

2016 First Extraordinary Session

SENATE BILL NO. 25

BY SENATOR CORTEZ

FUNDS/FUNDING. Sunsets all sales and use tax exemptions other than those that are constitutionally protected. (Item #36)(7/1/17)

1 AN ACT

2 To enact R.S. 47:319, relative to state sales and use tax; to provide for a sunset date for sales  
3 and use tax exemptions and exclusions; to retain those exemptions and exclusions  
4 provided for in the Louisiana Constitution and in federal law; to provide for  
5 exemptions for purchases by state and local governments and purchases for resale;  
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:319 is hereby enacted to read as follows:

9 **§319. Sunset of exclusions and exemptions**

10 **A. Notwithstanding any other provision of law to the contrary, including**  
11 **but not limited to any contrary provision of this Subtitle, beginning on July 1,**  
12 **2017, there shall be no exemption or exclusion to the tax levied pursuant to the**  
13 **provisions of this Chapter, Chapters 2-A and 2-B of this Subtitle, and R.S.**  
14 **51:1286, except as specifically provided in this Section:**

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

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

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

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

7                   (5) Prescription drugs, as provided in Article VII, Section 2.2 of the  
8                   Constitution of Louisiana.

9                   (6) Purchases of gasoline, diesel fuel, or special fuels which are subject  
10                  to excise tax under Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised  
11                  Statutes of 1950, as provided in Article VII, Section 27 of the Constitution of  
12                  Louisiana.

13                  (7) Sales to the United States government and its agencies, as provided  
14                  in R.S. 301(10)(g).

15                  (8) Property purchased for exclusive use outside the state, as provided  
16                  in R.S. 47:305.10.

17                  (9) Any sale or purchase for which the imposition of state sales and use  
18                  tax is prohibited under the federal law.

19                  (10) Purchases by state and local governments as provided in R.S.  
20                  47:301(8)(c).

21                  (11) Purchases of tangible personal property and services for resale as  
22                  provided in R.S. 47:301(10)(a).

23                  B. The provisions of Subsection A of this Section shall supercede and  
24                  control to the extent of conflict with any other provision of law.

25                  Section 2. This Act shall become effective on July 1, 2017.

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The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

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## DIGEST

SB 25 Engrossed

2016 First Extraordinary Session

Cortez

Present law provides for over 190 exclusions and exemptions to the state sales and use tax.

Proposed law sunsets all sales and use tax exemptions and exclusions other than the following:

- (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through (r) on January 1, 2003, as provided in Art. VII, §2.2 of the constitution.
- (2) Natural gas, as provided in Art. VII, §2.2 of the constitution.
- (3) Electricity, as provided in Art. VII, §2.2 of the constitution.
- (4) Water, as provided in Art. VII, §2.2 of the constitution.
- (5) Prescription drugs, as provided in Art. VII, §2.2 of the constitution.
- (6) Purchases of gasoline, diesel fuel, or special fuels which are subject to excise tax under Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as provided in Art. VII, §27 of the constitution.
- (7) Sales to the United States government and its agencies, as provided in R.S. 301(10)(g).
- (8) Property purchased for exclusive use outside the state, as provided in R.S. 47:305.10.
- (9) Any sale or purchase for which the imposition of state sales and use tax is prohibited under the federal law.
- (10) Purchases by state and local governments as provided in R.S. 47:301(8)(c).
- (11) Purchases of tangible personal property and services for resale as provided in R.S. 47:301(10)(a).

Proposed law supercedes and controls to the extent of conflict with any other provision of law.

Effective July 1, 2017.

(Adds R.S. 47:319)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Clarifies the exemption for purchases of gasoline, diesel fuel, or special fuels.
2. Adds exemptions for purchases by state and local governments and purchases of tangible personal property and services for resale.