

2016 First Extraordinary Session

HOUSE BILL NO. 104

BY REPRESENTATIVE STOKES

TAX/SALES-USE, STATE: Provides for the tax base for the state sales and use tax (Items #9 and 36)

1 AN ACT

2 To amend and reenact R.S. 47:301(3), (4)(k), (6), (7), (8), (10), (13), (14), (16), (18), and  
3 (28)(a), 302(A), (B), and (C), and 305, to enact R.S. 47:305.72 and 315.6, and to  
4 repeal R.S. 4:168 and 227, R.S. 40:582.1 through 582.7, R.S. 47:301.1(D), 305.6,  
5 305.7, 305.8, 305.11, 305.13, 305.16, 305.17, 305.18, 305.19, 305.20, 305.25,  
6 305.26, 305.28, 305.33, 305.37, 305.40, 305.41, 305.42, 305.43, 305.44, 305.45,  
7 305.49, 305.50(E)(1), 305.51, 305.52, 305.53, 305.54, 305.57, 305.58, 305.59,  
8 305.60, 305.61, 305.62, 305.63, 305.64, 305.65, 305.66, 305.67, 305.68, 305.69,  
9 305.70, 305.71, 306(A)(2), 306.1, 306.2, 315.1, 315.2, 315.3, 315.5, and 6001,  
10 relative to state sales and use tax; to provide for the definitions necessary for  
11 administration and imposition of the tax; to provide rates of tax; to provide for  
12 effectiveness; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 47:301(3), (4)(k), (6), (7), (8), (10), (13), (14), (16), (18), and (28)(a),  
15 302(A), (B), and (C), and 305 are hereby amended and reenacted and R.S. 47:305.72 and  
16 315.6 are hereby enacted to read as follows:

17 §301. Definitions

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

21 \* \* \*

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

8           (b) In the case of tangible personal property which has acquired a tax situs  
9 in a taxing jurisdiction and is thereafter transported outside the taxing jurisdiction for  
10 repairs performed outside the taxing jurisdiction and is thereafter returned to the  
11 taxing jurisdiction, the cost price shall be deemed to be the actual cost of any parts  
12 and/or materials used in performing such repairs, if applicable labor charges are  
13 separately stated on the invoice. If the applicable labor charges are not separately  
14 stated on the invoice, it shall be presumed that the cost price is the total charge  
15 reflected on the invoice.

16           (c) [RESERVED] ~~"Cost price" shall not include the supplying and~~  
17 ~~installation of board roads to oil field operators if the installation charges are~~  
18 ~~separately billed to the customer at the time of installation.~~

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

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

27           (bb) For the First Month and each month thereafter, cost price shall be based  
28 and use tax shall be paid only on one-sixtieth of the aggregate cost price of the  
29 interchangeable components deployed and earning revenue within Louisiana during

1 the month, without regard to any credit or other consideration for Louisiana state,  
2 political subdivision, or school board use tax previously paid on such  
3 interchangeable components.

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

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

14 (bb) "Measurement-while-drilling instruments or systems" means  
15 instruments or systems which measure information from a downhole location in a  
16 borehole, transmit the information to the surface during the process of drilling the  
17 borehole using a wireless technique, and receive and decode the information on the  
18 surface.

19 (iii) The method for determining cost price of interchangeable components  
20 provided for in this Paragraph shall apply to any use taxes imposed by a local  
21 political subdivision or school board. For purposes of that application, the words  
22 "political subdivision" or "school board" as the case may be, shall be substituted for  
23 the words "Louisiana" or "State" in each instance where those words appear in this  
24 Paragraph and an appropriate official of the local political subdivision or school  
25 board shall be designated to receive the notices required by this Paragraph.

26 (e) "Cost price" shall not include any amount designated as a cash discount  
27 or a rebate by a vendor or manufacturer of any new vehicle subject to the motor  
28 vehicle license tax. For purposes of this Paragraph "rebate" means any amount

1 offered by the vendor or manufacturer as a deduction from the listed retail price of  
2 the vehicle.

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

10 (g) [RESERVED] ~~"Cost price", for purposes of the use tax imposed by the~~  
11 ~~state and its political subdivisions, shall exclude any amount that a manufacturer~~  
12 ~~pays directly to a dealer of the manufacturer's product for the purpose of reducing~~  
13 ~~and that actually results in an equivalent reduction in the retail "cost price" of that~~  
14 ~~product. This exclusion shall not apply to the value of the coupons that dealers~~  
15 ~~accept from purchasers as part payment of the "sales price" and that are redeemable~~  
16 ~~by the dealers through manufacturers or their agents. The value of such coupons is~~  
17 ~~deemed to be part of the "cost price" of the product purchased through the use of the~~  
18 ~~coupons.~~

19 (h) [RESERVED] ~~For purposes of a publishing business which distributes its~~  
20 ~~news publications at no cost to readers and pays unrelated third parties to print such~~  
21 ~~news publications, the term "cost price" shall mean only the lesser of the following~~  
22 ~~costs:~~

23 (aa) ~~The printing cost paid to unrelated third parties to print such news~~  
24 ~~publications, less any itemized freight charges for shipping the news publications~~  
25 ~~from the printer to the publishing business and any itemized charges for paper and~~  
26 ~~ink.~~

27 (bb) ~~Payments to a dealer or distributor as consideration for distribution of~~  
28 ~~the news publications.~~

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

3           (i)(i) For purposes of the imposition of the use tax levied by the state and any  
4           political subdivision whose boundaries are coterminous with those of the state, the  
5           cost price of machinery and equipment used by a manufacturer in a plant facility  
6           predominately and directly in the actual manufacturing for agricultural purposes or  
7           the actual manufacturing process of an item of tangible personal property, which is  
8           for ultimate sale to another and not for internal use, at one or more fixed locations  
9           within Louisiana, shall be reduced through March 30, 2016, after which time the  
10          provisions of this Item shall become null, void, and of no effect, as follows:

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

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

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

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

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

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

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

24           (aa) "Machinery and equipment" means tangible personal property or other  
25          property that is eligible for depreciation for federal income tax purposes and that is  
26          used as an integral part in the manufacturing of tangible personal property for sale.  
27          "Machinery and equipment" shall also mean tangible personal property or other  
28          property that is eligible for depreciation for federal income tax purposes and that is

1 used as an integral part of the production, processing, and storing of food and fiber  
2 or of timber.

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

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

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

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

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

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

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

27 (aaa) A building and its structural components, unless the building or  
28 structural component is so closely related to the machinery and equipment that it

1 houses or supports that the building or structural component can be expected to be  
2 replaced when the machinery and equipment are replaced.

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

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

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

13 (bb) "Manufacturer" means:

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

22 (II) A person whose principal activity is manufacturing and who is not  
23 required to register with the Louisiana Workforce Commission for purposes of  
24 unemployment insurance, but who would be assigned a North American Industrial  
25 Classification System code within the agricultural, forestry, fishing, and hunting  
26 Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they  
27 existed in 2002, as determined by the Louisiana Department of Revenue from federal  
28 income tax data, if he were required to register with the Louisiana Workforce  
29 Commission for purposes of unemployment insurance.

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

10           (I) Repackaging or redistributing.

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

13           (III) The storage of tangible personal property.

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

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

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

19           (dd) "Manufacturing for agricultural purposes" means the production,  
20           processing, and storing of food and fiber and the production, processing, and storing  
21           of timber.

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

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

28           (iii) No person shall be entitled to purchase, use, lease, or rent machinery or  
29           equipment as defined herein without payment of the tax imposed by R.S. 47:302,



1           321, and 331 before receiving a certificate of exclusion from the secretary of the  
2           Department of Revenue certifying that he is a manufacturer as defined herein.

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

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

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

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

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

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

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

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

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

5 \* \* \*

6 (k) [RESERVED] ~~(The term "dealer" shall not include lessors of railroad~~  
7 ~~rolling stock used either for freight or passenger purposes. However, the term~~  
8 ~~"dealer" shall include lessees, other than a railway company or railroad corporation,~~  
9 ~~of such property and such lessees shall be responsible for the collection and payment~~  
10 ~~of all state and local sales and use taxes.~~

11 \* \* \*

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) The term "lease or rental", however, as herein defined, shall not mean or  
20           include the lease or rental made for the purposes of re-lease or re-rental of casing  
21           tools and pipe, drill pipe, tubing, compressors, tanks, pumps, power units, other  
22           drilling or related equipment used in connection with the operating, drilling,  
23           completion, or reworking of oil, gas, sulphur, or other mineral wells.

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

1 (d) The term "lease or rental", as herein defined, shall not mean the lease or  
2 rental of airplanes or airplane equipment by a commuter airline domiciled in  
3 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 "lease or rental" shall not mean the lease or rental of  
9 educational materials or equipment used for classroom instruction by approved  
10 nonprofit parochial and private elementary and secondary schools which comply  
11 with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the  
12 Internal Revenue Code, limited to books, workbooks, computers, computer software,  
13 films, videos, and audio tapes.

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

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

27 (i) For purposes of sales and use taxes levied and imposed by local  
28 governmental subdivisions, school boards, and other political subdivisions whose  
29 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,~~  
5 through March 30, 2016, the term "lease or rental" shall not include the lease or  
6 rental in this state of manufacturing machinery and equipment used or consumed in  
7 this state to manufacture, produce, or extract unblended biodiesel.

8 (k) [RESERVED] ~~For purposes of any sales, use, or lease tax levied by the~~  
9 ~~state or any political subdivision of the state, the term "lease or rental" shall not~~  
10 ~~include the 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) [RESERVED] ~~For purposes of the sales and use tax levied by all tax~~  
15 ~~authorities in this state, the term "lease or rental" shall not apply to leases or rentals~~  
16 ~~of pallets which are used in packaging products produced by a manufacturer.~~

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

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

27 (b) [RESERVED] ~~Solely for purposes of the payment of state sales or use tax~~  
28 ~~on the lease or rental or the purchase of tangible personal property or services,~~  
29 ~~"person" shall not include a regionally accredited independent institution of higher~~

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

6 (c)(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, "person" shall not include this state,  
8 any parish, city and parish, municipality, district, or other political subdivision  
9 thereof, or any agency, board, commission, or instrumentality of this state or its  
10 political subdivisions.

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

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

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

25 (iii) No church or synagogue shall claim exemption or exclusion from the  
26 state sales and use tax or the sales and use tax levied by any political subdivision  
27 before having obtained a certificate of authorization from the secretary of the  
28 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) [RESERVED] ~~(i) For purposes of the payment of sales and use tax levied  
20 by this state and any political subdivision whose boundaries are coterminous with  
21 those of the state, the term "person" shall not include a nonprofit entity which sells  
22 donated goods and spends seventy-five percent or more of its revenues on directly  
23 employing or training for employment persons with disabilities or workplace  
24 disadvantages.~~

25 ~~(ii) The secretary shall promulgate rules and regulations for the use of  
26 exclusion certificates for purposes of implementation of this Subparagraph. Each  
27 nonprofit entity electing to utilize the exclusion provided for in this Subparagraph  
28 shall apply for an exclusion certificate annually. Any exclusion certificate granted  
29 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                                                   \*       \*       \*

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

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



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

1 of the state, the term "retail sale" or "sale at retail" shall not include the sale of any  
2 tangible personal property which is sold in order to be leased or rented in an arm's  
3 length transaction in the form of tangible personal property.

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

20 (v) Became null and void on June 30, 2006.

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

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

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

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

11          (bb) ~~Solely for purposes of the sales and use tax levied by the state under~~  
12          ~~R.S. 47:331, natural gas when used in the production of iron in the process known~~  
13          ~~as the "direct reduced iron process" is not a catalyst and is recognized by the~~  
14          ~~legislature to be a material for further processing into an article of tangible personal~~  
15          ~~property for sale at retail.~~

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

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

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

25          (e) The term "sale at retail" does not include the sale of raw agricultural  
26          commodities, including but not limited to feed, seed, and fertilizer, to be utilized in  
27          preparing, finishing, manufacturing, or producing crops or animals for market. The  
28          Department of Agriculture and Forestry may develop and promulgate guidelines to  
29          determine who meets this definition. Any person meeting such guidelines shall

1 receive a certificate from the Department of Agriculture and Forestry indicating that  
2 such person is eligible to purchase such items without paying tax thereon.

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

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

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

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

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

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

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

27 (k) The term "sale at retail" shall not include the sale of airplanes or airplane  
28 equipment or parts to a commuter airline domiciled in Louisiana.

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

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

21           (n) For purposes of sales and use taxes imposed or levied by ~~the state or any~~  
22           political subdivision thereof, the term "sale at retail" shall not include the sales of  
23           pelletized paper waste when purchased for use as combustible fuel by an electric  
24           utility or in an industrial manufacturing, processing, compounding, reuse, or  
25           production process, including the generation of electricity or process steam, at a  
26           fixed location in this state. However, such sale shall not be excluded unless the  
27           purchaser has signed a certificate stating that the fuel purchased is for the exclusive  
28           use designated herein. For purposes of this Subparagraph, "pelletized paper waste"  
29           means pellets produced from discarded waste paper that has been diverted or

1 removed from solid waste which is not marketable for recycling and which is wetted,  
2 extruded, shredded, or formulated into compact pellets of various sizes for use as a  
3 supplemental fuel in a permitted boiler.

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

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

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

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

23 (ii) The sale to approved parochial and private elementary and secondary  
24 schools which comply with the court order from the Dodd Brumfield decision and  
25 Section 501(c)(3) of the Internal Revenue Code of educational materials or  
26 equipment used for classroom instruction limited to books, workbooks, computers,  
27 computer software, films, videos, and audio tapes.

28 (r) [RESERVED] ~~For purposes of state and political subdivision sales and~~  
29 ~~use tax, the term "sale at retail" shall not include the sale of tangible personal~~

1 ~~property to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. which is~~  
2 ~~used by such organizations for their educational and public service programs for~~  
3 ~~youth.~~

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

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

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

27 (v) ~~For purposes of the imposition of sales and use taxes imposed or levied~~  
28 ~~by all taxing authorities in the state, in the case of the sale or other disposition by a~~  
29 ~~dealer of any cellular, PCS, or wireless telephone, or any electronic accessories that~~

1 are physically connected with such telephones and personal communication devices  
2 used in connection with the sale or use of mobile telecommunications services, the  
3 term "retail sale" or "sale at retail" shall mean and include the sale or any other  
4 disposition of such cellular, PCS, or wireless telephone, any electronic accessories  
5 that are physically connected with such telephones and personal communication  
6 devices by the dealer to the purchaser, but shall not mean or include the withdrawal,  
7 use, distribution, consumption, storage, donation, or any other disposition of any  
8 such cellular, PCS, or wireless telephone, any electronic accessories that are  
9 physically connected with such telephones, and personal communication devices by  
10 the dealer.

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

20 (x) For purposes of the sales and use tax imposed by the state or any political  
21 subdivision whose boundaries are coterminous with those of the state, the terms  
22 "retail sale" or "sale at retail" shall not include the ~~following~~:

23 (i) ~~The sale or purchase by a person~~ consumer of any fuel or gas, including  
24 but not limited to butane and propane for residential use by that consumer.

25 (ii) ~~Beginning July 1, 2008, the sale or purchase by any person of butane and~~  
26 propane.

27 (y)(i) Solely for the purposes of sales and use taxes levied by the state ~~or any~~  
28 ~~political subdivision whose boundaries are coterminous with those of the state~~, the  
29 term "sale at retail" shall not include the sale of manufacturing machinery and



1 equipment used or consumed in this state to manufacture, produce, or extract  
2 unblended biodiesel through March 30, 2016.

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

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

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

21 (z) [RESERVED] ~~Solely for the purposes of sales and use taxes levied by the~~  
22 ~~state under R.S. 47:302 and 331 or any political subdivision whose boundaries are~~  
23 ~~coterminous with those of the state, the term "sale at retail" shall not include the sale~~  
24 ~~of any alternative substance when such alternative substance is used as a fuel by a~~  
25 ~~manufacturer. "Alternative substance" means any substance other than oil and~~  
26 ~~natural gas and any product of oil and natural gas. "Alternative substance" shall~~  
27 ~~include petroleum coke, landfill gas, reclaimed or waste oil, unblended biodiesel, or~~  
28 ~~tire-derived fuel, but not coal, lignite, refinery gas, nuclear fuel, or electricity.~~  
29 ~~"Manufacturer" means a person whose principal activity is manufacturing and who~~

1 is assigned by the Louisiana Workforce Commission a North American Industrial  
2 Classification System code with the agricultural, forestry, fishing, and hunting Sector  
3 11 or the manufacturing Sectors 31-33 as they existed in 2002.

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

9 (ii) ~~The exclusion provided in this Subparagraph shall not apply if the~~  
10 ~~donation is intended to ultimately yield a profit to a promoter of the organization or~~  
11 ~~to any individual contracted to provide services or equipment, or both, to the~~  
12 ~~organization.~~

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

17 (bb) [RESERVED] For purposes of sales and use taxes imposed or levied by  
18 the state, the terms "retail sale" and "sale at retail" shall not include sales of natural  
19 gas to be held, used, or consumed in providing natural gas storage services or  
20 operating natural gas storage facilities.

21 (cc) For purposes of the sales and use tax imposed by the state or any  
22 political subdivision of the state, the terms "retail sale" or "sale at retail" shall not  
23 mean or include the purchase of textbooks and course-related software by a nonprofit  
24 private postsecondary academic degree-granting institution, accredited by a national  
25 or regional commission that is recognized by the United States Department of  
26 Education and is licensed by the Board of Regents, which institution has its main  
27 location within this state and offers only online instruction, when all of the following  
28 apply:

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

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

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

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

15 (ee) [RESERVED] ~~Solely for the purposes of the imposition of the state sales~~  
16 ~~and use tax, the term "retail sale" and "sale at retail" shall not include the sale of any~~  
17 ~~storm shutter device.~~

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

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

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

1           (gg) ~~[RESERVED] For purposes of sales and use tax imposed by the or any~~  
2           ~~political subdivision of the state, the term "sale at retail" shall not include the sale of~~  
3           ~~anthropogenic carbon dioxide for use in a qualified tertiary recovery project~~  
4           ~~approved by the assistant secretary of the office of conservation of the Department~~  
5           ~~of Natural Resources pursuant to R.S. 47:633.4.~~

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

18                           \*       \*       \*

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

28           (b) The term "sales price" shall not include any amount designated as a cash  
29           discount or a rebate by the vendor or manufacturer of any new vehicle subject to the

1 motor vehicle license tax. For purposes of this Paragraph "rebate" means any  
2 amount offered by a vendor or manufacturer as a deduction from the listed retail  
3 price of the vehicle.

4 (c) "Sales price" shall not include the first fifty thousand dollars of the sale  
5 price of new farm equipment used in poultry production through March 30, 2016.

6 (d) Notwithstanding any other provision of law to the contrary, for purposes  
7 of state and political subdivision sales and use tax, the "sales price" of refinery gas,  
8 except for feedstock, not ultimately consumed as an energy source by the person who  
9 owns the facility in which the refinery gas is created as provided for in Subparagraph  
10 (18)(d) of this Section, but sold to another person, whether at retail or wholesale,  
11 shall be fifty-two cents per thousand cubic feet multiplied by a fraction the  
12 numerator of which shall be the posted price for a barrel of West Texas Intermediate  
13 Crude Oil on December first of the preceding calendar year and the denominator of  
14 which shall be twenty-nine dollars, and provided further that such sales price shall  
15 be the maximum value placed upon refinery gas by the state and by any political  
16 subdivision under any authority or grant of power to levy and collect sales or use  
17 taxes, and such sale shall be taxable.

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

27 (f) [RESERVED] ~~The term "sales price" shall exclude any charge, fee,~~  
28 ~~money, or other consideration received, given, or paid for the performance of funeral~~  
29 ~~directing services as defined in Subparagraph (10)(s) of this Section.~~

1 (g) For purposes of the imposition of sales and use taxes imposed or levied  
2 by all taxing authorities in the state, in the case of the retail sale by a dealer of any  
3 cellular, PCS, or wireless telephone, any electronic accessories that are physically  
4 connected with such telephones and personal communications devices used in  
5 connection with the sale or use of mobile telecommunications services, as defined  
6 in R.S. 47:301(10)(v), the term "sales price" shall mean and include only the amount  
7 of money, if any, actually received by the dealer from the purchaser for each such  
8 cellular, PCS, or wireless telephone and any electronic accessories that are physically  
9 connected with such telephones and personal communication devices, but shall not  
10 include (i) any amount received by the dealer from the purchaser for providing  
11 mobile telecommunications services, or (ii) any commissions, fees, rebates, or other  
12 amounts received by the dealer from any source other than the purchaser as a result  
13 of or in connection with the sale of the cellular, PCS, or wireless telephone, any  
14 electronic accessories that are physically connected with such telephones and  
15 personal communication devices.

16 (h) For the purpose of the imposition of sales and use tax imposed or levied  
17 by all taxing authorities in the state of any cellular, PCS, or wireless telephone used  
18 in connection with the sale or use of mobile telecommunications services, as defined  
19 in R.S. 47:301(10)(v), after January 1, 2002, the term "sales price" shall mean and  
20 include the greater of (i) the amount of money actually received by the dealer from  
21 the purchaser for each such telephone, or (ii) twenty-five percent of the cost of such  
22 telephone to the dealer, but shall not include any amount received by the dealer from  
23 the purchaser for providing mobile telecommunications services or any  
24 commissions, fees, rebates, or other amounts received by the dealer from any source  
25 other than the purchaser as a result of or in connection with the sale of the telephone.

26 (i) [RESERVED] For purposes of a publishing business which distributes its  
27 ~~news publications at no cost to readers and pays unrelated third parties to print such~~  
28 ~~news publications, the term "sales price" shall mean only the lesser of the following~~  
29 ~~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 "sales price" provided for in this Subparagraph shall be~~  
8           ~~applicable to taxes levied by all tax authorities in the state.~~

9           ~~(j) [RESERVED] For the purpose of the imposition of sales and use tax~~  
10          ~~imposed or levied by any political subdivision of the state, in the case of any retail~~  
11          ~~sale or sale at retail, of any cellular telephone, PCS telephone, or wireless telephone~~  
12          ~~used in connection with the sale or use of mobile telecommunications services, as~~  
13          ~~defined in R.S. 47:301(10)(w), or any electronic accessory that is physically~~  
14          ~~connected with any such telephone or personal communication device, the term~~  
15          ~~"sales price" shall mean and include the greater of (i) the amount of money, if any,~~  
16          ~~actually received by the dealer from the purchaser at the time of the retail sale or sale~~  
17          ~~at retail by the dealer to the purchaser for each such telephone, personal~~  
18          ~~communication device, or electronic accessory, or (ii) twenty-five percent of the cost~~  
19          ~~of such telephone to the dealer, but shall not include any amount received by the~~  
20          ~~dealer from the purchaser for providing mobile telecommunications services or any~~  
21          ~~commissions, fees, rebates, activation charges, or other amounts received by the~~  
22          ~~dealer from any source other than the purchaser as a result of or in connection with~~  
23          ~~the sale of the telephone.~~

24          ~~(k) [RESERVED] For purposes of the imposition of the sales tax levied by~~  
25          ~~the and any political subdivision whose boundaries are coterminous with those of the~~  
26          ~~state, the sales price of machinery and equipment purchased by a manufacturer for~~  
27          ~~use in a plant facility predominately and directly in the actual manufacturing for~~  
28          ~~agricultural purposes or the actual manufacturing process of an item of tangible~~

1        ~~personal property, which is for ultimate sale to another and not for internal use, at~~  
2        ~~one or more fixed locations within Louisiana shall be reduced as follows:~~

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

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

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

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

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

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

15               ~~(ii) For purposes of this Subparagraph, "machinery and equipment",~~  
16       ~~"manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant~~  
17       ~~facility", and "used directly" shall have the same meaning as defined in R.S.~~  
18       ~~47:301(3)(i)(ii).~~

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

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

26               ~~(l)(i) For purposes of the payment of the state sales and use and the sales and~~  
27       ~~use tax levied by any political subdivision, the term "sales price" shall not include~~  
28       ~~the price of specialty items sold to members for fund-raising purposes by nonprofit~~



1 ~~carnival organizations domiciled within Louisiana and participating in a parade~~  
2 ~~sponsored by a carnival organization.~~

3 (ii) ~~The secretary of the Department of Revenue shall promulgate rules and~~  
4 ~~regulations for purposes of this exclusion.~~

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

12 (m) ~~For purposes of the sales and use tax imposed by the state or any~~  
13 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
14 ~~"sales price" of electric power or energy, or natural gas for the period beginning July~~  
15 ~~1, 2007, and thereafter, sold for use by paper or wood products manufacturing~~  
16 ~~facilities shall not include any of such price.~~

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

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

19 (b)(i) The sale of admissions to places of amusement, to athletic  
20 entertainment other than that of schools, colleges, and universities, and recreational  
21 events, and the furnishing, for dues, fees, or other consideration of the privilege of  
22 access to clubs or the privilege of having access to or the use of amusement,  
23 entertainment, athletic, or recreational facilities; but the term "sales of services" shall  
24 not include membership fees or dues of nonprofit, civic organizations, including by  
25 way of illustration and not of limitation the Young Men's Christian Association, the  
26 Catholic Youth Organization, and the Young Women's Christian Association.  
27 Further, "sales of services" shall not include the sale of admissions to entertainment  
28 events furnished by recognized domestic nonprofit charitable, educational and  
29 religious organizations when the entire proceeds from such sales, except for

1        necessary expenses connected with the entertainment events, are used for the  
2        purposes for which the organizations furnishing the events were organized.

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

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

8                ~~(bb) Care for those objects.~~

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

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

11               ~~(aa) Museums relating to art, history, including historic buildings, natural~~  
12        ~~history, science, and technology.~~

13               ~~(bb) Aquariums and zoological parks.~~

14               ~~(cc) Botanical gardens and arboretums.~~

15               ~~(dd) Nature centers.~~

16               ~~(ee) Planetariums.~~

17               ~~(iv) For purposes of the sales and use taxes of all tax authorities in the state~~  
18        ~~, the term "places of amusement" as used herein shall not include camp and retreat~~  
19        ~~facilities owned and operated by nonprofit organizations exempt from federal income~~  
20        ~~tax under Section 501(a) of the Internal Revenue Code as an organization described~~  
21        ~~in Section 501(c)(3) of the Internal Revenue Code provided that the net revenue~~  
22        ~~derived from the organization's property is devoted wholly to the nonprofit~~  
23        ~~organization's purposes.~~

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

26               (d) The furnishing of printing or overprinting, lithographic, multilith, blue  
27        printing, photostating or other similar services of reproducing written or graphic  
28        matter.

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

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

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

14 (bb)(I) For purposes of the sales and use tax levied by the state and by tax  
15 authorities in East Feliciana Parish, charges for the furnishing of repairs to tangible  
16 personal property shall be excluded from sales of services, as defined in this  
17 Subparagraph, when the repaired property is (1) delivered to a common carrier or to  
18 the United States Post Office for transportation outside the state, or (2) delivered  
19 outside the state by use of the repair dealer's own vehicle or by use of an independent  
20 trucker. However, as to aircraft, delivery may be by the best available means. This  
21 exclusion shall not apply to sales and use taxes levied by any other parish,  
22 municipality or school board. However, any other parish, municipality or school  
23 board may apply the exclusion as defined in this Subparagraph to sales or use taxes  
24 levied by any such parish, municipality, or school board. Offshore areas shall not  
25 be considered another state for the purpose of this Subparagraph.

26 (II) For purposes of the sales and use tax levied by the tax authorities in  
27 Calcasieu Parish, charges for the furnishing of repairs to aircraft shall be excluded  
28 from sales of services, as defined in this Subparagraph, provided that the repairs are

1 performed at an airport with a runway that is at least ten thousand feet long, one  
2 hundred sixty feet wide, and fourteen inches thick.

3 (ii) For the purposes of this Subparagraph, tangible personal property shall  
4 include machinery, appliances, and equipment which have been declared immovable  
5 by declaration under the provisions of Article 467 of the Louisiana Civil Code, and  
6 things which have been separated from land, buildings, or other constructions  
7 permanently attached to the ground or their component parts as defined in Article  
8 466 of the Civil Code.

9 ~~(iii)(aa) For purposes of the sales and use taxes imposed by the state or any~~  
10 ~~of its political subdivisions, sale of services shall not include the labor, or sale of~~  
11 ~~materials, services, and supplies, used for the repairing, renovating, or converting of~~  
12 ~~any drilling rig, or machinery and equipment which are component parts thereof,~~  
13 ~~which is used exclusively for the exploration or development of minerals outside the~~  
14 ~~territorial limits of the state in Outer Continental Shelf waters.~~

15 ~~(bb) For the purposes of this Subitem, "drilling rig" means any unit or~~  
16 ~~structure, along with its component parts, which is used primarily for drilling,~~  
17 ~~workover, intervention or remediation of wells used for exploration or development~~  
18 ~~of minerals and "component parts" means any machinery or equipment necessary for~~  
19 ~~a drilling rig to perform its exclusive function of exploration or development of~~  
20 ~~minerals.~~

21 (h) [RESERVED] ~~The term "sale of service" shall not include an action~~  
22 ~~performed pursuant to a contract with the United States Department of the Navy for~~  
23 ~~construction or overhaul of U.S. Naval vessels.~~

24 (i) Solely for purposes of the sales and use tax levied by the state, the  
25 furnishing of telecommunications services for compensation, in accordance with the  
26 provisions of R.S. 47:301.1. Local political subdivisions are prohibited from levying  
27 a sales and use tax on telecommunications services not in effect on July 1, 1990,  
28 provided, however, that the provisions of this Subparagraph shall not be construed  
29 to prohibit the levy or collection of any franchise, excise, gross receipts, or similar

1 tax or assessment by any political subdivision of the state as defined in Article VI,  
2 Section 44(2) of the Constitution of Louisiana.

3 (j) [RESERVED] ~~Notwithstanding any provision of law to the contrary, for~~  
4 ~~purposes of sales or use taxation by the state or any local political subdivision, the~~  
5 ~~term "sales of services" shall not mean or include any funeral directing services as~~  
6 ~~defined in Subparagraph (10)(s) of this Section. Subject to approval by the House~~  
7 ~~Committee on Ways and Means and the Senate Committee on Revenue and Fiscal~~  
8 ~~Affairs, the state Department of Revenue shall devise a formula for the calculation~~  
9 ~~of the tax.~~

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

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

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

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

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

6 ~~(ii) Gold, silver, or numismatic coins, or platinum, gold, or silver bullion.~~

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

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

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

19 (ii) Prepaid calling services and prepaid wireless calling services shall be  
20 subject to the tax imposed by this Chapter if the sale takes place in this state. If the  
21 customer physically purchases a prepaid calling service or prepaid wireless calling  
22 service at the vendor's place of business, the sale is deemed to take place at the  
23 vendor's place of business. If the customer does not physically purchase the service  
24 at the vendor's place of business, the sale of a prepaid calling service or prepaid  
25 wireless calling service is deemed to take place at the first of the following locations  
26 that applies to the sale:

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

28 (bb) The customer's billing address.

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

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

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

11 (f) [RESERVED] ~~The term "tangible personal property" shall not include~~  
12 ~~pharmaceuticals administered to livestock used for agricultural purposes, except as~~  
13 ~~otherwise provided in this Subparagraph. Only pharmaceuticals not included in the~~  
14 ~~term "tangible personal property" shall be registered with the Louisiana Department~~  
15 ~~of Agriculture and Forestry. Legend drugs administered to livestock used for~~  
16 ~~agricultural purposes are not required to be registered, but such legend drugs that are~~  
17 ~~not registered shall be "tangible personal property".~~

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

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

24 (aa) A structure built to federal construction standards as defined in Section  
25 5402 of Title 42 of the United States Code.

26 (bb) A residential structure built to the Louisiana State Uniform Construction  
27 Code.

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

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

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

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

17 (h) [RESERVED] ~~Solely for purposes of the imposition of the sales and use~~  
18 ~~tax levied by the state or any political subdivision whose boundaries are coterminous~~  
19 ~~with those of the state, for the period beginning July 1, 2002, and ending on June 30,~~  
20 ~~2003, the term "tangible personal property" shall not include one-quarter of the cost~~  
21 ~~price of custom computer software.~~

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

27 (iii) ~~Solely for purposes of the imposition of the sales and use tax levied by~~  
28 ~~the state or any political subdivision whose boundaries are coterminous with those~~  
29 ~~of the state, for the period beginning July 1, 2004, and ending on June 30, 2005, the~~



1 term "tangible personal property" shall not include three-quarters of the cost price  
2 of custom computer software.

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

7 (i) [RESERVED] ~~Solely for purposes of the imposition of the state sales and~~  
8 ~~use tax, the term "tangible personal property" shall not include digital television~~  
9 ~~conversion equipment and digital radio conversion equipment as defined in this~~  
10 ~~Section.~~

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

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

13 (bb) ~~Transmission line.~~

14 (cc) ~~DTV antenna.~~

15 (dd) ~~Tower.~~

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

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

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

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

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

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

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

23 (ll) ~~High definition bypass switcher.~~

24 (mm) ~~Down converters for standard definition.~~

25 (nn) ~~Advanced TV transmitter (STL transmitter).~~

26 (oo) ~~Advanced TV signal encoder.~~

27 (pp) ~~DTV transmission monitoring.~~

28 (qq) ~~High definition digital video switcher and DVE.~~

29 (rr) ~~High definition studio cameras.~~

- 1                   ~~(ss) High definition graphics/graphic generator.~~
- 2                   ~~(tt) High definition video monitoring.~~
- 3                   ~~(uu) Conversion gear.~~
- 4                   ~~(vv) High definition recorder/players, including tape, disk, etc.~~
- 5                   ~~(ww) High definition video/audio signal router.~~
- 6                   ~~(xx) High definition video/audio media server.~~
- 7                   ~~(yy) MPEG or HDTV digital receivers for program content.~~
- 8                   ~~(zz) High definition recorder/players, including tape, disk, etc.~~
- 9                   ~~(aaa) High definition video/audio media server and workstations.~~
- 10                  ~~(bbb) Digital EAS encoder/decoder.~~
- 11                  ~~(ccc) High definition camcorder, including tape, disk, etc.~~
- 12                  ~~(ddd) Advanced TV transmitters, including microwave.~~
- 13                  ~~(ii) "Digital radio conversion equipment" shall include the following:~~
- 14                  ~~(aa) IBOC transmitter.~~
- 15                  ~~(bb) IBOC main channel and IBOC combiner.~~
- 16                  ~~(cc) IBOC compatible antenna.~~
- 17                  ~~(dd) Tower.~~
- 18                  ~~(ee) IBOC coaxial bypass switcher.~~
- 19                  ~~(ff) Digital STL.~~
- 20                  ~~(gg) STL heliax transmission line.~~
- 21                  ~~(hh) STL antenna.~~
- 22                  ~~(ii) Digital console.~~
- 23                  ~~(jj) EAS insertion.~~
- 24                  ~~(kk) AES EBU conversion equipment.~~
- 25                  ~~(ll) IBOC transmission testing and monitoring equipment.~~
- 26                  ~~(mm) Digital processor.~~
- 27                  ~~(iii) The exclusion from state sales and use tax authorized by this~~
- 28                  ~~Subparagraph shall only apply to the first purchase of each enumerated item by an~~
- 29                  ~~individual taxpayer who holds a Federal Communications Commission license~~

1       ~~issued pursuant to 47 CFR Part 73. Individual taxpayers operating under several~~  
2       ~~broadcaster licenses shall be allowed one purchase of each enumerated item per~~  
3       ~~license. Each subsequent purchase of any of the enumerated items by the same~~  
4       ~~taxpayer or license holder shall be subject to sales and use tax.~~

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

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

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

20              (vii) ~~No exclusion from state sales and use tax as authorized in this~~  
21       ~~Subsection shall be allowed after the Federal Communications Commission has~~  
22       ~~issued an order mandating license holders, issued pursuant to 47 CFR Part 73, to~~  
23       ~~discontinue broadcasting their analog signal.~~

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

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

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

5           (l) For purposes of the sales and use tax imposed by the state of Louisiana,  
6 by a political subdivision whose boundaries are coterminous with those of the state,  
7 or by all political subdivisions of the state and without regard to the nature of the  
8 ownership of the ground, tangible personal property shall not include other  
9 constructions permanently attached to the ground which shall be treated as  
10 immovable property.

11           (m)(i) Notwithstanding any other provision of law to the contrary, for  
12 purposes of the sales and use tax levied by the state or any political subdivision  
13 whose boundaries are coterminous with those of the state, the term "tangible personal  
14 property" shall not include machinery and equipment used by a motor vehicle  
15 manufacturer with a North American Industry Classification System (NAICS) Code  
16 beginning with 3361, or by a glass container manufacturer with a NAICS Code of  
17 327213, through March 30, 2016. This exclusion shall be subject to the definitions  
18 and requirements of Item (3)(i)(ii) of this Section.

19           (ii) A political subdivision may provide for a sales and use tax exemption for  
20 the sales, cost, or lease or rental price of manufacturing machinery and equipment  
21 as provided for in this Section, either effective upon adoption or enactment or phased  
22 in over a period of time, or effective for a certain period of time or duration, all as  
23 set forth in the instrument, resolution, vote, or other affirmative action providing the  
24 exemption.

25           (iii) Notwithstanding any other provision of this Section, tooling in a  
26 compression mold process shall be considered manufacturing machinery and  
27 equipment for purposes of this Section.

28           (n)(i) For purposes of the imposition of the sales and use tax levied by the  
29 state, the term "tangible personal property" shall not include machinery and

1 equipment purchased by the owner of a radio station located within the state that is  
2 licensed by the Federal Communications Commission for radio broadcasting,  
3 through March 30, 2016, if the owner is either of the following:

4 (aa) An individual domiciled in the state who owns a business with  
5 substantially all of its assets located in the state and substantially all of its payroll  
6 paid in the state.

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

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

13 (o)(i) For purposes of the imposition of the sales and use tax levied by the  
14 state and any political subdivision whose boundaries are coterminous with those of  
15 the state, through March 30, 2016, the term "tangible personal property" shall not  
16 include machinery and equipment as defined in and subject to the requirements of  
17 R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the Public Service  
18 Commission or the council of the City of New Orleans. For the purposes of this  
19 Paragraph, the term "utility" shall mean a person regulated by the Public Service  
20 Commission or the council of the City of New Orleans who is assigned a North  
21 American Industrial Classification System Code 22111, Electric Power Generation,  
22 as it existed in 2002. Such utility shall also be considered a "manufacturer" for  
23 purposes of R.S. 47:301(3)(i)(ii).

24 (ii) For purposes of this Subparagraph, a political subdivision whose  
25 boundaries are not coterminous with those of the state may provide for a sales and  
26 use tax exclusion for machinery and equipment as defined in and subject to the  
27 requirements of R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the  
28 Public Service Commission or the council of the city of New Orleans.

1 (p) ~~[RESERVED]For purposes of sales and use taxes imposed by the state~~  
2 ~~or any of its political subdivisions, the term "tangible personal property" shall not~~  
3 ~~include newspapers.~~

4 (q) ~~[RESERVED] For purposes of sales and use taxes imposed by the state,~~  
5 ~~any statewide taxing authority, or any political subdivision, the term "tangible~~  
6 ~~personal property" shall not include any property that would have been considered~~  
7 ~~immovable property prior to the enactment on July 1, 2008, of Act No. 632 of the~~  
8 ~~2008 Regular Session of the Legislature.~~

9 \* \* \*

10 (18)(a)(i) Solely for purposes of the imposition of the state sales and use tax,  
11 "use" means and includes the exercise of any right or power over tangible personal  
12 property incident to the ownership thereof, except that it shall not include the sale at  
13 retail of that property in the regular course of business or the donation to a school in  
14 the state which meets the definition provided in R.S. 17:236 or to a public or  
15 recognized independent institution of higher education in the state of property  
16 previously purchased for resale in the regular course of a business. The term "use"  
17 shall not include the purchase, the importation, the consumption, the distribution, or  
18 the storage of automobiles to be leased in an arm's length transaction, nor shall the  
19 term "use" include the donation of food items to a food bank as defined in R.S.  
20 9:2799(B).

21 (ii) For purposes of the imposition of the sales and use tax levied by a  
22 political subdivision or school board, "use" shall mean and include the exercise of  
23 any right or power over tangible personal property incident to the ownership thereof,  
24 except that it shall not include the sale at retail of that property in the regular course  
25 of business or the donation to a school in the state which meets the definition  
26 provided in R.S. 17:236 or to a public or recognized independent institution of higher  
27 education in the state of property previously purchased for resale in the regular  
28 course of a business. The term "use" shall not include the donation of food items to  
29 a food bank as defined in R.S. 9:2799(B).

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

1           (iii) The term "use", for purposes of sales and use taxes imposed by the state  
2           on the use for rental of automobiles which take place on or after January 1, 1991, and  
3           by political subdivisions on such use on or after July 1, 1996, and state sales and use  
4           taxes imposed on the use for lease or rental of tangible personal property other than  
5           automobiles which take place on or after July 1, 1991, shall not include the purchase,  
6           the importation, the consumption, the distribution, or the storage of tangible personal  
7           property to be leased or rented in an arm's length transaction as tangible personal  
8           property. For purposes of the imposition of the tax levied by any political  
9           subdivision of the state, for the period beginning July 1, 1999, and ending on June  
10          30, 2000, the term "use" shall not include one-fourth of the cost price of any tangible  
11          personal property which is purchased, imported, consumed, distributed, or stored and  
12          which is to be leased or rented in an arm's length transaction in the form of tangible  
13          personal property. For purposes of the imposition of the tax levied by any political  
14          subdivision of the state, for the period beginning July 1, 2000, and ending on June  
15          30, 2001, the term "use" shall not include one-half of the cost price of any tangible  
16          personal property which is purchased, imported, consumed, distributed, or stored and  
17          which is to be leased or rented in an arm's length transaction in the form of tangible  
18          personal property. For purposes of the imposition of the tax levied by any political  
19          subdivision of the state, for the period beginning July 1, 2001, and ending on June  
20          30, 2002, the term "use" shall not include three-fourths of the cost price of any  
21          tangible personal property which is purchased, imported, consumed, distributed, or  
22          stored and which is to be leased or rented in an arm's length transaction in the form  
23          of tangible personal property. Beginning July 1, 2002, for purposes of the imposition  
24          of the tax levied by any political subdivision of the state, the term "use" shall not  
25          include the purchase, the importation, the consumption, the distribution, or the  
26          storage of any tangible personal property which is to be leased or rented in an arm's  
27          length transaction in the form of tangible personal property.

28           (iv) The term "use", for purposes of sales and use taxes imposed by the state  
29          on the use for rental automobiles which take place prior to January 1, 1991, and by

1 political subdivisions on such use prior to July 1, 1996, and imposed on the use for  
2 lease or rental of tangible personal property other than automobiles which take place  
3 prior to July 1, 1991, and for purposes of local sales and use taxes levied by political  
4 subdivisions, except for any use for rental automobiles on or after July 1, 1996, shall  
5 include the purchase, the importation, the consumption, the distribution, or the  
6 storage of tangible personal property to be leased or rented in an arm's length  
7 transaction as tangible personal property.

8 (b) Notwithstanding any other law to the contrary, for purposes of the  
9 imposition of the sales and use tax of any political subdivision, the use of a vehicle  
10 subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) shall be  
11 deemed to be a "use":

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

14 (ii) In the political subdivision of the principal location of the business if the  
15 vehicle is purchased for commercial use, unless the vehicle purchased for  
16 commercial use is assigned, garaged, and used outside of such political subdivision,  
17 in which case the use shall be deemed a use in the political subdivision where the  
18 vehicle is assigned, garaged, and used.

19 (c) For purposes of state and political subdivision sales and use tax, "use"  
20 shall not include the exercise of any right or power by a free hospital over items,  
21 including but not limited to supplies and equipment, which are reasonably necessary  
22 for the operation of the free hospital.

23 (d)(i) Notwithstanding any other provision of law to the contrary, and except  
24 as provided in Item (iii) of this Subparagraph, for purposes of state and political  
25 subdivision sales and use tax, "use" means and includes the exercise of any right or  
26 power over tangible personal property incident to the ownership thereof, except that  
27 it shall not include the further processing of tangible personal property into articles  
28 of tangible personal property for sale.



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

9 (iii) Notwithstanding any other provision of law to the contrary, and  
10 notwithstanding the provisions of this Subparagraph, "use" shall include the exercise  
11 of any right of ownership over the consumption, the distribution, and the storage for  
12 use or consumption in this state of refinery gas, except the sale to another person,  
13 whether at retail or wholesale, only if the refinery gas is ultimately consumed as an  
14 energy source by the person who owns the facility in which it is created and is not  
15 sold. Notwithstanding any other law to the contrary, the use of refinery gas shall be  
16 taxed at the cost price value provided in Subparagraph (3)(f) of this Section. If  
17 refinery gas, except for feedstock, is sold to another person, whether at retail, or  
18 wholesale, such sale shall be taxable and the sales price value shall be as provided  
19 for in Subparagraph (13)(d) of this Section. The provisions of this Item shall not  
20 apply to feedstocks.

21 (e) [RESERVED] ~~For purposes of state and political subdivision sales and~~  
22 ~~use tax, "use" shall not include the purchase of or the exercise of any right or power~~  
23 ~~over:~~

24 ~~(i) Tangible personal property sold by approved parochial and private~~  
25 ~~elementary and secondary schools which comply with the court order from the Dodd~~  
26 ~~Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,~~  
27 ~~administrators, or teachers, or other employees of the school, if the money from such~~  
28 ~~sales, less reasonable and necessary expenses associated with the sale, is used solely~~  
29 ~~and exclusively to support the school or its program or curricula.~~

1           (ii) ~~Educational materials or equipment used for classroom instruction by~~  
2           ~~approved parochial and private elementary and secondary schools which comply~~  
3           ~~with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the~~  
4           ~~Internal Revenue Code, limited to books, workbooks, computers, computer software,~~  
5           ~~films, videos, and audio tapes.~~

6           (f) [RESERVED] ~~(f) For purposes of state and political subdivision sales and~~  
7           ~~use tax, "use" shall not include the purchase of or the exercise of any right or power~~  
8           ~~over tangible personal property used by Boys State of Louisiana, Inc. and Girls State~~  
9           ~~of Louisiana, Inc. for their educational and public service programs for youth.~~

10          (g) [RESERVED] ~~Notwithstanding any provision of law to the contrary, for~~  
11          ~~purposes of sales or use taxation by the state or any local political subdivision, the~~  
12          ~~term "use" shall not mean or include any funeral directing services as defined in~~  
13          ~~Subparagraph (10)(s) of this Section.~~

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

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

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

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

16 (l) [RESERVED] ~~Solely for the purposes of sales and use taxes levied by the~~  
17 ~~state or any political subdivision whose boundaries are coterminous with those of the~~  
18 ~~state, the term "use" shall not include the use, the consumption, the distribution, the~~  
19 ~~storage for use or consumption in this state, or the exercise of any right or power~~  
20 ~~over an alternative substance as that term is defined in Subparagraph (10)(z) of this~~  
21 ~~Section when such alternative substance is used as a fuel by a manufacturer.~~  
22 ~~"Manufacturer" means a person whose principal activity is manufacturing and who~~  
23 ~~is assigned by the Louisiana Workforce Commission a North American Industrial~~  
24 ~~Classification System code with the agricultural, forestry, fishing, and hunting Sector~~  
25 ~~11 or the manufacturing Sectors 31-33 as they existed in 2002.~~

26 (m) [RESERVED] ~~For the purposes of sales and use taxes imposed or levied~~  
27 ~~by the state or any political subdivision of the state, the term "use" shall not include~~  
28 ~~the purchase of or the exercise of any right or power over toys by a non-profit~~  
29 ~~organization exempt from federal taxation pursuant to Section 501(c)(3) of the~~

1 Internal Revenue Code if the sole purpose of the purchasing organization is to donate  
2 toys to minors and the toys are, in fact, donated.

3 (ii) ~~The exclusion provided for in this Subparagraph shall be subject to the~~  
4 ~~same conditions as are provided for in Items (10)(aa)(ii) and (iii) of this Section.~~

5 (n) ~~For purposes of sales and use tax imposed by the state or any political~~  
6 ~~subdivision of the state, the term "use" shall not mean or include the purchase,~~  
7 ~~importation, storage, distribution, or exportation of, or exercise of any right or power~~  
8 ~~over, textbooks and course-related software by a private postsecondary academic~~  
9 ~~degree-granting institution, accredited by a national or regional commission that is~~  
10 ~~recognized by the United States Department of Education and is licensed by the~~  
11 ~~Board of Regents, which institution has its main location within this state and offers~~  
12 ~~only online instruction, when all of the following apply:~~

13 (i) ~~The textbooks and course-related software are physically outside of this~~  
14 ~~state when purchased from a vendor outside of this state and then imported into this~~  
15 ~~state.~~

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

18 (iii) ~~The textbooks and course-related software are provided to the student~~  
19 ~~free of charge.~~

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

23 (p) [RESERVED] ~~For purposes of sales and use tax imposed by the state or~~  
24 ~~any political subdivision of the state, the term "use" shall not mean or include the~~  
25 ~~purchase, importation, storage, distribution or exercise of any right or power over~~  
26 ~~anthropogenic carbon dioxide used in a qualified tertiary recovery project approved~~  
27 ~~by the assistant secretary of the office of conservation of the Department of Natural~~  
28 ~~Resources pursuant to R.S. 47:633.4.~~

29 \* \* \*

1           (28)(a) For purposes of the imposition of the lease or rental tax levied by the  
2           state ~~and any political subdivision whose boundaries are coterminous with those of~~  
3           ~~the state~~, the "gross proceeds", "monthly lease or rental price paid", and "monthly  
4           lease or rental price contracted or agreed to be paid" for machinery and equipment  
5           used by a manufacturer in a plant facility predominately and directly in the actual  
6           manufacturing for agricultural purposes or the actual manufacturing process of an  
7           item of tangible personal property, including, but not limited to rubber tired farm  
8           tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers,  
9           attachments and sprayers, clippers, cultivators, discs, plows, and spreaders, which  
10          is for ultimate sale to another and not for internal use, at one or more fixed locations  
11          within Louisiana shall be reduced as follows through March 30, 2016:

12                   (i) For the period ending on June 30, 2005, by five percent.

13                   (ii) For the period beginning July 1, 2005, and ending on June 30, 2006, by  
14          nineteen percent.

15                   (iii) For the period beginning July 1, 2006, and ending on June 30, 2007, by  
16          thirty-five percent.

17                   (iv) For the period beginning July 1, 2007, and ending on June 30, 2008, by  
18          fifty-four percent.

19                   (v) For the period beginning July 1, 2008, and ending on June 30, 2009, by  
20          sixty-eight percent.

21                   (vi) For all periods beginning on or after July 1, 2009, the sales price shall  
22          be reduced by one hundred percent.

23           (b) For purposes of this Paragraph, "machinery and equipment",  
24          "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant  
25          facility", and "used directly" shall have the same meaning as defined in R.S.  
26          47:301(3)(i)(ii).

27           (c) No person shall be entitled to purchase, use, lease, or rent machinery or  
28          equipment as defined herein without payment of the tax imposed by R.S. 47:302,

1 321, and 331 before receiving a certificate of exclusion from the secretary of the  
2 Department of Revenue certifying that he is a manufacturer as defined herein.

3 (d) The secretary of the Department of Revenue is hereby authorized to  
4 adopt rules and regulations in order to administer the exclusion provided for in this  
5 Subparagraph.

6 (e) The manufacturer's exemption certificate granted by the Department of  
7 Revenue shall serve as a substitute for the sales tax exemption for certain farm  
8 equipment.

9 \* \* \*

10 §302. Imposition of tax

11 A. There is hereby levied a tax upon the sale at retail, the use, the  
12 consumption, the distribution, and the storage for use or consumption in this state,  
13 of each item or article of tangible personal property, as defined herein, the levy of  
14 said tax to be as follows:

15 (1) ~~At Until April 1, 2016,~~ the rate of two per centum (2%) of the sales price  
16 of each item or article of tangible personal property when sold at retail in this state;  
17 the tax to be computed on gross sales for the purpose of remitting the amount of tax  
18 due the state, and to include each and every retail sale. Beginning April 1, 2016, and  
19 extending through June 30, 2021, the tax rate shall be two and one-half percent  
20 (2.5%). Beginning July 1, 2021, the rate shall be one and one-half percent (1.5%).

21 (2) ~~At Until April 1, 2016,~~ the rate of two per centum (2%) of the cost price  
22 of each item or article of tangible personal property when the same is not sold but  
23 is used, consumed, distributed, or stored for use or consumption in this state;  
24 provided there shall be no duplication of the tax. Beginning April 1, 2016, and  
25 extending through June 30, 2021, the tax rate shall be two and one-half percent  
26 (2.5%). Beginning July 1, 2021, the rate shall be one and one-half percent (1.5%).

27 B. There is hereby levied a tax upon the lease or rental within this state of  
28 each item or article of tangible personal property, as defined herein; the levy of said  
29 tax to be as follows:

1           (1) ~~At Until April 1, 2016,~~ the rate of two per centum (2%) of the gross  
 2 proceeds derived from the lease or rental of tangible personal property, as defined  
 3 herein, where the lease or rental of such property is an established business, or part  
 4 of an established business, or the same is incidental or germane to the said business.  
 5 Beginning April 1, 2016, and extending through June 30, 2021, the tax rate shall be  
 6 two and one-half percent (2.5%). Beginning July 1, 2021, the rate shall be one and  
 7 one-half percent (1.5%).

8           (2) ~~At Until April 1, 2016,~~ the rate of two per centum (2%) of the monthly  
 9 lease or rental price paid by lessee or rentee, or contracted or agreed to be paid by  
 10 lessee or rentee to the owner of the tangible personal property. Beginning April 1,  
 11 2016, and extending through June 30, 2021, the tax rate shall be two and one-half  
 12 percent (2.5%). Beginning July 1, 2021, the rate shall be one percent (1.5%).

13           C.(1) ~~There Until April 1, 2016, there~~ is hereby levied a tax upon all sales  
 14 of services, as herein defined, in this state, at the rate of two percent of the amounts  
 15 paid or charged for such services. Beginning April 1, 2016, and extending through  
 16 June 30, 2021, the tax rate shall be two and one-half percent (2.5%). Beginning July  
 17 1, 2021, the rate shall be one and one-half percent (1.5%).

\* \* \*

19 §305. Exclusions and exemptions from the tax

20           A.(1) The gross proceeds derived from the sale in this state of livestock,  
 21 poultry, and other farm products direct from the farm are exempted from the tax  
 22 levied by taxing authorities, provided that such sales are made directly by the  
 23 producers. When sales of livestock, poultry, and other farm products are made to  
 24 consumers by any person other than the producer, they are not exempted from the  
 25 tax imposed by taxing authorities.

26           ~~(2) The gross proceeds derived from the sale in this state of livestock at~~  
 27 ~~public sales sponsored by breeders' or registry associations or livestock auction~~  
 28 ~~markets are exempted from the sales and use tax levied by the state only. When~~  
 29 ~~public sales of livestock are made to consumers by any person other than through a~~

1 ~~public sale sponsored by a breeders' or registry association or a livestock auction~~  
2 ~~market, they are not exempted from the sales and use tax imposed by the state. This~~  
3 ~~Section shall be construed as exempting race horses entered in races and claimed at~~  
4 ~~any racing meet held in Louisiana, whether the horse claimed was owned by the~~  
5 ~~original breeder or not.~~

6 ~~(3)(2)~~ Every agricultural commodity sold by any person, other than a  
7 producer, to any other person who purchases not for direct consumption but for the  
8 purpose of acquiring raw product for use or for sale in the process of preparing,  
9 finishing, or manufacturing such agricultural commodity for the ultimate retail  
10 consumer trade, shall be exempted from any and all provisions of the sales and use  
11 tax imposed by a taxing authority, including payment of the tax applicable to the  
12 sale, storage, use, transfer, or any other utilization of or handling thereof, except  
13 when such agricultural commodity is actually sold as a marketable or finished  
14 product to the ultimate consumer, and in no case shall more than one tax be exacted.  
15 For the purposes of this Section, "agricultural commodity" means horticultural,  
16 viticultural, poultry, farm and range products, and livestock and livestock products.

17 ~~(4)(a) The purchase of feed and feed additives for the purpose of sustaining~~  
18 ~~animals which are held primarily for commercial, business, or agricultural use shall~~  
19 ~~be exempted from the taxes levied by taxing authorities.~~

20 ~~(b) For purposes of this Subsection:~~

21 ~~(i) "Commercial use" means the purchasing, producing, or maintaining of~~  
22 ~~animals, including breeding stock, for resale;~~

23 ~~(ii) "Business use" means the keeping and maintaining of animals which are~~  
24 ~~used in performing services in conjunction with a business enterprise, such as sentry~~  
25 ~~dogs and rental horses;~~

26 ~~(iii) "Agricultural use" means the maintaining of work animals and beasts~~  
27 ~~of burden which are utilized in the activity of producing crops or animals for market,~~  
28 ~~in the production of food for human consumption, in the production of animal hides~~



1 or other animal products for market, or in the maintaining of breeding stock for the  
2 propagation of such agricultural use animals.

3 (c) This exemption shall not apply to the purchase of feed or feed additives  
4 for animals kept primarily for personal, sporting, or other purposes, including but not  
5 limited to purchases for pets of any kind or hunting dogs.

6 (5)(a) Solely for purposes of the sales and use tax levied by the state, such  
7 tax shall not apply to the sale or use of materials, supplies, equipment, fuel, and  
8 related items other than vessels used in the production or harvesting of crawfish.  
9 The person who purchases the exempt items shall claim the exemption by executing  
10 a certificate at the time of purchase. The Department of Revenue shall provide the  
11 certificates to retail merchants. Any merchant who in good faith, and after  
12 examination of the applicability of the certificate to that purchase with due care,  
13 neglects or fails to collect the tax herein provided, due to the presentation by the  
14 purchaser of a tax exemption certificate issued by the Department of Revenue,  
15 including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment  
16 of the tax.

17 (b) Solely for purposes of the sales and use tax levied by the state, such tax  
18 shall not apply to the sale or use of bait and feed used in the production or harvesting  
19 of crawfish. The person who purchases the exempt items shall claim the exemption  
20 by executing a certificate at the time of purchase. The Department of Revenue shall  
21 provide the certificates to retail merchants. Any merchant who in good faith, and  
22 after examination of the applicability of the certificate to that purchase with due care,  
23 neglects or fails to collect the tax herein provided, due to the presentation by the  
24 purchaser of a tax exemption certificate issued by the Department of Revenue,  
25 including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment  
26 of the tax.

27 (6) Solely for purposes of the sales and use tax levied by the state, such tax  
28 shall not apply to the sale or use of materials, supplies, equipment, fuel, bait, and  
29 related items other than vessels used in the production or harvesting of catfish. The

1        ~~person who purchases the exempt items shall claim the exemption by executing a~~  
2        ~~certificate at the time of purchase. The Department of Revenue shall provide the~~  
3        ~~certificates to retail merchants. Any merchant who in good faith, and after~~  
4        ~~examination of the applicability of the certificate to that purchase with due care,~~  
5        ~~neglects or fails to collect the tax herein provided, due to the presentation by the~~  
6        ~~purchaser of a tax exemption certificate issued by the Department of Revenue, shall~~  
7        ~~not be liable for the payment of the tax.~~

8                B. For purposes of the sales and use tax of all taxing authorities, the "use  
9        tax," as defined herein, shall not apply to livestock and livestock products, to poultry  
10       and poultry products, to farm, range and agricultural products when produced by the  
11       farmer and used by him and members of his family.

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

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

20               (a) Gasoline.

21               (b) Steam, for purposes of the state sales and use tax, shall be exempt as  
22       provided in R.S. 47:305.72.

23               (c) Water ~~(not including~~ (excluding mineral water or carbonated water or any  
24       water put in bottles, jugs, or containers, ~~all of which are not exempted)~~ for purposes  
25       of the state sales and use tax, shall be exempt as provided in R.S. 47:305.72).

26               (d) Electric power or energy and any materials or energy sources used to fuel  
27       the generation of electric power for resale or used by an industrial manufacturing  
28       plant for self-consumption or cogeneration, for purposes of the state sales and use  
29       tax, shall be exempt as provided in R.S. 47:305.72.

1 (e) Repealed by Acts 2007, No. 480, §2.

2 (f) ~~[RESERVED] Fertilizer and containers used for farm products when sold~~  
3 ~~directly to the farmer.~~

4 (g) Natural gas, for purposes of the state sales and use tax, shall be exempt  
5 as provided in R.S. 47:305.72.

6 (h) All energy sources when used for boiler fuel except refinery gas, for  
7 purposes of the state sales and use tax, shall be exempt as provided in R.S.  
8 47:305.72.

9 (i) 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 (j) Solely for purposes of the state sales and use tax, drugs prescribed by a  
16 physician or dentist.

17 (k)(i) Solely for purposes of the state sales and use tax, orthotic, including  
18 prescription eyeglasses and contact lenses, and prosthetic devices and wheelchairs  
19 and wheelchair lifts prescribed by physicians, optometrists or licensed chiropractors  
20 for personal consumption or use.

21 (ii) Solely for purposes of the sales and use tax of political subdivisions, the  
22 sale to, or the purchase by, an individual or by a medical service provider such as a  
23 physician, clinic, surgical center, or other healthcare facility of a prosthetic device  
24 which is sold or purchased with the intention of being personally used or consumed  
25 by individuals pursuant to a prescription by a physician when the individual is  
26 covered by the state of Louisiana Medicaid insurance program or a Medicaid  
27 insurance program administered by a third party on behalf of the state of Louisiana.

28 (l) Solely for purposes of the state sales and use tax, the sale or purchase of  
29 any ostomy, ileostomy or colostomy device or any other appliance including

1 catheters or any related item which is required as the result of any surgical procedure  
2 by which an artificial opening is created in the human body for the elimination of  
3 natural waste.

4 (m) Solely for purposes of the state sales and use tax, patient aids prescribed  
5 by a physician or a licensed chiropractor for home use.

6 (n) Solely for purposes of the state sales and use tax, food sold for  
7 preparation and consumption in the home including by way of extension and not of  
8 limitation bakery products.

9 (o) Solely for purposes of the state sales and use tax, dairy products.

10 (p) Solely for purposes of the state sales and use tax, soft drinks.

11 (q) Solely for purposes of the state sales and use tax, fresh fruits and  
12 vegetables.

13 (r) Solely for purposes of the state sales and use tax, package foods requiring  
14 further preparation by the purchaser.

15 (s) Solely for purposes of the state sales and use tax, any and all medical  
16 devices used exclusively by the patient in the medical treatment of various diseases  
17 or administered exclusively to the patient by a physician, nurse, or other health care  
18 professional or health care facility in the medical treatment of various diseases under  
19 the supervision of and prescribed by a licensed physician.

20 (t) Orthotic devices, prosthetic devices, prostheses and restorative materials  
21 utilized by or prescribed by dentists in connection with health care treatment or for  
22 personal consumption or use and any and all dental devices used exclusively by the  
23 patient or administered exclusively to the patient by a dentist or dental hygienist in  
24 connection with dental or health care treatment. Notwithstanding any other  
25 provision of law to the contrary, the exemptions from the state sales and use tax  
26 provided in this Subparagraph shall be applicable to any sales and use tax levied by  
27 any local governmental subdivision or school board.

28 (u) Solely for purposes of the state sales and use tax, adaptive driving  
29 equipment and motor vehicle modifications prescribed for personal use by a

1 physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the  
2 state.

3 (2) [RESERVED] ~~Sales of meals furnished as follows shall be exempt:~~

4 ~~(i) To the staff and students of educational institutions, including but not~~  
5 ~~limited to kindergartens, if the meals are consumed on the premises where~~  
6 ~~purchased, or if they are purchased in advance by students, faculty, or staff pursuant~~  
7 ~~to a meal plan sponsored by the institution or organization or purchased in advance~~  
8 ~~pursuant to any other payment arrangement sanctioned by the institution or~~  
9 ~~organization and generally available to students, faculty, and staff of the institution~~  
10 ~~or organization, regardless of where such meals are consumed.~~

11 ~~(ii) To the staff and patients of hospitals and to the staff and residents of~~  
12 ~~nursing homes, adult residential care providers, and continuing care retirement~~  
13 ~~communities.~~

14 ~~(iii) To the staff, inmates, and patients of mental institutions.~~

15 ~~(iv) To the boarders of rooming houses.~~

16 ~~(v) Occasional meals furnished to the public in educational, religious, or~~  
17 ~~medical organization facilities.~~

18 ~~(b) Except as provided for in Item (a)(i) of this Paragraph, the furnishing of~~  
19 ~~such meals shall be exempt from the taxes imposed by this Chapter if the meals are~~  
20 ~~consumed on the premises where purchased.~~

21 (3)(a) Except as provided in Subparagraph (b) of this Paragraph, food sales  
22 by restaurants, drive-ins, snack bars, candy and nut counters, private clubs, and sales  
23 made by an establishment not specifically exempted elsewhere who furnish facilities  
24 for the consumption of the food on the premises are not exempt from the taxes  
25 imposed by taxing authorities.

26 (b) Bakery products sold for consumption in the home when purchased at  
27 grocery stores, bakeries, and donut shops, regardless of whether such businesses  
28 furnish facilities for the consumption of food on the premises, shall be exempt from  
29 state sales and use taxes.

1           (4)(a) The exemption for food, drugs, orthotic devices, prosthetic devices  
2           except for those provided for in Item (1)(k)(ii) of this Subsection, and wheelchairs  
3           and wheelchair lifts prescribed by physicians or licensed chiropractors for personal  
4           consumption or use; for patient aids prescribed by a physician or licensed  
5           chiropractor for home use; and ostomy, ileostomy or colostomy devices, or other  
6           appliances including catheters or related items required as the result of any surgical  
7           procedure by which an artificial opening is created in the human body for the  
8           elimination of natural waste applies only to sales taxes imposed by the state of  
9           Louisiana and does not apply to such taxes authorized and imposed by any school  
10          board, municipality, or other local taxing authority notwithstanding any other  
11          provisions of law to the contrary, and specifically, but not exclusively, R.S. 47:337.8.

12           (b) However, sales taxes authorized and imposed by any taxing authority  
13          shall not apply to the procurement and administration of cancer and related  
14          chemotherapy prescription drugs used exclusively by the patient in his medical  
15          treatment when administered exclusively to the patient by a physician, nurse, or other  
16          health care professional in a physician's office where patients are not regularly kept  
17          as bed patients for twenty-four hours or more.

18           (5)(a) However sales taxes authorized and imposed by any school board,  
19          municipality, or other local taxing authority shall not apply to the sale of prescription  
20          drugs under the pharmaceutical vendor program for Title XIX of the Social Security  
21          Act as administered by the Department of Health and Hospitals of the state of  
22          Louisiana. Beginning January 1, 1999, such taxes shall not apply to the sale of such  
23          drugs under Title XXI of the Social Security Act as administered by such  
24          department.

25           (b) The administration of prescription drugs used exclusively by the patient  
26          in the medical treatment of various diseases or injuries when administered  
27          exclusively to the patient by a physician, nurse, or other health care professional in  
28          a physician's office where patients are not regularly kept as bed patients for twenty-  
29          four hours or more shall be a professional service.

1 (c) For the time after July 1, 1999, school boards, municipalities, and other  
2 local taxing authorities may by ordinance or resolution provide for the following:

3 (i) An exemption for the sale of prescription drugs administered as provided  
4 for in Subparagraph (b) of this Paragraph, or an exemption for the procurement and  
5 administration of chemotherapy drugs used exclusively by the patient in his medical  
6 treatment if administered exclusively to the patient by a physician, nurse, or other  
7 health care professional in a physician's office where patients are not regularly kept  
8 as bed patients for twenty-four hours or more.

9 (ii) An amnesty for any person who may have been responsible to impose,  
10 collect, and/or remit the tax previously imposed on the transactions provided for in  
11 Subparagraph (b) and (c) of this Paragraph prior to the time such exemption and/or  
12 amnesty is granted according to such reasonable terms and conditions as the  
13 respective school boards, municipalities and other local taxing authorities may adopt.

14 (6) The exemptions from the state sales and use tax provided in this  
15 Subsection in existence as of the effective date of Act 205 of 1978\* shall be  
16 applicable to any sales and use tax levied by any local governmental subdivision or  
17 school board except as otherwise specifically provided in this Subsection. Without  
18 determining the validity of any exemptions placed in this Subsection subsequent to  
19 the effective date of Act 205 of 1978, all Acts after the 1991 Regular Session placing  
20 an exemption in this Subsection which is applicable to a political subdivision must,  
21 to be effective, specifically provide in the title and body of the bill that it is  
22 applicable to a political subdivision. The exemptions provided in R.S.  
23 47:305(D)(1)(t) are hereby deemed to specifically comply with Act 205 of 1978.

24 E. It is not the intention of any taxing authority to levy a tax upon articles of  
25 tangible personal property imported into this state, or produced or manufactured in  
26 this state, for export; nor is it the intention of any taxing authority to levy a tax on  
27 bona fide interstate commerce; however, nothing herein shall prevent the collection  
28 of the taxes due on sales of tangible personal property into this state which are  
29 promoted through the use of catalogs and other means of sales promotion and for

1           which federal legislation or federal jurisprudence enables the enforcement of the  
2           sales tax of a taxing authority upon the conduct of such business. It is, however, the  
3           intention of the taxing authorities to levy a tax on the sale at retail, the use, the  
4           consumption, the distribution, and the storage to be used or consumed in this state,  
5           of tangible personal property after it has come to rest in this state and has become a  
6           part of the mass of property in this state. At such time as federal legislation or  
7           federal jurisprudence as to sales in interstate commerce promoted through the use of  
8           catalogs and other means of sales promotions enables the enforcement of this  
9           Chapter or any other law or local ordinance imposing a sales tax against vendors that  
10          have no other nexus with the taxing jurisdiction, the following provisions shall apply  
11          to such sales on which sales and use tax would not otherwise be collected.

12                   F. The sales, use and lease taxes imposed by taxing authorities shall not  
13          apply to the amounts paid by radio and television broadcasters for the right to exhibit  
14          or broadcast copyrighted material and the use of film, video or audio tapes, records  
15          or any other means supplied by licensors thereof in connection with such exhibition  
16          or broadcast and the sales and use tax shall not apply to licensors or distributors  
17          thereof.

18                   G. The sales, use, and lease taxes imposed by taxing authorities shall not  
19          apply to the purchase or rental by private individuals of machines, parts therefor, and  
20          materials and supplies which a physician has prescribed for home renal dialysis.

21                   H. "Demonstrators" as used in Subsection D of this Section for purposes of  
22          the sales and use tax levied by all taxing authorities shall mean all of the following:

23                           (1) New and used trucks and automobiles for which dealer inventory plates  
24          may be obtained pursuant to R.S. 47:473, and new aircraft titled in the dealer's name  
25          for use as demonstrators which are kept primarily on the dealer's premises during  
26          normal business hours and which are available for demonstration purposes.  
27          However, the occasional use of a demonstrator by authorized personnel of the dealer  
28          shall not disqualify such demonstrator from the exemption herein designated.



1 (2) New boats, vessels, or other water craft, hereafter, "boats," which comply  
2 with all the following:

3 (a) They are registered in a boat, vessel, or water craft dealer's name with the  
4 appropriate agency.

5 (b) They are reported by the dealer to the department as demonstrators and  
6 are clearly identified as demonstrators in the manner required by the department.

7 (c) They are used by those designated by such dealer for any activity which  
8 results in the advertisement, promotion of sales, or demonstration of the qualities of  
9 the boat for the purpose of increasing sales of such boats; provided that such use  
10 does not occur on more than six consecutive days and does not occur on more than  
11 twelve days in any calendar month. The dealer shall keep such logs or other records  
12 of such use as shall be required by the department.

13 (d) They are ultimately sold at retail.

14 ~~I. The sales and use taxes imposed by the state of Louisiana or any of its~~  
15 ~~political subdivisions shall not apply to the labor, or sale of materials, services, and~~  
16 ~~supplies, used for repairing, renovating or converting of any drilling rig, or~~  
17 ~~machinery and equipment which are component parts thereof, which is used~~  
18 ~~exclusively for the exploration or development of minerals outside the territorial~~  
19 ~~limits of the state in Outer Continental Shelf waters. For the purposes of this~~  
20 ~~Subsection, "drilling rig" means any unit or structure, along with its component~~  
21 ~~parts, which is used primarily for drilling, workover, intervention or remediation of~~  
22 ~~wells used for exploration or development of minerals. For purposes of this~~  
23 ~~Subsection, "component parts" means any machinery or equipment necessary for a~~  
24 ~~drilling rig to perform its exclusive function of exploration or development of~~  
25 ~~minerals.~~

26 \* \* \*

1        §305.72. Exclusions and Exemptions; manufacturer's utilities

2                Manufacturer's utilities include the following energy sources when purchased  
3        by a manufacturer with a designation from the Louisiana Workforce Commission as  
4        North American Industrial Classification Code 31 through 33:

5                (1) Electric power or energy, any materials or energy sources used to either  
6        fuel the generation of electric power for resale or used by an industrial  
7        manufacturing plant for self-consumption or cogeneration.

8                (2) Steam.

9                (3) Water, excluding mineral and carbonated water, and any other water  
10       contained in a bottle or other receptacle.

11               (4) Natural gas.

12               (5) All energy sources, including pelletized paper waste, which energy  
13       source is for boiler fuel, by paper or wood products manufacturing facilities, for  
14       steelworks, or for a blast furnace. For purposes of this Paragraph "energy sources"  
15       does not include refinery gas.

16               (7) Purchases of butane and propane for nonresidential purposes

17               (8) Utilities used by steelworks and blast furnaces.

18                               \*       \*       \*

19        §315.6. Sales and use tax rebate; machinery and equipment

20               A. There is hereby established a program for the rebate of state sales and use  
21       taxes paid on the purchase of machinery and equipment by eligible businesses, to be  
22       administered by the secretary of the Department of Revenue. The program is  
23       established as a successor policy to various Louisiana state sales and use tax  
24       exemptions and exclusions for certain machinery and equipment for purposes of  
25       state taxes, which policy was repealed March 30, 2016.

26               B. The following types of business are eligible for the rebate.

27               (1) A person whose principal activity is manufacturing and who is assigned  
28       by the Louisiana Workforce Commission a North American Industrial Classification  
29       System code within the agricultural, forestry, fishing, and hunting Sector 11, the

1 manufacturing Sectors 31 through 33, the information Sector 511110, Sectors 3211  
2 through 3222, and Sector codes 113310, 327213, 3361, and Sector code 423930 as  
3 a recyclable material merchant wholesaler or shredding facility that is engaged in  
4 manufacturing activity.

5 (2) A person whose principal activity is manufacturing and who is not  
6 required to register with the Louisiana Workforce Commission for purposes of  
7 unemployment insurance, but who would be assigned a North American Industrial  
8 Classification System code within the agricultural, forestry, fishing, and hunting  
9 Sector 11, the manufacturing Sectors 31 through 33, the information Sector 511110,  
10 as determined by the Louisiana Department of Revenue from federal income tax  
11 data.

12 (3) A radio station located in Louisiana and owned by a Louisiana resident.

13 (4) A public utility regulated by the City of New Orleans.

14 C. Property eligible for a rebate of state sales and use taxes.

15 (1) The following types of machinery and equipment are eligible for the  
16 rebate:

17 (a) Property that is eligible for depreciation for federal income tax purposes  
18 and that is used as an integral part in the manufacturing of tangible personal property  
19 for sale.

20 (b) Property that is eligible for depreciation for federal income tax purposes  
21 and that is used as an integral part of the production, processing, and storing of food,  
22 fiber, or timber.

23 (c) Computers and software that are an integral part of the machinery and  
24 equipment used directly in the manufacturing process.

25 (d) Machinery and equipment necessary to control pollution at a plant  
26 facility where pollution is produced by the manufacturing operation.

27 (e) Machinery and equipment used to test or measure raw materials, property  
28 undergoing manufacturing, or a finished product, when such test or measurement is  
29 a necessary part of the manufacturing process.

1           (f) Machinery and equipment used by an industrial manufacturing plant to  
2           generate electric power for self consumption or cogeneration.

3           (g) Machinery and equipment used primarily to produce a news publication  
4           whether it is ultimately sold at retail or for resale or at no cost. Such machinery and  
5           equipment shall include but not be limited to all machinery and equipment used  
6           primarily in composing, creating, and other prepress operations, electronic  
7           transmission of pages from prepress to press, pressroom operations, and mailroom  
8           operations and assembly activities. The term "news publication" shall mean any  
9           publication issued daily or regularly at average intervals not exceeding three months,  
10          which contains reports of varied character, such as political, social, cultural, sports,  
11          moral, religious, or subjects of general public interest, and advertising supplements  
12          and any other printed matter ultimately distributed with or as a part of such  
13          publications.

14          (h) Machinery and equipment used or consumed in this state to manufacture,  
15          produce, or extract unblended biodiesel.

16          (2) The following types of machinery and equipment are ineligible for the  
17          rebate:

18          (a) A building and its structural components, unless the building or structural  
19          component is so closely related to the machinery and equipment that it houses or  
20          supports that the building or structural component can be expected to be replaced  
21          when the machinery and equipment are replaced.

22          (b) Heating, ventilation, and air-conditioning systems, unless their  
23          installation is necessary to meet the requirements of the manufacturing process, even  
24          though the system may provide incidental comfort to employees or serve, to an  
25          insubstantial degree, nonproduction activities.

26          (c) Tangible personal property used to transport raw materials or  
27          manufactured goods prior to the beginning of the manufacturing process or after the  
28          manufacturing process is complete.

1           (d) Tangible personal property used to store raw materials or manufactured  
2           goods prior to the beginning of the manufacturing process or after the manufacturing  
3           process is complete.

4           Section 2. R.S. 4:168 and 227, R.S. 40:582.1 through 582.7, R.S. 47:301.1(D),  
5           305.6, 305.7, 305.8, 305.11, 305.13, 305.16, 305.17, 305.18, 305.19, 305.20, 305.25, 305.26,  
6           305.28, 305.33, 305.37, 305.40, 305.41, 305.42, 305.43, 305.44, 305.45, 305.49,  
7           305.50(E)(1), 305.51, 305.52, 305.53, 305.54, 305.57, 305.58, 305.59, 305.60, 305.61,  
8           305.62, 305.63, 305.64, 305.65, 305.66, 305.67, 305.68, 305.69, 305.70, 305.71, 306(A)(2),  
9           306.1, 306.2, 315.1, 315.2, 315.3, 315.5, and 6001 are hereby repealed in their entirety.

10          Section 3. The provisions of this Act shall be applicable for taxable periods  
11          beginning on and after April 1, 2016.

12          Section 4. This Act shall become effective upon signature by the governor or, if not  
13          signed by the governor, upon expiration of the time for bills to become law without signature  
14          by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
15          vetoed by the governor and subsequently approved by the legislature, this Act shall become  
16          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 104 Engrossed                      2016 First Extraordinary Session                      Stokes

**Abstract:** Repeals various exclusions and exemptions from state and local sales and use tax, and increases the rate for the state sales and use tax from 4% to 4.5% until June 30, 2021 and decreases the rate from 4.5% to 3.5% thereafter.

Present 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.

Proposed law increases the tax from 4% to 4.5% beginning April 1, 2016, and then decreases the rate from 4.5% to 3.5% beginning June 30, 2021.

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":  
  
Installation cost for installing tangible personal property if billed separately.

Supply and installation of oil field board roads.

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 "cost price" of the product.

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.

Consumables used in the manufacturing process.

Electric power or energy purchased by a paper or wood products manufacturer.

(2) From the definition of "dealer":

Lessor of railroad rolling stock.

(3) From the definition of "hotel":

Camp facilities, retreat facilities, transient housing for the homeless.

(4) From the definition of "lease or rental":

Classroom equipment and materials used by nonpublic schools.

Equipment used by a contractor for a contract with the U.S. Navy for a vessel overhaul.

Boys State of La., Inc. and Girls State of La., Inc.

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

Crane with an operator.

Pallets used by a manufacturer for packaging.

(5) From the definition of "person":

Transactions by a regionally accredited institution of higher education.

A nonprofit entity that sells donated goods and donates 75% of its revenues to employing and training persons with disabilities or disadvantages.

(6) From the definition of "sale at retail":

Property purchased for resale through a vending machine.

Natural gas used in the production of iron.

Electricity for chlor alkali manufacturing.

Purchase of a school bus by an independent operator, if the bus is new or no more than 5 years old.

Purchases by an organization that buys toys for the purpose of donating them to children.

Alternative substance used as fuel.

Property sold under the provisions of Medicare.

Purchases by food banks.

Purchase and use of property by Boys State of La., Inc. and Girls State of La., Inc.

Telephone directories used for advertising.

Fuel, gas, butane and propane.

Natural gas to be held, used or consumed in providing natural gas storage ("cushion" or "pad" gas).

Funeral directing services.

Pelletized paper waste used as fuel for power generation.

Machinery and equipment used in the production, manufacture, and extraction of unblended biodiesel.

Food for nonpublic school breakfast and lunch programs.

Storm shutter devices.

Pollution control equipment.

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).

(7) From the definition of "sales price":

Funeral directing services.

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 nonprofit 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.

(8) From the definition of "sales of services":

Admissions to camp and retreat facilities.

Funeral directing.

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).

Services utilized by a contractor for a contract with the U.S. Navy for a vessel overhaul.

Admissions to entertainment provided by nonprofit organizations.

Repairs and renovations to drilling rigs and their component parts.

(9) From the definition of "tangible personal property":

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

Custom computer software.

Pharmaceuticals administered to livestock.

Equipment used for digital television conversion.

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

Newspapers.

(10) From the definition of "use":

Free telephone directories used for advertising.

Property sold by a nonpublic school.

Boys State of La., Inc. and Girls State of La., Inc.

Alternative substance use as fuel.

Purchases by an organization that buys toys for the purpose of donating them to children.

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

Exclusion for sales to a private higher education institutions of used textbooks and computer software provided free to students and limit applicability to nonprofit entities.

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).

(11) Other definitions:

Exclusion for "gross proceeds" or "monthly lease or rental price paid" for machinery and equipment used in agricultural manufacturing.

Proposed law changes present law by amending the following exclusions:

- (1) Sunsets on March 30, 2016, the exclusion for the purchase of manufacturing machinery and equipment for the following sectors: manufacturing, agriculture, forestry, fishing, hunting, power generation, recyclable material sales, news publications, radio broadcasting, manufacturers of biodiesel, and specific farm equipment. A new state sales and use tax rebate program is established as a successor to this policy.
- (2) The exclusions for classroom equipment and materials used by nonpublic schools is changed by limiting eligibility to nonprofit schools.
- (3) The exclusion for the purchase of fuel, gas, butane and propane is changed by limiting eligibility to purchases for residential use.
- (4) The exclusion for the purchase of pelletized paper waste used as fuel for power generation is changed by limiting applicability to the taxes imposed by a political subdivision.
- (5) The exclusion for admissions to entertainment provided by nonprofit organizations is retained and merged with an exemption providing for the same tax treatment.

Proposed law repeals the following exclusions:

- (1) Installation cost for installing tangible personal property if billed separately.
- (2) Supply and installation of oil field board roads.
- (3) Specific method for determining pricing relative to the publication of a free news publication.
- (4) Payments made by a manufacturer directly to a dealer of the manufacturer's product for the purpose of reducing the "cost price" of the product.
- (5) Consumables used in the manufacturing process.
- (6) Electric power or energy purchased by a paper or wood products manufacturer.
- (7) Lessor of railroad rolling stock.
- (8) Camp facilities, retreat facilities, transient housing for the homeless.
- (9) Equipment and services used by a contractor for a contract with the U.S. Navy for a vessel overhaul.

- (10) All purchases by Boys State of La., Inc. and Girls State of La., Inc.
- (11) Crane with an operator.
- (12) Pallets used by a manufacturer for packaging.
- (13) Transactions by a regionally accredited institution of higher education.
- (14) A nonprofit entity that sells donated goods and donates 75% of its revenues to employing and training persons with disabilities or disadvantages.
- (15) Property purchased for resale through a vending machine.
- (16) Natural gas used in the production of iron.
- (17) Electricity for chlor alkali manufacturing.
- (18) Purchase of a school bus by an independent operator, if the bus is new or no more than 5 years old.
- (19) Purchases by an organization that buys toys for the purpose of donating them to children.
- (20) Alternative substance used as fuel.
- (21) Property sold under the provisions of Medicare.
- (22) Purchases by food banks
- (23) Purchase and use of property by Boys State of La., Inc. and Girls State of La., Inc.
- (24) Telephone directories used for advertising.
- (25) Fuel, gas, butane and propane.
- (26) Natural gas to be held, used or consumed in providing natural gas storage ("cushion" or "pad" gas).
- (27) Funeral directing services.
- (28) Pelletized paper waste used as fuel for power generation.
- (29) Food for nonpublic school breakfast and lunch programs.
- (30) Storm shutter devices.
- (31) Pollution control equipment.
- (32) Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).
- (33) Property and services 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).
- (34) 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.

- (35) Electric power and natural gas purchased or used by paper or wood products manufacturing facilities.
- (36) Equipment and devices associated with the wireless communication devices and wireless telephone service.
- (37) Admissions to camp and retreat facilities.
- (38) Repairs and renovations to drilling rigs and their component parts.
- (39) Numismatic coins, and platinum, gold, and silver bullion.
- (40) Custom computer software.
- (41) Pharmaceuticals administered to livestock.
- (42) Equipment used for digital television conversion.
- (43) Machinery and equipment used by a motor vehicle manufacturer, glass manufacturer, radio station, or utility company in New Orleans.
- (44) Newspapers.
- (45) Free telephone directories used for advertising.
- (46) Property sold by a nonpublic school.
- (47) Sales to a private higher education institutions of used textbooks and computer software provided free to students and limit applicability to nonprofit entities.
- (48) Property created or derived as a residue or byproduct of certain manufacturing processes.
- (49) Equipment and devices associated with the wireless communication devices and wireless telephone service.
- (50) Exclusion for "gross proceeds" or "monthly lease or rental price paid" for machinery and equipment used in agricultural manufacturing.

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

- (1) Sale of livestock at public sales sponsored by breeders or registry associations or livestock auction.
- (2) Feed and feed additives for sustaining animals for business purposes.
- (3) Materials, supplies, and equipment for production and harvesting of crawfish.
- (3) Materials, supplies, and equipment for production and harvesting of catfish.
- (4) Meals furnished at schools, hospitals, and other institutions.
- (5) Materials, supplies, and services for the repair or conversion of drilling rigs used for exploration and production outside of the territorial limits of the Outer Continental Shelf.
- (6) Purchases by parimutuel racetracks.

- (7) Purchases by off-track wagering facilities.
- (8) Purchases of construction materials for home construction in certain designated areas.
- (9) A \$25,000 per year limit on the sales and use tax imposed on telecommunications services for a telephone call center.
- (10) Admissions to little theater performances.
- (11) Admissions to performances by nonprofit music organizations.
- (12) Pesticides used for agricultural purposes
- (13) Contracts prior to and within 90 days of tax levy.
- (14) Admissions to entertainments furnished by certain domestic non profit corporations.
- (15) Sales or purchases by persons who are blind.
- (16) Cable television installation and repair.
- (17) Income from coin operated laundries.
- (18) Fairs, festivals and expositions sponsored by non profits.
- (19) Leased vessels used in the production of minerals
- (20) Materials, equipment, and supplies for commercial fishermen and seafood facilities.
- (21) Farm equipment.
- (22) New vehicles furnished by dealers for drivers education.
- (23) Gasahol.
- (24) Nonprofit retirement centers.
- (25) Diesel, propane, and other fuels used on a farm.
- (26) Mardi gras speciality items.
- (27) Ducks Unlimited and Bass Life.
- (28) Admissions to performances by nonprofit ballet organizations.
- (29) Organizations dedicated to the preservation of waterfowl and fish.
- (30) Raw materials used in the printing process.
- (31) Per diem or car hire for freight cars and piggyback cars, and rail rolling stock.
- (32) Catalogs.
- (33) Rail rolling stock sold or leased in La.
- (34) Utilities used by steelworks and blast furnaces.

- (35) Custom computer software.
- (36) Sickle cell disease organizations.
- (37) Annual sales tax holiday.
- (38) Hurricane preparedness sales tax holiday.
- (39) Second Amendment sales tax holiday.
- (40) Sales of original artwork.
- (41) Various charitable residential construction organizations..
- (42) Sparta Groundwater Conservation District.
- (43) Commercial farm irrigation equipment.
- (44) Qualifying radiation therapy centers.
- (45) Parish councils on aging.
- (46) Breastfeeding items.
- (47) Fore!Kids Foundation.
- (48) Collections from certain interstate and foreign transportation dealers.

Proposed law repeals these exemptions:

Present law establishes sales and use tax refunds for certain new construction materials, rentals covered by Medicare, and nonprofit charitable organizations which sell donated goods.

Proposed law repeals present law establishing these refunds.

Applicable for 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), (4)(k), (6), (7), (8), (10), (13), (14), (16), (18), and (28), 302(A), (B), and (C), and 305; Adds R.S. 47:305.72 and 315.6; Repeals R.S. 4:168 and 227, R.S. 40:582.1 through 582.7, R.S. 47:301.1(D), 305.6, 305.7, 305.8, 305.11, 305.13, 305.16, 305.17, 305.18, 305.19, 305.20, 305.25, 305.26, 305.28, 305.33, 305.37, 305.40, 305.41, 305.42, 305.43, 305.44, 305.45, 305.49, 305.50(E)(1), 305.51, 305.52, 305.53, 305.54, 305.57, 305.58, 305.59, 305.60, 305.61, 305.62, 305.63, 305.64, 305.65, 305.66, 305.67, 305.68, 305.69, 305.70, 305.71, 306(A)(2), 306.1, 306.2, 315.1, 315.2, 315.3, 315.5, and 6001.)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove provisions contingent upon passage of constitutional amendment.
2. Sunsets (March 30, 2016) the sales and use tax exclusions for certain manufacturing machinery and equipment for the following types of industry:

agriculture, automotive, glass, compression mold processors, producers of unblended biodiesel, radio stations located in La., utilities regulated by the Public Service Commission or the city of New Orleans.

3. Establish a program for sales and use tax rebates for manufacturing machinery and equipment for various industries, including the following: agriculture, automotive, glass, compression mold processors, producers of unblended biodiesel, radio stations located in La., utilities regulated by the Public Service Commission or the city of New Orleans.
4. Limit the exemption for non-residential utilities to manufacturers with a North American Industrial Classification System Code of 31 through 33.
5. Restore present law for the following exclusions and exemptions:
  - a. Exclusions for transactions of a La. owned and based commuter airlines.
  - b. Exclusions for transactions of a free hospital.
  - c. Definition of cost of refinery gas.
  - d. Exclusion for consumables used in the manufacturing process.
  - e. Exclusions for transactions of a private K-12 schools, and limits the exclusion to nonprofit schools.
  - f. Exclusion for the purchase of pelletized paper waste for use as an energy source, and limit it to taxes imposed by a political subdivision.
  - g. Exclusion for transactions of a volunteer fire department.
  - h. Definition for point of sale with regard to purchase of a motor vehicle.
  - i. Exclusion for the lease or loan of a motor vehicle by a dealership to a customer while their car is repaired.
  - j. Exclusion for leases and rentals made under the provisions of Medicare.
  - k. Exclusion for leases machinery and equipment used to manufacture, produce, or extract unblended biodiesel.
  - l. Exclusion and definitions related to the sale or other disposition of cellular phones and accessories.
  - m. Exclusion for sales of fuel or gas, including butane or propane, and limits it to purchases for residential use.
  - n. Exclusion for sales to a private higher education institutions of used textbooks and computer software provided free to students and limit applicability to nonprofit entities.
  - o. Exclusion for sales or tangible personal property by the La. Military Dept. which occur on property owned by the Military Dept.
  - p. Exclusion for membership fees or dues to nonprofit civic organizations, and combines this with the exemption in R.S. 47:305.13 relative to admissions to entertainment offered by nonprofit organizations.

- q. Definition concerning the sales tax on telecommunication services.
  - r. Exclusion for the sales of repair services on property to be exported from the state, as well as certain property in Calcasieu Parish.
  - s. Definition concerning the taxable nature of prepaid calling services.
  - t. Purchase of fuel or gas by a person, including butane and propane, and limit applicability to residential use.
  - u. Exclusion for materials used by nonprofit blood banks and blood collection centers.
  - v. Exclusion for property permanently attached to the ground, which is treated as immovable property.
  - w. Exclusions relative to the definition of "use", regarding donations to schools, higher education institutions, and food banks, and the storage of automobiles.
  - x. Exemption for the sale of livestock, and other farm products direct from the farm.
  - y. Exemption for the sale of livestock, and other farm products used by the farmer.
  - z. Definition concerning the "cost price" of a motor vehicle returned to the dealer's inventory.
  - aa. Exemption for amounts paid by radio and television broadcasters for the right to exhibit or broadcast copyrighted material.
  - bb. Exclusion for machinery and equipment of motor vehicle and glass manufacturers, radio stations, and utilities in New Orleans.
  - cc. Exclusion for property created or derived as a byproduct or residue.
5. Add new exemptions:
- a. Exemption for manufacturer's utilities.
  - b. Program for rebate of state sales and use tax paid by certain manufacturers on qualifying machinery and equipment.
6. Repeal the following exclusions and exemption:
- a. Exclusion for cost of installing tangible personal property.
  - b. Exclusion for the purchase of electricity and natural gas by wood and paper manufacturers.
  - c. Exclusion for purchase and use of property by Boys State of La., Inc. and Girls State of La., Inc.
  - d. Exclusion for "gross proceeds" or "monthly lease or rental price paid" for machinery and equipment used in agricultural manufacturing.