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 DIGEST

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SB 22 Reengrossed

2016 First Extraordinary Session

Morrell

Present law provides an exemption from state and local sales and use tax for sales at the following types of facilities:

- (1) A domed stadium facility owned by the state with a seating capacity of at least 70,000.
- (2) A domed arena facility owned by a political subdivision located in a parish with a population of between 185,000 and 250,000.
- (3) An open baseball facility owned by the state.
- (4) A publicly-owned facility, if the local taxing authority first authorizes the exemption.

Present law provides that the only taxable sales at these facilities are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law changes present law by removing the 250,000 upper limit on parish population size for purposes of the exemption for a domed arena facility owned by a political subdivision.

Proposed law changes present law by narrowing the exemptions from sales and use taxes at these facilities to include only:

- (1) Admission tickets to athletic contests or any large scale bid-upon event, wherever sold.
- (2) Any sale, service, or other transaction, including the sale of parking, occurring in such facility in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) 50% of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests or any large scale bid-upon events, wherever sold.
- (5) Tours of the facility.

Proposed law provides that these exemptions will apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to the facility to which the exemptions apply.

Proposed law establishes an allocation of state monies to the Louisiana School of Math, Science, and the Arts and the New Orleans Center for Creative Arts, in an amount equal to 30% of state sales and use tax revenues collected under the one cent state sales and use tax, which revenues are derived from the newly taxable sales at the public facilities described above. The allocation does not include sales and use tax applicable to sales at trade shows or other events at which the sale of such goods or property is the primary purpose of the show or event. The allocation is subject to legislative appropriation.

Proposed law establishes the following allocations of local sales and use taxes imposed by political subdivisions in which certain facilities are located, and excludes sales and use tax applicable to sales at trade shows or other events at which the sale of such goods or property is the primary purpose of the show or event:

- (1) The avails of the sales and use taxes imposed in Orleans Parish by any political subdivision which are attributable to sales in a state owned domed stadium with a seating capacity in excess of 70,000, to be distributed to the New Orleans Council on Aging.
- (2) The avails of the sales and use taxes imposed in Orleans Parish by any political subdivision which are attributable to sales at the UNO Lakefront Arena, to be distributed to the University of New Orleans.
- (3) The avails of the sales and use taxes imposed in Tangipahoa Parish by any political subdivision which are attributable to sales in a public arena located on the property of Southeastern Louisiana University, to be distributed to Southeastern Louisiana University.

Proposed law provides legislative intent that the following activities will not be subject to the imposition of sales, use, amusement, or other taxes levied by the state or any local taxing authority:

- (1) Sales of admission tickets and parking for intercollegiate athletic events sponsored or promoted by La.-based colleges or universities and nonprofit corporations affiliated with them.
- (2) Sales of admission tickets and parking for high school athletic events sponsored or promoted by La. high schools.
- (3) Sales of admission tickets and parking for youth sport events sponsored or promoted by La. based youth sports leagues and associations.
- (4) Sales of admission tickets and parking for events sponsored by La.-based civic, educational, historical, charitable, fraternal, or religious organizations that are nonprofit organizations.

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

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

(Amends R.S. 39:467 and 468; adds R.S. 39:470 and 470.1)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

- (1) Makes technical changes.
- (2) Changes the exemptions from state and local sales and use tax at certain facilities.
- (3) Applies exemptions to any event held in conjunction with certain events or adjacent to the facility to which exemptions apply.
- (4) Provides legislative intent for exemptions for certain La. college, high school, and nonprofit events.

Summary of Amendments Adopted by House

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

1. Eliminate the upper limit on population size for the exemption for a domed arena facility owned by a political subdivision.

2. Add tours of the facility to the list of exemptions from sales and use tax imposed on sales at these facilities..
3. Establish a dedication of local sales and use tax revenues, excluding sales and use tax applicable to sales at trade shows or other events at which the sale of such goods or property is the primary purpose of the show or event, as follows:
  - (a) From revenue derived from sales in Orleans Parish on sales made in a state owned domed stadium with a seating capacity in excess of 70,000, to be distributed to the New Orleans Council on Aging.
  - (b) From revenue derived from sales in Orleans Parish on sales made in at the UNO Lakefront Arena, to be distributed to the University of New Orleans.
  - (b) From revenue derived from sales in Tangipahoa Parish on sales made at a public arena located on the property of Southeastern Louisiana University, to be distributed to Southeastern Louisiana University.