) The term "tangible personal property" shall not include pharmaceuticals  
20 administered to livestock used for agricultural purposes, except as otherwise  
21 provided in this Subparagraph. Only pharmaceuticals not included in the term  
22 "tangible personal property" shall be registered with the Louisiana Department of  
23 Agriculture and Forestry. Legend drugs administered to livestock used for  
24 agricultural purposes are not required to be registered, but such legend drugs that are  
25 not registered shall be "tangible personal property".

26 (g)(i) Notwithstanding the provisions of R.S. 9:1149.1 et seq., except as  
27 otherwise provided in this Subparagraph, the term "tangible personal property" shall  
28 not include factory built homes.

1 (ii) For purposes of this Subparagraph, "factory built home" means a  
2 residential structure which is built in a factory in one or more sections and has a  
3 chassis or integrated wheel delivery system, which is either:

4 (aa) A structure built to federal construction standards as defined in Section  
5 5402 of Title 42 of the United States Code.

6 (bb) A residential structure built to the Louisiana State Uniform Construction  
7 Code.

8 (cc) A manufactured home, modular home, mobile home, or residential  
9 mobile home with or without a permanent foundation, which includes plumbing,  
10 heating, and electrical systems.

11 (iii) "Factory built home" shall not include any self-propelled recreational  
12 vehicle or travel trailer.

13 (iv) The term "tangible personal property" as applied to sales and use taxes  
14 levied by the state or any other taxing authority in the state shall include a new  
15 factory built home, for the initial sale from a dealer to a consumer, but only to the  
16 extent that forty-six percent of the retail sales price shall be so considered as  
17 "tangible personal property". Thereafter, each subsequent resale of a factory built  
18 home shall not be considered as "tangible personal property".

19 (v) The sales and use taxes due on these transactions shall be paid to the  
20 Louisiana Department of Public Safety and Corrections, office of motor vehicles, by  
21 the twentieth day of the month following the month of delivery of the factory built  
22 home to the consumer, along with any other information requested by the office of  
23 motor vehicles.

24 ~~(h)(i) Solely for purposes of the imposition of the sales and use tax levied by~~  
25 ~~the state or any political subdivision whose boundaries are coterminous with those~~  
26 ~~of the state, for the period beginning July 1, 2002, and ending on June 30, 2003, the~~  
27 ~~term "tangible personal property" shall not include one-quarter of the cost price of~~  
28 ~~custom computer software.~~

1           (ii) ~~Solely for purposes of the imposition of the sales and use tax levied by~~  
2           ~~the state or any political subdivision whose boundaries are coterminous with those~~  
3           ~~of the state, for the period beginning July 1, 2003, and ending on June 30, 2004, the~~  
4           ~~term "tangible personal property" shall not include one-half of the cost price of~~  
5           ~~custom computer software.~~

6           (iii) ~~Solely for purposes of the imposition of the sales and use tax levied by~~  
7           ~~the state or any political subdivision whose boundaries are coterminous with those~~  
8           ~~of the state, for the period beginning July 1, 2004, and ending on June 30, 2005, the~~  
9           ~~term "tangible personal property" shall not include three-quarters of the cost price~~  
10           ~~of custom computer software.~~

11           (iv) ~~Solely for purposes of the imposition of the sales and use tax levied by~~  
12           ~~the state or any political subdivision whose boundaries are coterminous with those~~  
13           ~~of the state, for all taxable periods beginning on or after July 1, 2005, the term~~  
14           ~~"tangible personal property" shall not include custom computer software.~~

15           (i) ~~Solely for purposes of the imposition of the state sales and use tax, the~~  
16           ~~term "tangible personal property" shall not include digital television conversion~~  
17           ~~equipment and digital radio conversion equipment as defined in this Section.~~

18           (i) ~~"Digital television conversion equipment" shall include the following:~~

19           ~~(aa) DTV transmitter and RF system.~~

20           ~~(bb) Transmission line.~~

21           ~~(cc) DTV antenna.~~

22           ~~(dd) Tower.~~

23           ~~(ee) Existing tower structural upgrade.~~

24           ~~(ff) Advanced TV receiver (STL receiver).~~

25           ~~(gg) Decoder (digital to analog converter for NTSC).~~

26           ~~(hh) DTV transmission system test and monitoring.~~

27           ~~(ii) Digital video/audio master control switcher.~~

28           ~~(jj) Analog to digital conversion.~~

29           ~~(kk) High definition up-converters.~~

- 1           ~~(ll) High definition bypass switcher.~~
- 2           ~~(mm) Down converters for standard definition.~~
- 3           ~~(nn) Advanced TV transmitter (STL transmitter).~~
- 4           ~~(oo) Advanced TV signal encoder.~~
- 5           ~~(pp) DTV transmission monitoring.~~
- 6           ~~(qq) High definition digital video switcher and DVE.~~
- 7           ~~(rr) High definition studio cameras.~~
- 8           ~~(ss) High definition graphics/graphic generator.~~
- 9           ~~(tt) High definition video monitoring.~~
- 10          ~~(uu) Conversion gear.~~
- 11          ~~(vv) High definition recorder/players, including tape, disk, etc.~~
- 12          ~~(ww) High definition video/audio signal router.~~
- 13          ~~(xx) High definition video/audio media server.~~
- 14          ~~(yy) MPEG or HDTV digital receivers for program content.~~
- 15          ~~(zz) High definition recorder/players, including tape, disk, etc.~~
- 16          ~~(aaa) High definition video/audio media server and workstations.~~
- 17          ~~(bbb) Digital EAS encoder/decoder.~~
- 18          ~~(ccc) High definition camcorder, including tape, disk, etc.~~
- 19          ~~(ddd) Advanced TV transmitters, including microwave.~~
- 20          ~~(ii) "Digital radio conversion equipment" shall include the following:~~
- 21          ~~(aa) IBOC transmitter.~~
- 22          ~~(bb) IBOC main channel and IBOC combiner.~~
- 23          ~~(cc) IBOC compatible antenna.~~
- 24          ~~(dd) Tower.~~
- 25          ~~(ee) IBOC coaxial bypass switcher.~~
- 26          ~~(ff) Digital STL.~~
- 27          ~~(gg) STL heliax transmission line.~~
- 28          ~~(hh) STL antenna.~~
- 29          ~~(ii) Digital console.~~

1           ~~(jj) EAS insertion.~~

2           ~~(kk) AES EBU conversion equipment.~~

3           ~~(ll) IBOL transmission testing and monitoring equipment.~~

4           ~~(mm) Digital processor.~~

5           ~~(iii) The exclusion from state sales and use tax authorized by this~~  
6           ~~Subparagraph shall only apply to the first purchase of each enumerated item by an~~  
7           ~~individual taxpayer who holds a Federal Communications Commission license~~  
8           ~~issued pursuant to 47 CFR Part 73. Individual taxpayers operating under several~~  
9           ~~broadcaster licenses shall be allowed one purchase of each enumerated item per~~  
10          ~~license. Each subsequent purchase of any of the enumerated items by the same~~  
11          ~~taxpayer or license holder shall be subject to sales and use tax.~~

12          ~~(iv) Repealed by Acts 2005, No. 243, §1, eff. June 29, 2005.~~

13           ~~(v) Any eligible taxpayer who has purchased any item enumerated in Item~~  
14          ~~(i) or (ii) of this Subparagraph subsequent to January 1, 1999, but prior to the~~  
15          ~~effective date of this Act, shall be entitled to a credit against the state sales and use~~  
16          ~~tax due in any year for an amount equal to state sales and use tax paid on the~~  
17          ~~purchase of the item.~~

18           ~~(vi) Local taxing authorities are hereby authorized to provide an exemption~~  
19          ~~from any local sales and use tax liability to any taxpayers holding a Federal~~  
20          ~~Communications Commission license issued pursuant to 47 CFR Part 73 which has~~  
21          ~~purchased any of the equipment listed in Item (i) or (ii) of this Subparagraph. Local~~  
22          ~~taxing authorities are further authorized to provide a credit against any tax liability~~  
23          ~~for the amount of local sales tax paid by taxpayers holding Federal Communications~~  
24          ~~Commission licenses issued pursuant to 47 CFR Part 73 on any equipment listed in~~  
25          ~~Item (i) or (ii) of the Subparagraph purchased subsequent to January 1, 1999, but~~  
26          ~~prior to June 25, 2002.~~

27           ~~(vii) No exclusion from state sales and use tax as authorized in this~~  
28          ~~Subsection shall be allowed after the Federal Communications Commission has~~

1       ~~issued an order mandating license holders, issued pursuant to 47 CFR Part 73, to~~  
2       ~~discontinue broadcasting their analog signal.~~

3               ~~(viii) The Department of Revenue shall adopt rules and regulations necessary~~  
4       ~~for the implementation of this Act no later than August 1, 2002.~~

5               ~~(j)~~ The term "tangible personal property", for purposes of the payment of  
6       sales and use taxes levied by all tax authorities in the state, shall not include  
7       materials used directly in the collection, separation, treatment, testing, and storage  
8       of blood by nonprofit blood banks and nonprofit blood collection centers.

9               ~~(k)~~(j) The term "tangible personal property" for purposes of the sales and use  
10       taxes imposed by all tax authorities in this state shall not include apheresis kits and  
11       leuko reduction filters used by nonprofit blood banks and nonprofit blood collection  
12       centers.

13               ~~(l)~~(k) For purposes of the sales and use tax imposed by the state of  
14       Louisiana, by a political subdivision whose boundaries are coterminous with those  
15       of the state, or by all political subdivisions of the state and without regard to the  
16       nature of the ownership of the ground, tangible personal property shall not include  
17       other constructions permanently attached to the ground which shall be treated as  
18       immovable property.

19               ~~(m)(i)(1)(i) Notwithstanding any other provision of law to the contrary, for~~  
20       ~~purposes of the sales and use tax levied by the state or any political subdivision~~  
21       ~~whose boundaries are coterminous with those of the state, the term "tangible personal~~  
22       ~~property" shall not include machinery and equipment used by a motor vehicle~~  
23       ~~manufacturer with a North American Industry Classification System (NAICS) Code~~  
24       ~~beginning with 3361, or by a glass container manufacturer with a NAICS Code of~~  
25       ~~327213. This exclusion shall be subject to the definitions and requirements of Item~~  
26       ~~(3)(i)(ii) of this Section.~~

27               ~~(ii)~~ A political subdivision may provide for a sales and use tax exemption for  
28       the sales, cost, or lease or rental price of manufacturing machinery and equipment  
29       used by a motor vehicle manufacturer with a North American Industry Classification

1        System (NAICS) Code beginning with 3361, or by a glass container manufacturer  
2        with a NAICS Code of 327213 as provided for in this Section, either effective upon  
3        adoption or enactment or phased in over a period of time, or effective for a certain  
4        period of time or duration, all as set forth in the instrument, resolution, vote, or other  
5        affirmative action providing the exemption. This exclusion shall be subject to the  
6        definitions and requirements of Item (3)(i)(ii) of this Section.

7                ~~(iii)(ii)~~ Notwithstanding any other provision of this Section, tooling in a  
8        compression mold process shall be considered manufacturing machinery and  
9        equipment for purposes of this Section.

10               ~~(n)(i)~~ For purposes of the imposition of the sales and use tax levied by the  
11        state, the term "tangible personal property" shall not include machinery and  
12        equipment purchased by the owner of a radio station located within the state that is  
13        licensed by the Federal Communications Commission for radio broadcasting, if the  
14        owner is either of the following:

15               ~~(aa)~~ An individual domiciled in the state who owns a business with  
16        substantially all of its assets located in the state and substantially all of its payroll  
17        paid in the state.

18               ~~(bb)~~ A business entity with substantially all of its assets located in the state  
19        and substantially all of its payroll paid in the state; provided that the business entity  
20        is not owned or controlled or is otherwise an affiliate of a multi-state business entity  
21        and is not owned or controlled by an individual who is not domiciled in the state.

22               ~~(ii)~~ "Radio broadcasting" means the sound transmission made via  
23        electromagnetic waves for direct sound reception by the general public.

24               ~~(o)(i)~~ For purposes of the imposition of the sales and use tax levied by the  
25        state and any political subdivision whose boundaries are coterminous with those of  
26        the state, the term "tangible personal property" shall not include machinery and  
27        equipment as defined in and subject to the requirements of R.S. 47:301(3)(i)(ii)  
28        which is purchased by a utility regulated by the Public Service Commission or the  
29        council of the City of New Orleans. For the purposes of this Paragraph, the term





1 (d)

2 \* \* \*

3 (ii) Except as provided in Item (iii) of this Subparagraph for refinery gas, for  
4 purposes of ~~state and~~ any local political subdivision use tax, "use" shall not include  
5 the storage, consumption, or the exercise of any other right of ownership over  
6 tangible personal property which is created or derived as a residue or byproduct of  
7 such processing. Such residue or byproduct shall include but shall not be limited to  
8 catalyst cracker coke derived from crude oil, wood chips, bark, and liquor derived  
9 from the processing of sawlogs or pulpwood timber, or bagasse derived from  
10 sugarcane.

11 \* \* \*

12 (h) For purposes of sales and use taxes levied by ~~the state or~~ any local  
13 political subdivision of the state, the term "use" shall not include the exercise of any  
14 right of ownership in or the distribution of telephone directories acquired by an  
15 advertising company that is not affiliated with a provider of telephone services if the  
16 telephone directories will be distributed free of charge to the recipients of the  
17 telephone directories.

18 (i) For purposes of the imposition of sales and use taxes imposed ~~or levied~~  
19 ~~by all taxing authorities in the state~~ by any local political subdivision, in the case of  
20 the sale or any other disposition by a dealer of any cellular, PCS, or wireless  
21 telephone, any electronic accessories that are physically connected with such  
22 telephones and personal communications devices used in connection with the sale  
23 or use of mobile telecommunications services, as defined in R.S. 47:301(10)(v), the  
24 term "use" shall not include the withdrawal, use, distribution, consumption, storage,  
25 donation, or any other disposition of any such cellular, PCS, or wireless telephone,  
26 any electronic accessories that are physically connected with such telephones and  
27 personal communications devices by the dealer.

28 (j) For purposes of the imposition of sales and use taxes imposed or levied  
29 by any political subdivision of the state, in the case of the sale or any other

1 disposition by a dealer of any cellular telephone, PCS telephone, wireless telephone,  
 2 or other wireless personal communication device that is used in connection with the  
 3 sale or use of mobile telecommunications services, as defined in R.S. 47:301(10)(w),  
 4 or any electronic accessory that is physically connected with any such telephone or  
 5 personal communications device, the term "use" shall not include the withdrawal,  
 6 use, distribution, consumption, storage, donation, or any other disposition of any  
 7 such telephone or electronic accessory by the dealer.

8 ~~(k) Solely for purposes of the sales and use tax levied by the state or any~~  
 9 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
 10 ~~term "use" shall not include the purchase, the use, the consumption, the distribution,~~  
 11 ~~the storage for use or consumption, or the exercise of any right or power over~~  
 12 ~~manufacturing machinery and equipment used or consumed in this state to~~  
 13 ~~manufacture, produce or extract unblended biodiesel.~~

14 ~~(l) Solely for the purposes of sales and use taxes levied by the state or any~~  
 15 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
 16 ~~term "use" shall not include the use, the consumption, the distribution, the storage~~  
 17 ~~for use or consumption in this state, or the exercise of any right or power over an~~  
 18 ~~alternative substance as that term is defined in Subparagraph (10)(z) of this Section~~  
 19 ~~when such alternative substance is used as a fuel by a manufacturer. "Manufacturer"~~  
 20 ~~means a person whose principal activity is manufacturing and who is assigned by the~~  
 21 ~~Louisiana Workforce Commission a North American Industrial Classification~~  
 22 ~~System code with the agricultural, forestry, fishing, and hunting Sector 11 or the~~  
 23 ~~manufacturing Sectors 31-33 as they existed in 2002.~~

\* \* \*

25 ~~(o) Solely for purposes of the imposition of the state sales and use tax, the~~  
 26 ~~term "use" shall not include the purchase or use of any storm shutter device as~~  
 27 ~~defined and provided for in Subparagraph (10)(cc) of this Section.~~

\* \* \*

1 §302. Imposition of tax

2 \* \* \*

3 V. Notwithstanding any other provision of law to the contrary, including but  
4 not limited to any contrary provisions of this Chapter, there shall be no exemptions  
5 or exclusions as defined in R.S. 47:301, et seq. to the tax levied pursuant to the  
6 provisions of this Section, except for the sales or purchases of the following items:

7 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through  
8 (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the Constitution of  
9 Louisiana.

10 (2) Natural gas as provided in Article VII, Section 2.2 of the Constitution of  
11 Louisiana.

12 (3) Electricity as provided in Article VII, Section 2.2 of the Constitution of  
13 Louisiana.

14 (4) Water as provided in Article VII, Section 2.2 of the Constitution of  
15 Louisiana.

16 (5) Prescription drugs as provided in Article VII, Section 2.2 of the  
17 Constitution of Louisiana and R.S. 47:305(D)(1)(j), (4)(b), (5)(b) and (c)(i), and  
18 305.2.

19 (6) Fuel that is subject to the road-use excise tax as provided in Article VII,  
20 Section 27 of the Constitution of Louisiana.

21 (7) Purchases by a public trust as provided in law.

22 (8) Sales by state owned domed stadiums and baseball stadiums as provided  
23 in R.S. 39:467.

24 (9) Sales by publicly owned facilities as provided in R.S. 39:468.

25 (10) Isolated or occasional sales of tangible personal property as provided  
26 in R.S. 47:301(1) and (10)(c)(ii)(bb).

27 (11) Installation charges on tangible personal property as provided in R.S.  
28 47:301(3)(a).

29 (12) Installation on oil field board roads as provided in R.S. 47:301(3)(c).

- 1           (13) Transaction involving the construction or overhaul of United States  
2           Navy vessels as provided in R.S. 47:301(7)(c) and (14)(h).
- 3           (14) Manufacturers rebates on new motor vehicles as provided in R.S.  
4           47:301(3)(i).
- 5           (15) Lease or rentals of railroad rolling stock as provided in R.S.  
6           47:301(4)(k).
- 7           (16) Purchases and leases by free hospitals as provided in R.S. 47:301(7),  
8           (10)(r), and (18)(f).
- 9           (17) Certain educational materials and equipment used for classroom  
10           instruction as provided in R.S. 47:301(7)(f), (10)(q), and (18)(e).
- 11           (18) Purchases by regionally accredited independent education institutions  
12           as provided in R.S. 47:301(8)(b).
- 13           (19) Purchases by nonprofit entities that sell donated goods as provided in  
14           R.S. 47:301(8)(f).
- 15           (20) Tangible personal property for resale as provided in R.S.  
16           47:301(10)(a)(i).
- 17           (21) Purchase of property for lease or rental as provided in R.S.  
18           47:301(10)(a)(iii) and (18)(a)(iii).
- 19           (22) Sales through coin-operated vending machines as provided in R.S.  
20           47:301(10)(b)(i).
- 21           (23) Sales of materials for further processing into articles of tangible  
22           personal property for sale at retail as provided in R.S. 47:301(10)(c)(i)(aa).
- 23           (24) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).
- 24           (25) Sales of raw agricultural products as provided in R.S. 47:301(10)(e) and  
25           305(A)(3).
- 26           (26) Sales to the United States government and its agencies as provided in  
27           R.S. 47:301(10)(g).
- 28           (27) Sales of food by youth serving organizations chartered by Congress as  
29           provided in R.S. 47:301(10)(h).

- 1           (28) Purchases by a private postsecondary academic degree-granting  
2           institution as provided in R.S. 47:301(10)(cc) and as provided in R.S. 47:301(18)(n).
- 3           (29) Tangible personal property sold to food banks as provided in R.S.  
4           47:301(10)(j).
- 5           (30) Purchases of food items for school lunch or breakfast programs by  
6           nonpublic elementary or secondary schools as provided in R.S. 47:301(10)(dd).
- 7           (31) Articles traded in on purchases of tangible personal property as  
8           provided in R.S. 47:301(13)(a).
- 9           (32) Repair services performed in Louisiana when the repaired property is  
10          exported as provided in R.S. 47:301(14)(g)(i)(bb).
- 11          (33) Funeral directing services as provided in R.S. 47:301(14)(j).
- 12          (34) Stocks, bonds, notes, or other obligations or securities as provided in  
13          R.S. 47:301(16)(b)(ii).
- 14          (35) Work product of certain professionals as provided in R.S.  
15          47:301(16)(e).
- 16          (36) Pharmaceuticals administered to livestock for agricultural purposes as  
17          provided in R.S. 47:301(16)(f).
- 18          (37) Other constructions permanently attached to the ground as provided in  
19          R.S. 47:301(16)(l).
- 20          (38) Materials used in the collection of blood as provided in R.S.  
21          47:301(16)(j).
- 22          (39) Aphaeresis kits and leuko reduction filters as provided in R.S.  
23          47:301(16)(k).
- 24          (40) Donation to schools and food banks from resale inventory as provided  
25          in R.S. 47:301(18)(a).
- 26          (41) Use of motor vehicles in Louisiana by active duty military as provided  
27          in R.S. 47:303(A) and 305.48.
- 28          (42) Credit for sales and use taxes paid to other states on tangible personal  
29          property imported in Louisiana as provided in R.S. 47:303(A)(3)(a).



1           A.

2   \*       \*       \*

3           (2) The gross proceeds derived from the sale in this state of livestock at  
4 public sales sponsored by breeders' or registry associations or livestock auction  
5 markets are exempted from the sales and use tax levied by the state only. When  
6 public sales of livestock are made to consumers by any person other than through a  
7 public sale sponsored by a breeders' or registry association or a livestock auction  
8 market, they are not exempted from the sales and use tax imposed by the state. ~~This~~  
9 Solely for purposes of sales and use taxes levied by a local political subdivision, this  
10 Section shall be construed as exempting race horses entered in races and claimed at  
11 any racing meet held in Louisiana, whether the horse claimed was owned by the  
12 original breeder or not.

13   \*       \*       \*

14           C. For purposes of the sales and use tax of all ~~taxing authorities~~ local  
15 political subdivisions, where a part of the cost price of a motor vehicle is represented  
16 by a motor vehicle returned to the dealer's inventory, the use tax is payable on the  
17 total cost price less the wholesale value of the article returned.

18           D.(1) The sale at retail, the use, the consumption, the distribution, and the  
19 storage to be used or consumed in the taxing jurisdiction of the following tangible  
20 personal property is hereby specifically exempted from the tax imposed by taxing  
21 authorities, except as otherwise provided in this Paragraph:

22   \*       \*       \*

23           (b) Steam, solely for purposes of sales and use taxes levied by a political  
24 subdivision.

25           (c) Water ~~(not including~~ excluding mineral water or carbonated water or any  
26 water put in bottles, jugs, or containers, ~~all of which are not exempted)~~ as provided  
27 in Article VII, Section 2.2 of the Constitution of Louisiana.

28           (d) Electric power or energy and any materials or energy sources used to fuel  
29 the generation of electric power for resale or used by an industrial manufacturing

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 plant for self-consumption or cogeneration, solely for purposes of sales and use taxes  
2 levied by a political subdivision.

3 \* \* \*

4 (g) Natural gas as provided in Article VII, Section 2.2 of the Constitution of  
5 Louisiana.

6 (h) All energy sources when used for boiler fuel except refinery gas, solely  
7 for purposes of sales and use taxes levied by a political subdivision.

8 (i) ~~New~~ Solely for purposes of sales and use tax imposed by a political  
9 subdivision, new trucks, new automobiles, new aircraft, and new boats, vessels, or  
10 other water craft withdrawn from stock by factory authorized new truck, new  
11 automobile, new aircraft dealers, and factory-authorized dealers of new boats,  
12 vessels, or other water craft, and used trucks and used automobiles withdrawn from  
13 stock by new or used motor vehicle dealers, which are withdrawn for use as  
14 demonstrators.

15 \* \* \*

16 F. The sales, use and lease taxes imposed by ~~taxing authorities~~ a local  
17 political subdivision shall not apply to the amounts paid by radio and television  
18 broadcasters for the right to exhibit or broadcast copyrighted material and the use of  
19 film, video or audio tapes, records or any other means supplied by licensors thereof  
20 in connection with such exhibition or broadcast and the sales and use tax shall not

21 \* \* \*

22 H. "Demonstrators" as used in Subsection D of this Section for purposes of  
23 the sales and use tax levied by ~~all taxing authorities~~ a local political subdivision shall  
24 mean all of the following:

25 \* \* \*

26 I. The sales and use taxes imposed by ~~the state of Louisiana or any of its~~  
27 ~~political subdivisions~~ any political subdivision not apply to the labor, or sale of  
28 materials, services, and supplies, used for repairing, renovating or converting of any  
29 drilling rig, or machinery and equipment which are component parts thereof, which



1 is used exclusively for the exploration or development of minerals outside the  
2 territorial limits of the state in Outer Continental Shelf waters. For the purposes of  
3 this Subsection, "drilling rig" means any unit or structure, along with its component  
4 parts, which is used primarily for drilling, workover, intervention or remediation of  
5 wells used for exploration or development of minerals. For purposes of this  
6 Subsection, "component parts" means any machinery or equipment necessary for a  
7 drilling rig to perform its exclusive function of exploration or development of  
8 minerals.

9 §305.1. Exclusions and exemptions; ships and ships' supplies

10 A. The tax imposed by ~~taxing authorities~~ a local political subdivision shall  
11 not apply to sales of materials, equipment, and machinery which enter into and  
12 become component parts of ships, vessels, or barges, including commercial fishing  
13 vessels, drilling ships, or drilling barges, of fifty tons load displacement and over,  
14 built in Louisiana nor to the gross proceeds from the sale of such ships, vessels, or  
15 barges when sold by the builder thereof.

16 B. The taxes imposed by ~~taxing authorities~~ a local political subdivision  
17 shall not apply to materials and supplies purchased by the owners or operators of  
18 ships, barges, or vessels, including drilling ships, operating exclusively in foreign or  
19 interstate coastwise commerce, where such materials and supplies are loaded upon  
20 any such ship, barge, or vessel for use or consumption in the maintenance and  
21 operation thereof; nor to repair services performed upon such ships, barges, or  
22 vessels operating exclusively in foreign or interstate coastwise commerce; nor to the  
23 materials and supplies used in such repairs where such materials and supplies enter  
24 into and become a component part of such ships, barges, or vessels; nor to laundry  
25 services performed for the owners or operators of such ships, barges, or vessels  
26 operating exclusively in foreign or interstate coastwise commerce, where the  
27 laundered articles are to be used in the course of the operation of such ships, barges,  
28 or vessels.

29 \* \* \*

1 §305.6. Exclusions and exemptions; Little Theater tickets

2 The sales tax imposed by ~~taxing authorities~~ the sales and use tax imposed by  
3 a political subdivision shall not apply to the sale of admission tickets by Little  
4 Theater organizations.

5 §305.7. Exclusions and exemptions; tickets to musical performances of nonprofit  
6 musical organizations

7 The sales tax imposed by ~~taxing authorities~~ a political subdivision shall not  
8 apply to the sale of admission tickets by domestic nonprofit corporations or by any  
9 other domestic nonprofit organization known as a symphony organization or as a  
10 society or organization engaged in the presentation of musical performances;  
11 provided that this Section shall not apply to performances given by out-of-state or  
12 nonresident symphony companies, nor shall this Section apply to any performance  
13 intended to yield a profit to the promoters thereof.

14 \* \* \*

15 §305.9. Exclusions and exemptions; motion picture film rental

16 The sales and use taxes imposed by ~~the State of Louisiana or any such taxes~~  
17 ~~imposed by~~ any parish or municipality within the state shall not apply to the amount  
18 paid by the operator of a motion picture theatre to a distributing agency for use of  
19 films of photoplay.

20 \* \* \*

21 §305.13. Exclusions and exemptions; admissions to entertainments furnished by  
22 certain domestic nonprofit corporations

23 The sales tax imposed by ~~taxing authorities~~ a political subdivision shall not  
24 apply to the sale of admissions to entertainment events furnished by recognized  
25 domestic nonprofit charitable, educational and religious organizations when the  
26 entire proceeds from such sales, except for necessary expenses connected with the  
27 entertainment events, are used for the purposes for which the organizations  
28 furnishing the events were organized.

1 §305.14. Exclusions and exemptions; nonprofit organizations; nature of exemption;  
2 limitations; qualifications; newspapers; determination of tax exempt status

3 A.(1)(a) The sales and use taxes imposed by ~~taxing authorities~~ a political  
4 subdivision shall not apply to sales of tangible personal property at, or admission  
5 charges for, outside gate admissions to, or parking fees associated with, events  
6 sponsored by domestic, civic, educational, historical, charitable, fraternal, or  
7 religious organizations, which are nonprofit, when the entire proceeds, except for  
8 necessary expenses such as fees paid for guest speakers, chair and table rentals, and  
9 food and beverage utility related items connected therewith, are used for educational,  
10 charitable, religious, or historical restoration purposes, including the furtherance of  
11 the civic, educational, historical, charitable, fraternal, or religious purpose of the  
12 organization. In addition, newspapers published in this state by religious  
13 organizations shall also be exempt from such taxes, provided that the price paid for  
14 the newspaper or a subscription to the newspaper does not exceed the cost to publish  
15 such newspaper.

16 (b) Notwithstanding any other provision of this Section, the sales and use tax  
17 imposed by ~~taxing authorities~~ a political subdivision shall not apply to an event  
18 sponsored by a domestic nonprofit organization that is exempt from tax under  
19 Section 501(c)(3) of the Internal Revenue Code when the event provides Louisiana  
20 heritage, culture, crafts, art, food, and music, and the sponsor has contracted for  
21 production management and financing services for the event. Such services shall  
22 constitute necessary expenses of the sponsor for purposes of the event. The  
23 provisions of this Subparagraph shall apply only to the sales of tangible personal  
24 property and admission charges for, outside gate admissions to, or parking fees  
25 associated with an event when the sales, charges, and fees are payable to or for the  
26 benefit of the sponsor of the event. The provisions of this Subparagraph shall apply  
27 only to an event which transpires over a minimum of seven but not more than twelve  
28 days and has a five-year annual average attendance of at least three hundred  
29 thousand over the duration of the event. For purposes of determining the five-year

1 annual average attendance, the calculation shall include the total annual attendance  
2 for each of the five most recent years.

3 \* \* \*

4 §305.16. Exclusions and exemptions; cable television installation and repair

5 The sales and use taxes imposed by ~~the state or by~~ any political subdivision  
6 thereof shall not apply to necessary fees incurred in connection with the installation  
7 and service of cable television. Such exemption shall not apply to purchases made  
8 by any cable television system, but shall only apply to funds collected from the  
9 subscriber for regular service, installation and repairs.

10 §305.17. Exclusions and exemptions; income from coin-operated washing and  
11 drying machines in a commercial laundromat

12 ~~State sales taxes imposed by R.S. 47:302 and R.S. 47:321, as well as any~~  
13 ~~sales~~ Sales and use taxes imposed by any parish, municipality, school board, or other  
14 political subdivision, within the state, shall not apply to or be imposed upon the  
15 income on receipts from any coin-operated washing or drying machine in a  
16 commercial laundromat. A commercial laundromat, for purposes of this Section, is  
17 defined to be any establishment engaged solely in the business of furnishing washing  
18 or drying laundry services by means of coin-operated machines.

19 ~~§305.18. Exclusions and exemptions; fairs, festivals, and expositions sponsored by~~  
20 ~~nonprofit organizations; nature of exemption; limitations; qualifications~~

21 ~~A. The sales and use tax imposed by the state of Louisiana under R.S.~~  
22 ~~47:302(C) and R.S. 47:321 shall not apply to all outside gate admissions to grounds~~  
23 ~~and parking fees at fairs and festivals sponsored by recognized nonprofit~~  
24 ~~organizations chartered under the state of Louisiana.~~

25 ~~The exemption provided herein shall not apply to any event intended to yield~~  
26 ~~a profit to the promoter or to any individual contracted to provide services or~~  
27 ~~equipment, or both, for the event.~~

1           ~~This Section shall not be construed to exempt any organization or activity~~  
2           ~~from the payment of sales or use taxes otherwise required by law to be made on~~  
3           ~~purchases made by these organizations.~~

4           ~~This Section shall not be construed to exempt regular commercial ventures~~  
5           ~~of any type such as bookstores, restaurants, gift shops, commercial flea markets and~~  
6           ~~similar activities that are sponsored by organizations qualifying hereunder which are~~  
7           ~~in competition with retail merchants.~~

8           ~~B. This sponsorship of any event by any organization applying for an~~  
9           ~~exemption hereunder must be genuine. Sponsorship will not be genuine in any case~~  
10          ~~in which exemption from taxation is a major consideration leading to such~~  
11          ~~sponsorship.~~

12          ~~C. An exemption certificate must be obtained from the collector of revenue,~~  
13          ~~under such regulations as he shall prescribe, in order for nonprofit organizations to~~  
14          ~~qualify for the exemption provided in this section.~~

15          ~~In the event the collector of revenue denies tax exempt status under this~~  
16          ~~Section, the organization may appeal such ruling to the Board of Tax Appeals, which~~  
17          ~~may overrule the collector of revenue and grant tax exempt status if the Board of Tax~~  
18          ~~Appeals determines that the denial of tax exempt status by the collector of revenue~~  
19          ~~was arbitrary, capricious or unreasonable. Provided however, that any organization~~  
20          ~~which endorses any candidate for political office or otherwise is involved in political~~  
21          ~~activities shall not be eligible for the exemption herein provided.~~

22          ~~D. This exemption applies only to sales and use tax imposed by the state of~~  
23          ~~Louisiana and does not apply to such taxes authorized and levied by any school~~  
24          ~~board, municipality, or other local taxing authority notwithstanding any other~~  
25          ~~provision of law to the contrary, specifically but not exclusively R.S. 27:2716.1.~~

26          §305.19. Exclusions and exemptions; leased vessels used in the production of  
27                  minerals

28          The taxes imposed by ~~taxing authorities~~ a local political subdivision shall not  
29          apply to those vessels which are leased for use offshore beyond the territorial limits

1 of this state for the production of oil, gas, sulphur, and other minerals or for the  
2 providing of services to those engaged in such production.

3 §305.20. Exclusions and exemptions; Louisiana commercial fishermen

4 A. A Louisiana resident, domiciled in Louisiana, who possesses such valid  
5 Louisiana commercial fishing license(s) as may be necessary for commercial fishing  
6 ventures, including but not limited to a vessel license issued pursuant to R.S. 56:304,  
7 and who is an owner of a vessel operated primarily for the conduct of commercial  
8 fishing as a trade or business and which the Louisiana Department of Wildlife and  
9 Fisheries determines will be predominantly and principally used for commercial  
10 fishing ventures and whose catch is for human consumption shall be exempt from  
11 ~~state~~ sales, use, lease, and services taxes as set forth in Subsection C of this Section.

12 Possession of a commercial fishing license issued by the Department of Wildlife and  
13 Fisheries shall not be used as the sole determination that a vessel will be used  
14 predominantly and principally for commercial fishing ventures. This exemption  
15 shall also apply to facilities which process the catch from owners of commercial  
16 fishing vessels for which this exemption is granted when such vessels are owned by,  
17 or leased or contracted exclusively to, the seafood processing facility.

18 \* \* \*

19 C. An owner who has obtained a certificate of exemption shall, with respect  
20 to the vessel identified in the certificate for the harvesting or production of fish and  
21 other aquatic life, including shrimp, oysters, and clams, and certain seafood  
22 processing facilities described in Subsection A, be exempt from the taxes imposed  
23 by a political subdivision as described in Subsection A, as follows:

24 \* \* \*

25 ~~G.(1) Except as provided for in Paragraph (2) of this Subsection, this~~  
26 ~~exemption applies only to sales and use tax imposed by the state of Louisiana and~~  
27 ~~does not apply to such taxes authorized and levied by any school board,~~  
28 ~~municipality, or other local taxing authority notwithstanding any other provision of~~  
29 ~~law to the contrary, specifically but not exclusively R.S. 47:337.8(B).~~







1 Ducks Unlimited or Bass Life or any of their chapters or any rental or purchase of  
2 property or services by Ducks Unlimited or Bass Life or any of their chapters.

3 \* \* \*

4 ~~§305.42. Exclusions and exemptions; tickets to ballet performances of nonprofit~~  
5 ~~ballet organizations~~

6 ~~Solely for purposes of the sales and use taxes levied by the state, such sales~~  
7 ~~and use tax imposed by R.S. 47:302(A) and R.S. 47:321(A) shall not apply to the~~  
8 ~~sale of admission tickets by any domestic nonprofit organization engaged in the~~  
9 ~~preparation and presentation of any dance, drama, or any of the performing arts.~~

10 ~~§305.43. Exclusions and exemptions; nonprofit organizations dedicated to the~~  
11 ~~conservation of fish or migratory waterfowl; nature of exemption;~~  
12 ~~limitations; qualifications~~

13 ~~A. The sales and use taxes imposed by R.S. 47:302, R.S. 47:321, and R.S.~~  
14 ~~47:331 shall not apply to any sales made by a nonprofit organization dedicated~~  
15 ~~exclusively to the conservation of fish or the migratory waterfowl of the North~~  
16 ~~American Continent and to the preservation and conservation of wetland habitat of~~  
17 ~~such waterfowl, when the entire proceeds, except for the necessary expenses~~  
18 ~~connected therewith, are used in furtherance of the organization's exempt purpose.~~  
19 ~~The exemption provided herein shall not apply to any event intended to yield a profit~~  
20 ~~to the promoter or to any individual contracted to provide services or equipment, or~~  
21 ~~both, for the event.~~

22 ~~B. Purchases by any organization qualifying hereunder shall be exempt from~~  
23 ~~the payment of any sales or use taxes imposed by the state and its political~~  
24 ~~subdivisions.~~

25 ~~C. This Section shall not be construed to exempt sales or purchases made in~~  
26 ~~connection with regular commercial ventures of any type such as bookstores,~~  
27 ~~restaurants, gift shops, commercial flea markets, or similar activities that are~~  
28 ~~sponsored by organizations qualifying hereunder which are in competition with retail~~  
29 ~~merchants.~~





1       ~~§305.56. Exemption; off-road vehicles; out-of-state buyers~~

2               ~~The sales and use tax imposed by the state of Louisiana shall not apply to the~~  
3       ~~sale of off-road vehicles when purchased by a buyer who, at the time of purchase,~~  
4       ~~presents proof to the seller that he is domiciled in another state and signs an affidavit~~  
5       ~~that he has paid or will pay the sales and use tax on the off-road vehicle in the state~~  
6       ~~in which he is domiciled within sixty days after the date of purchase or delivery,~~  
7       ~~whichever is later; provided that the state in which the buyer is domiciled provides~~  
8       ~~a similar exemption. A valid out-of-state driver's license or state-issued picture~~  
9       ~~identification card shall constitute sufficient proof that the buyer is domiciled in~~  
10       ~~another state.~~

11       §305.57. Exemptions; sale of art work

12               A. The sales and use taxes imposed by ~~the state of Louisiana or any of its~~  
13       local political subdivisions shall not apply to the sale of original, one-of-a-kind  
14       works of art from an established location within the boundaries of a cultural product  
15       district.

16   \*       \*       \*

17       §305.59. Exemption; charitable residential construction

18               The sales and use tax imposed by ~~the state of Louisiana and all of its tax~~  
19       ~~authorities~~ local political subdivisions shall not apply to the sale of construction  
20       materials to Habitat for Humanity affiliates, Fuller Center for Housing covenant  
21       partners located in this state, or the Make it Right Foundation when such materials  
22       are intended for use in constructing new residential dwellings in this state.

23       ~~§305.60. Exemption; certain water conservation equipment; Sparta Groundwater~~  
24       ~~Conservation District~~

25               ~~A.(1) Within the limits provided for in Paragraph (2) of this Subsection, the~~  
26       ~~sales and use tax imposed by all tax authorities in the state shall not apply to sales~~  
27       ~~of water conservation equipment for use within the Sparta Groundwater~~  
28       ~~Conservation District from July 1, 2007, through June 30, 2010. Only persons~~  
29       ~~defined as "users" under R.S. 38:3087.133(7) shall be eligible for this exemption.~~







1 \* \* \*

2 §321. Imposition of tax

3 \* \* \*

4 L. Notwithstanding any other provision of law to the contrary, including but  
5 not limited to any contrary provisions of this Chapter, there shall be no exemptions  
6 or exclusions as defined in R.S. 47:301, et seq. to the tax levied pursuant to the  
7 provisions of this Section, except for the sales or purchases of the following items:

8 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through  
9 (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the Constitution of  
10 Louisiana.

11 (2) Natural gas as provided in Article VII, Section 2.2 of the Constitution of  
12 Louisiana.

13 (3) Electricity as provided in Article VII, Section 2.2 of the Constitution of  
14 Louisiana.

15 (4) Water as provided in Article VII, Section 2.2 of the Constitution of  
16 Louisiana.

17 (5) Prescription drugs as provided in Article VII, Section 2.2 of the  
18 Constitution of Louisiana and R.S. 47:305(D)(1)(j), (4)(b), (5)(b) and (c)(i), and  
19 305.2.

20 (6) Fuel that is subject to the road-use excise tax as provided in Article VII,  
21 Section 27 of the Constitution of Louisiana.

22 (7) Purchases by a public trust as provided in law.

23 (8) Sales by state owned domed stadiums and baseball stadiums as provided  
24 in R.S. 39:467.

25 (9) Sales by publicly owned facilities as provided in R.S. 39:468.

26 (10) Isolated or occasional sales of tangible personal property as provided  
27 in R.S. 47:301(1) and (10)(c)(ii)(bb).

28 (11) Installation charges on tangible personal property as provided in R.S.  
29 47:301(3)(a).



- 1           (12) Installation on oil field board roads as provided in R.S. 47:301(3)(c).
- 2           (13) Transaction involving the construction or overhaul of United States  
3 Navy vessels as provided in R.S. 47:301(7)(c) and (14)(h).
- 4           (14) Manufacturers rebates on new motor vehicles as provided in R.S.  
5 47:301(3)(i).
- 6           (15) Lease or rentals of railroad rolling stock as provided in R.S.  
7 47:301(4)(k).
- 8           (16) Purchases and leases by free hospitals as provided in R.S. 47:301(7),  
9 (10)(r), and (18)(f).
- 10          (17) Certain educational materials and equipment used for classroom  
11 instruction as provided in R.S. 47:301(7)(f), (10)(q), and (18)(e).
- 12          (18) Purchases by regionally accredited independent education institutions  
13 as provided in R.S. 47:301(8)(b).
- 14          (19) Purchases by nonprofit entities that sell donated goods as provided in  
15 R.S. 47:301(8)(f).
- 16          (20) Tangible personal property for resale as provided in R.S.  
17 47:301(10)(a)(i).
- 18          (21) Purchase of property for lease or rental as provided in R.S.  
19 47:301(10)(a)(iii) and (18)(a)(iii).
- 20          (22) Sales through coin-operated vending machines as provided in R.S.  
21 47:301(10)(b)(i).
- 22          (23) Sales of materials for further processing into articles of tangible  
23 personal property for sale at retail as provided in R.S. 47:301(10)(c)(i)(aa).
- 24          (24) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).
- 25          (25) Sales of raw agricultural products as provided in R.S. 47:301(10)(e) and  
26 305(A)(3).
- 27          (26) Sales to the United States government and its agencies as provided in  
28 R.S. 47:301(10)(g).

- 1           (27) Sales of food by youth serving organizations chartered by Congress as  
2           provided in R.S. 47:301(10)(h).
- 3           (28) Purchases by a private postsecondary academic degree-granting  
4           institution as provided in R.S. 47:301(10)(cc) and as provided in R.S. 47:301(18)(n).
- 5           (29) Tangible personal property sold to food banks as provided in R.S.  
6           47:301(10)(j).
- 7           (30) Purchases of food items for school lunch or breakfast programs by  
8           nonpublic elementary or secondary schools as provided in R.S. 47:301(10)(dd).
- 9           (31) Articles traded in on purchases of tangible personal property as  
10           provided in R.S. 47:301(13)(a).
- 11           (32) Repair services performed in Louisiana when the repaired property is  
12           exported as provided in R.S. 47:301(14)(g)(i)(bb).
- 13           (33) Funeral directing services as provided in R.S. 47:301(14)(j).
- 14           (34) Stocks, bonds, notes, or other obligations or securities as provided in  
15           R.S. 47:301(16)(b)(ii).
- 16           (35) Work product of certain professionals as provided in R.S.  
17           47:301(16)(e).
- 18           (36) Pharmaceuticals administered to livestock for agricultural purposes as  
19           provided in R.S. 47:301(16)(f).
- 20           (37) Other constructions permanently attached to the ground as provided in  
21           R.S. 47:301(16)(l).
- 22           (38) Materials used in the collection of blood as provided in R.S.  
23           47:301(16)(j).
- 24           (39) Aphaeresis kits and leuko reduction filters as provided in R.S.  
25           47:301(16)(k).
- 26           (40) Donation to schools and food banks from resale inventory as provided  
27           in R.S. 47:301(18)(a).
- 28           (41) Use of motor vehicles in Louisiana by active duty military as provided  
29           in R.S. 47:303(A) and 305.48.

- 1           (42) Credit for sales and use taxes paid to other states on tangible personal  
2           property imported in Louisiana as provided in R.S. 47:303(A)(3)(a).
- 3           (43) Gross proceeds derived from the sale of livestock, poultry, and other  
4           farm products direct from the farm as provided in R.S. 47:305(A)(1).
- 5           (44) Feed and feed additives for animals held for business purposes as  
6           provided in R.S. 47:305(A)(4).
- 7           (45) Materials used in the harvesting or production of crawfish as provided  
8           in R.S. 47:305(A)(5).
- 9           (46) Materials used in the harvesting or production of catfish as provided in  
10          R.S. 47:305(A)(6).
- 11          (47) Farm products produced and used by farmers as provided in R.S.  
12          47:305(B).
- 13          (48) Sales of fertilizers and containers to farmers as provided in R.S.  
14          47:305(D)(1)(f).
- 15          (49) Sales of seeds for planting crops as provided in R.S. 47:305.5.
- 16          (50) Sales of pesticides for agricultural purposes as provided in R.S.  
17          47:305.8.
- 18          (51) Property purchased for exclusive use outside the state as provided in  
19          R.S. 47:305.10.
- 20          (52) Certain farm equipment as provided in R.S. 47:305.25.
- 21          (53) Diesel fuel, butane, propane, or other liquefied petroleum gases used for  
22          farm purposes as provided in R.S. 47:305.37.
- 23          (54) Purchases made with food stamps and WIC as provided in R.S.  
24          47:305.46.
- 25          (55) Pharmaceutical samples distributed in Louisiana as provided in R.S.  
26          47:305.47.
- 27          (56) Commercial farm irrigation equipment as provided in R.S. 47:305.63.
- 28          (57) Purchases and leases of durable medical equipment under the provisions  
29          of Medicare as provided in R.S. 47:315.3.

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§331. Imposition of tax

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S. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provisions of this Chapter, there shall be no exemptions or exclusions as defined in R.S. 47:301, et seq. to the tax levied pursuant to the provisions of this Section, except for the sales or purchases of the following items:

(1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the Constitution of Louisiana.

(2) Natural gas as provided in Article VII, Section 2.2 of the Constitution of Louisiana.

(3) Electricity as provided in Article VII, Section 2.2 of the Constitution of Louisiana.

(4) Water as provided in Article VII, Section 2.2 of the Constitution of Louisiana.

(5) Prescription drugs as provided in Article VII, Section 2.2 of the Constitution of Louisiana and R.S. 47:305(D)(1)(j), (4)(b), (5)(b) and (c)(i), and 305.2.

(6) Fuel that is subject to the road-use excise tax as provided in Article VII, Section 27 of the Constitution of Louisiana.

(7) Purchases by a public trust as provided in law.

(8) Sales by state owned domed stadiums and baseball stadiums as provided in R.S. 39:467.

(9) Sales by publicly owned facilities as provided in R.S. 39:468.

(10) Isolated or occasional sales of tangible personal property as provided in R.S. 47:301(1) and (10)(c)(ii)(bb).

(11) Installation charges on tangible personal property as provided in R.S. 47:301(3)(a).

- 1           (12) Installation on oil field board roads as provided in R.S. 47:301(3)(c).
- 2           (13) Transaction involving the construction or overhaul of United States  
3 Navy vessels as provided in R.S. 47:301(7)(c) and (14)(h).
- 4           (14) Manufacturers rebates on new motor vehicles as provided in R.S.  
5 47:301(3)(i).
- 6           (15) Lease or rentals of railroad rolling stock as provided in R.S.  
7 47:301(4)(k).
- 8           (16) Purchases and leases by free hospitals as provided in R.S. 47:301(7),  
9 (10)(r), and (18)(f).
- 10          (17) Certain educational materials and equipment used for classroom  
11 instruction as provided in R.S. 47:301(7)(f), (10)(q), and (18)(e).
- 12          (18) Purchases by regionally accredited independent education institutions  
13 as provided in R.S. 47:301(8)(b).
- 14          (19) Purchases by nonprofit entities that sell donated goods as provided in  
15 R.S. 47:301(8)(f).
- 16          (20) Tangible personal property for resale as provided in R.S.  
17 47:301(10)(a)(i).
- 18          (21) Purchase of property for lease or rental as provided in R.S.  
19 47:301(10)(a)(iii) and (18)(a)(iii).
- 20          (22) Sales through coin-operated vending machines as provided in R.S.  
21 47:301(10)(b)(i).
- 22          (23) Sales of materials for further processing into articles of tangible  
23 personal property for sale at retail as provided in R.S. 47:301(10)(c)(i)(aa).
- 24          (24) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).
- 25          (25) Sales of raw agricultural products as provided in R.S. 47:301(10)(e) and  
26 305(A)(3).
- 27          (26) Sales to the United States government and its agencies as provided in  
28 R.S. 47:301(10)(g).

1           (27) Sales of food by youth serving organizations chartered by Congress as  
2           provided in R.S. 47:301(10)(h).

3           (28) Purchases by a private postsecondary academic degree-granting  
4           institution as provided in R.S. 47:301(10)(cc) and as provided in R.S. 47:301(18)(n).

5           (29) Tangible personal property sold to food banks as provided in R.S.  
6           47:301(10)(j).

7           (30) Purchases of food items for school lunch or breakfast programs by  
8           nonpublic elementary or secondary schools as provided in R.S. 47:301(10)(dd).

9           (31) Articles traded in on purchases of tangible personal property as  
10          provided in R.S. 47:301(13)(a).

11          (32) Repair services performed in Louisiana when the repaired property is  
12          exported as provided in R.S. 47:301(14)(g)(i)(bb).

13          (33) Funeral directing services as provided in R.S. 47:301(14)(j).

14          (34) Stocks, bonds, notes, or other obligations or securities as provided in  
15          R.S. 47:301(16)(b)(ii).

16          (35) Work product of certain professionals as provided in R.S.  
17          47:301(16)(e).

18          (36) Pharmaceuticals administered to livestock for agricultural purposes as  
19          provided in R.S. 47:301(16)(f).

20          (37) Other constructions permanently attached to the ground as provided in  
21          R.S. 47:301(16)(l).

22          (38) Materials used in the collection of blood as provided in R.S.  
23          47:301(16)(j).

24          (39) Aphaeresis kits and leuko reduction filters as provided in R.S.  
25          47:301(16)(k).

26          (40) Donation to schools and food banks from resale inventory as provided  
27          in R.S. 47:301(18)(a).

28          (41) Use of motor vehicles in Louisiana by active duty military as provided  
29          in R.S. 47:303(A) and 305.48.

- 1           (42) Credit for sales and use taxes paid to other states on tangible personal  
2           property imported in Louisiana as provided in R.S. 47:303(A)(3)(a).
- 3           (43) Gross proceeds derived from the sale of livestock, poultry, and other  
4           farm products direct from the farm as provided in R.S. 47:305(A)(1).
- 5           (44) Feed and feed additives for animals held for business purposes as  
6           provided in R.S. 47:305(A)(4).
- 7           (45) Materials used in the harvesting or production of crawfish as provided  
8           in R.S. 47:305(A)(5).
- 9           (46) Materials used in the harvesting or production of catfish as provided in  
10          R.S. 47:305(A)(6).
- 11          (47) Farm products produced and used by farmers as provided in R.S.  
12          47:305(B).
- 13          (48) Sales of fertilizers and containers to farmers as provided in R.S.  
14          47:305(D)(1)(f).
- 15          (49) Sales of seeds for planting crops as provided in R.S. 47:305.5.
- 16          (50) Sales of pesticides for agricultural purposes as provided in R.S.  
17          47:305.8.
- 18          (51) Property purchased for exclusive use outside the state as provided in  
19          R.S. 47:305.10.
- 20          (52) Certain farm equipment as provided in R.S. 47:305.25.
- 21          (53) Diesel fuel, butane, propane, or other liquefied petroleum gases used for  
22          farm purposes as provided in R.S. 47:305.37.
- 23          (54) Purchases made with food stamps and WIC as provided in R.S.  
24          47:305.46.
- 25          (55) Pharmaceutical samples distributed in Louisiana as provided in R.S.  
26          47:305.47.
- 27          (56) Commercial farm irrigation equipment as provided in R.S. 47:305.63.
- 28          (57) Purchases and leases of durable medical equipment under the provisions  
29          of Medicare as provided in R.S. 47:315.3.

1 Section 2. The provisions of this Act shall be applicable to taxable periods beginning  
2 on and after April 1, 2016.

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

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 101 Original

2016 First Extraordinary Session

Jackson

**Abstract:** ABSTRACT

Proposed law imposes a 4% state sales and use tax upon the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption in this state of each item or article of tangible personal property as well as certain services.

Present law provides definitions for terms used for purposes of state and local sales and use tax. Present law establishes the following *exclusions* from tax in the form of definitions:

## (1) From the definition of "cost price":

Specific method for determining pricing relative to the publication of a free news publication.

Manufacturing machinery and equipment, for the following sectors: manufacturing, agriculture, forestry, fishing, hunting, power generation, recyclable material sales, news publications, radio broadcasting, and specific farm equipment.

## (2) From the definition of "lease or rental":

Oilfield drilling equipment to be re-leased or re-rented.

Airplanes or airplane equipment used by a commuter airline domiciled in La.

Manufacturing machinery and equipment used for purposes related to production of biodiesel.

Crane with an operator.

Pallets used by a manufacturer for packaging.

## (3) From the definition of "retail sale":

Pollution control equipment.



- Materials and supplies by a motion picture production company (expired).
- Natural gas used in the production of iron.
- Electricity for chlor alkali
- La. manufactured passenger aircraft.
- Specific method of pricing equipment and devices associated with the wireless communication devices and wireless telephone service.
- Alternative substance used as fuel.
- Telephone directories used for advertising.
- Butane and propane used for non-residential purposes.
- Natural gas to be held, used or consumed in providing natural gas storage ("cushion" or "pad" gas).
- Pelletized paper waste used as fuel for power generation.
- Storm shutter devices.
- Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).
- Property sold at an event for La. culture, crafts, food, art, and music, with a five year annual attendance in excess of 300,000 (New Orleans Jazz Festival).
- That portion of the value of refinery gas sold to another person by the person who owns the gas generation facility, whether at retail or wholesale, that is in excess of 52 cents per thousand cubic feet multiplied by a fraction the numerator of which shall be the posted price for a barrel of West Texas Intermediate Crude Oil on December first of the preceding calendar year and the denominator of which shall be \$29.
- Specific method for determining pricing relative to the publication of a free news publication.
- Payments made by a manufacturer directly to a dealer of the manufacturer's product for the purpose of reducing the retail "sales price" of the product.
- Manufacturing machinery and equipment, for the manufacturing and agriculture, sectors.
- Speciality items sold to members of a non profit carnival organizations for fund-raising purposes if the members are participating in a parade sponsored by the organization.
- Electric power and natural gas purchased or used by paper or wood products manufacturing facilities.
- Equipment and devices associated with the wireless communication devices and wireless telephone service.
- (4) From the definition of "sales of services":

Services performed at an event for La. culture, crafts, food, art, and music, with a five year annual attendance in excess of 300,000 (New Orleans Jazz Festival).

- (5) From the definition of "tangible personal property":

Numismatic coins, and platinum, gold, and silver bullion.

Custom computer software.

Equipment used for digital television conversion.

Machinery and equipment used by a motor vehicle manufacturer, glass manufacturer, radio station, or public utility in New Orleans.

Newspapers.

- (6) From the definition of "use":

Free telephone directories used for advertising.

Alternative substance use as fuel.

Manufacturing machinery and equipment used for purposes related to production of biodiesel.

Property created or derived as a residue or byproduct of certain manufacturing processes.

Equipment and devices associated with the wireless communication devices and wireless telephone service.

Storm shutter device.

Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).

Proposed law limits the application of the following exclusions to sales and use taxes imposed by a political subdivision.

- (1) Oilfield drilling equipment to be re-leased or re-rented.
- (2) Airplanes or airplane equipment used by a commuter airline domiciled in La.
- (3) Pallets used by a manufacturer for packaging.
- (4) La. manufactured passenger aircraft
- (5) Equipment and devices associated with the wireless communication devices and wireless telephone service.
- (6) Telephone directories used for advertising.
- (7) Specific method for determining pricing relative to the publication of a free news publication.
- (8) Pelletized paper waste used as fuel for power generation.

- (9) Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).
- (10) Property sold at an event for La. culture, crafts, food, art, and music, with a five year annual attendance in excess of 300,000 (New Orleans Jazz Festival).
- (11) That portion of the value of refinery gas sold to another person by the person who owns the gas generation facility, whether at retail or wholesale, that is in excess of 52 cents per thousand cubic feet multiplied by a fraction the numerator of which shall be the posted price for a barrel of West Texas Intermediate Crude Oil on December first of the preceding calendar year and the denominator of which shall be \$29.
- (12) Payments made by a manufacturer directly to a dealer of the manufacturer's product for the purpose of reducing the retail "sales price" of the product.
- (13) Speciality items sold to members of a non profit carnival organizations for fund-raising purposes if the members are participating in a parade sponsored by the organization.
- (14) Equipment and devices associated with the wireless communication devices and wireless telephone service.
- (15) Services performed at an event for La. culture, crafts, food, art, and music, with a five year annual attendance in excess of 300,000 (New Orleans Jazz Festival).
- (16) Numismatic coins, and platinum, gold, and silver bullion.
- (17) Machinery and equipment used by a motor vehicle manufacture or glass manufacturer, or public utility in New Orleans.
- (18) Newspapers.
- (19) Free telephone directories used for advertising.
- (20) Property created or derived as a residue or byproduct of certain manufacturing processes.
- (21) Rental of a crane with an operator.
- (22) Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).

Proposed law repeals the following exclusions from state and local sales and use tax:

- (1) Manufacturing machinery and equipment, for the following sectors: manufacturing, agriculture, forestry, fishing, hunting, power generation, recyclable material sales, news publications, radio broadcasting, and specific farm equipment.
- (2) Manufacturing machinery and equipment used for purposes related to production of biodiesel.
- (3) Pollution control equipment
- (4) Natural gas used in the production of iron
- (5) Electricity for chlor alkali repeal

- (6) Alternative substance used as fuel.
- (7) Natural gas to be held, used or consumed in providing natural gas storage ("cushion" or "pad" gas).
- (8) Storm shutter devices.
- (9) Machinery and equipment used by a radio station or a public utility in New Orleans.
- (10) Electric power and natural gas purchased or used by paper or wood products manufacturing facilities.
- (11) Custom computer software.
- (12) Equipment used for digital television conversion.
- (13) Storm shutter device.
- (14) Materials and supplies by a motion picture production company (expired).

Present law excludes from the definition of "retail" the sale of butane and propane.

Proposed law changes present law by limiting the exclusions to butane and propane sold for residential use.

Present law establishes the following exemptions from state sales and use taxes:

- (1) Racehorses.
- (2) Non-residential electric power utilities, and boiler fuel, steam.
- (3) Motor vehicle returned to dealer inventory
- (4) Amounts paid by radio and television stations for rights to broadcast content.
- (5) Motor vehicles, boats, and airplanes used as demonstrators.
- (6) Component parts for ships and barges in excess of 50 tons of displacement which are used in foreign or coastwise commerce.
- (7) Gate admissions to various charitable and nonprofit entertainment events.
- (8) Cable television installation.
- (9) Motion picture film rental
- (10) Income from coin operated laundries.
- (11) Special limitations regarding the sales price of certain wireless, PCS, or cellular telephones and accessories under certain circumstances.
- (12) Leased vessels used in the production of minerals.
- (13) Purchases of materials, equipment, and supplies, and leases, and services by commercial fishers and seafood processors.
- (14) New vehicles furnished by dealers for drivers education.

- (15) Sales of gasohol.
- (16) Building materials for a nonprofit retirement center.
- (17) Speciality items sold to members of a non profit carnival organizations for fund-raising purposes if the members are participating in a parade sponsored by the organization.
- (18) Admissions to performances by domestic nonprofit ballet companies.
- (19) Sales made by a nonprofit organization for the conservation of fish or migratory water fowl.
- (20) Ducks Unlimited and Bass Life.
- (21) Raw materials used in the printing process.
- (22) Per diem or car hire on freight cards, piggy-back cars, and rolling stock.
- (23) Purchase of trucks with a gross weight of 26,000 pounds or more and certain trailers if used at least 80% of the time in interstate commerce and whose activities are subject to the jurisdiction of the U.S. D.O.T.
- (24) Catalogs.
- (25) Railroad ties to be modified for installation at a location outside of the taxing jurisdiction.
- (26) Utilities, including electricity, used by steelworks and blast furnaces.
- (27) Off-road vehicles purchased by out of state buyers.
- (28) Sale of original, one-of-a-kind art from an established location within the boundaries of a cultural product district.
- (29) Purchase of certain water conservation equipment for use within the Sparta Groundwater Conservation District.
- (30) Capital equipment and software purchased by a radiation treatment center.
- (31) Purchases of construction supplies by Habitat for Humanity affiliates, Fuller Center for Housing covenant partners, and the Make it Right Foundation.
- (32) Purchase of certain construction materials by Hands on New Orleans and Rebuilding Together New Orleans covenant partners used on residential dwellings destroyed or damaged by Hurricanes Katrina or Rita.
- (33) Purchase, use, or rental of materials, services, property, and supplies by the Fore!Kids Foundation.
- (34) Purchase of certain construction supplies by the Make it Right Foundation.
- (35) Purchase of certain construction supplies by the St. Bernard Project, Inc.

Proposed law limits applicability of the following exemptions to sales and use taxes imposed by a political subdivision:

- (1) Racehorses.

- (2) Non-residential electric power utilities, and boiler fuel, steam.
- (3) Motor vehicle returned to dealer inventory.
- (4) Amounts paid by radio and television stations for rights to broadcast content.
- (5) Motor vehicles, boats, and airplanes used as demonstrators.
- (6) Component parts for ships and barges used in foreign or coastwise commerce.
- (7) Labor, or sale of materials, services, and supplies, used for repairing, renovating or converting of any drilling rig, and associated machinery and equipment, which is used for the exploration or development of minerals outside the territorial limits of the state in Outer Continental Shelf waters,
- (8) Gate admissions to various charitable and nonprofit entertainment events.
- (9) Cable television installation.
- (10) Motion picture film rental
- (11) Admissions to performances at a little theater.
- (12) Income from coin operated laundries.
- (13) Special limitations regarding the sales price of certain wireless, PCS, or cellular telephones and accessories under certain circumstances.
- (14) Leased vessels used in the production of minerals.
- (15) Purchases of materials, equipment, and supplies, and leases, and services by commercial fishers and seafood processors.
- (16) Sales of gasohol.
- (17) Raw materials used in the printing process.
- (18) Per diem or car hire on freight cards, piggy-back cars, and rolling stock.
- (19) Purchase of trucks with a gross weight of 26,000 pounds or more and certain trailers if used at least 80% of the time in interstate commerce and whose activities are subject to the jurisdiction of the U.S. D.O.T.
- (20) Catalogs.
- (21) Railroad ties to be modified for installation at a location outside of the taxing jurisdiction.
- (22) Utilities, including electricity, used by steelworks and blast furnaces.
- (23) Sale of original, one-of-a-kind art from an established location within the boundaries of a cultural product district.
- (24) Purchase of certain water conservation equipment for use within the Sparta Groundwater Conservation District.
- (25) Capital equipment and software purchased by a radiation treatment center.

- (26) Purchases of construction supplies by Habitat for Humanity affiliates, Fuller Center for Housing covenant partners, and the Make it Right Foundation.
- (27) Purchase of certain construction materials by Hands on New Orleans and Rebuilding Together New Orleans covenant partners used on residential dwellings destroyed or damaged by Hurricanes Katrina or Rita.
- (28) Purchase, use, or rental of materials, services, property, and supplies by the Fore!Kids Foundation.
- (29) Purchase of certain construction supplies by the Make it Right Foundation.
- (30) Purchase of certain construction supplies by the St. Bernard Project, Inc.
- (31) Ducks Unlimited and Bass Life.

Proposed law repeals the following sales and use tax exemptions:

- (1) New vehicles furnished by dealers for drivers education.
- (2) Building materials for a nonprofit retirement center.
- (3) Admissions to performances by domestic nonprofit ballet companies.
- (4) Sales made by a nonprofit organization for the conservation of fish or migratory water fowl.
- (5) Purchase by Sparta Groundwater District (expired).
- (6) Off-road vehicles purchased by out of state buyers.

Present law establishes a sales and use tax refund for materials used in the construction or restoration of a home in certain specific development areas.

Proposed law repeals present law

Proposed law specifies that exclusions and exemptions applicable to the state sales and use tax are limited to the follow:

- (1) Food for home consumption.
- (2) Natural gas for residential use.
- (3) Electricity for residential use.
- (4) Water for residential use.
- (5) Prescription drugs.
- (6) Fuel that is subject to the road-use excise tax.
- (7) Purchases by a public trust.
- (8) Sales by state owned domed stadiums and baseball stadiums.
- (9) Sales by publicly owned facilities as provided in R.S. 39:468.
- (10) Isolated or occasional sales of tangible personal property.

- (11) Installation charges on tangible personal property.
- (12) Installation on oil field board roads.
- (13) Transaction involving the construction or overhaul of United States Navy vessels.
- (14) Manufacturers rebates on new motor vehicles.
- (15) Lease or rentals of railroad rolling stock.
- (16) Purchases and leases by free hospitals.
- (17) Certain educational materials and equipment used for classroom instruction.
- (18) Purchases by regionally accredited independent education institutions.
- (19) Purchases by nonprofit entities that sell donated goods.
- (20) Tangible personal property for resale.
- (21) Purchase of property for lease or rental.
- (22) Sales through coin-operated vending machines.
- (23) Sales of materials for further processing into articles of tangible personal property for sale at retail.
- (24) Sales of human tissue transplants.
- (25) Sales of raw agricultural products.
- (26) Sales to the United States government.
- (27) Sales of food by youth serving organizations chartered by Congress.
- (28) Purchases by a private postsecondary academic degree-granting institution.
- (29) Tangible personal property sold to food banks.
- (30) Purchases of food items for school lunch or breakfast programs by nonpublic elementary or secondary schools.
- (31) Articles traded in on purchases of tangible personal property.
- (32) Repair services performed in Louisiana when the repaired property is exported.
- (33) Funeral directing services as provided in R.S. 47:301(14)(j).
- (34) Stocks, bonds, notes, or other obligations or securities.
- (35) Work product of certain professionals.
- (36) Pharmaceuticals administered to livestock for agricultural purposes.
- (37) Other constructions permanently attached to the ground.
- (38) Materials used in the collection of blood.



- (39) Aphaeresis kits and leuko reduction filters.
- (40) Donation to schools and food banks from resale inventory.
- (41) Use of motor vehicles in Louisiana by active duty military.
- (42) Credit for sales and use taxes paid to other states on tangible personal property imported in Louisiana.
- (43) Gross proceeds derived from the sale of livestock, poultry, and other farm products direct from the farm).
- (44) Feed and feed additives for animals held for business purposes.
- (45) Materials used in the harvesting or production of crawfish.
- (46) Materials used in the harvesting or production of catfish.
- (47) Farm products produced and used by farmers.
- (48) Sales of fertilizers and containers to farmers.
- (49) Sales of seeds for planting crops.
- (50) Sales of pesticides for agricultural purposes.
- (51) Property purchased for exclusive use outside the state.
- (52) Certain farm equipment as provided in R.S. 47:305.25.
- (53) Diesel fuel, butane, propane, or other liquefied petroleum gases used for farm purposes.
- (54) Purchases made with food stamps and WIC.
- (55) Pharmaceutical samples distributed in Louisiana.
- (56) Commercial farm irrigation equipment.
- (57) Purchases and leases of durable medical equipment under the provisions of Medicare.

Applicable to taxable periods beginning on and after April 1, 2016.

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

(Amends R.S. 47:301(3) through (17), and (18)(d)(ii), (h), (i) through (l), and (o), 305(A)(2), (C), (D)(1)(b) through (d) and (g) through (i), (F), (H)(introductory paragraph), and (I), 305.1(A) and (B), 305.6, 305.7, 305.9, 305.13, 305.14(A)(1), 305.16, 305.17, 305.18, 306.19, 305.20(A) and (C)(introductory paragraph) and (G), 305.26, 305.28(A), 305.33, 305.39, 305.40, 305.41(A), 305.42, 305.43, 305.44(A)(introductory paragraph), 305.45(A)(introductory paragraph) and (B), 305.50(A)(1) and (2)(a)(introductory paragraph) and (F), 305.51(A), 305.56, 305.57(A), 305.60, 305.61(A), 305.64(A)(1), (B), 305.49, and (C), 305.65(A) and (C), 305.68, 305.70, 305.71, and 315.2; Adds R.S. 47:302(V), 321(L), and 331(S))