

ACT No. 25

2016 First Extraordinary Session

HOUSE BILL NO. 61

BY REPRESENTATIVE JAY MORRIS

1 AN ACT

2 To amend and reenact R.S. 22:270 and R.S. 47:301(7)(h) and (14)(b)(i) and 331(P) and (Q),
3 to enact R.S. 47:302 (V) ,(W), and (X), 321(L), (M), (N), and (O), and 331(S), (T),
4 and (U), and to repeal Section 4 of Act No. 386 of 1990, relative to state sales and
5 use taxes; to provide with respect to the applicability of certain exclusions and
6 exemptions from the state sales and use tax base; to provide for effectiveness; to
7 provide for health maintenance organizations; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:301(7)(h) and (14)(b)(i), and 331(P) and (Q) are hereby amended
10 and reenacted and R.S. 47:302 (V), (W), and (X), 321(L), (M), (N), and (O), and 331(S), (T),
11 and (U) are hereby enacted to read as follows:

12 §301. Definitions

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

16 * * *

17 (7)

18 * * *

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)~~ R.S. 32:1252(35), or

1 vehicle manufacturers, as defined in ~~R.S. 32:1252(11)~~ R.S. 32:1252(24), for their use
 2 in furnishing such leased or rented motor vehicles to their customers in performance
 3 of their obligations under warranty agreements associated with the purchase of a
 4 motor vehicle or when the applicable warranty has lapsed and the leased or rented
 5 motor vehicle is provided to the customer at no charge.

6 * * *

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

8 * * *

9 (b)(i) (aa) The sale of admissions to places of amusement, to athletic
 10 entertainment other than that of schools, colleges, and universities, and
 11 recreational events, and the furnishing, for dues, fees, or other consideration of the
 12 privilege of access to clubs or the privilege of having access to or the use of
 13 amusement, entertainment, athletic, or recreational facilities, ~~but~~

14 (bb) ~~The~~ the term "sales of services" shall not include membership fees
 15 or dues of nonprofit, civic organizations, including by way of illustration and not
 16 of limitation the Young Men's Christian Association, the Catholic Youth
 17 Organization, and the Young Women's Christian Association.

18 * * *

19 §302. Imposition of tax

20 * * *

21 V. Notwithstanding any other provision of law to the contrary, including
 22 but not limited to any contrary provisions of this Chapter, for the period April 1,
 23 2016 through July 1, 2018, the following exclusions and exemptions to the tax
 24 levied pursuant to the provisions of this Section shall be the exclusive list of
 25 allowable exemptions and exclusions.

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

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

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

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

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

7 (6) Gasoline and other motor fuels subject to the state excise tax on fuel.

8 (7) Sales to the United States government and its agencies, as provided
9 in R.S. 47:301(10)(g).

10 (8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)
11 and 305(A)(3).

12 (9) Lease or rentals of railroad rolling stock as provided in R.S.
13 47:301(4)(k), piggyback trailers as provided in R.S. 47:305.45, and certain trucks
14 and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B).

15 (10) Tangible personal property for resale as provided in R.S.
16 47:301(10)(a)(i).

17 (11) Feed and feed additives for animals held for business purposes as
18 provided in R.S. 47:305(A)(4).

19 (12) Farm products produced and used by farmers as provided in R.S.
20 47:305(B).

21 (13) Sales of fertilizers and containers to farmers as provided in R.S.
22 47:305(D)(1)(f).

23 (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.

24 (15) Sales of pesticides for agricultural purposes as provided in R.S.
25 47:305.8.

26 (16) Purchases, use, and lease of manufacturing machinery and equipment
27 as provided in R.S. 47:301(3)(i)(i), (13)(k) and (28)(a).

28 (17) Sales of materials for further processing as provided in R.S.
29 47:301(10)(c)(i)(aa).

1 (18) Sale of 50-ton vessels and new component parts and sales of certain
2 materials and services to vessels operating in interstate commerce as provided in
3 R.S. 47:305.1 (A) and (B).

4 (19) Louisiana Tax Free Shopping Program for international visitors as
5 provided in R.S. 51:1301.

6 (20) Sales of farm equipment used in poultry production as provided in
7 R.S. 47:301(13)(c).

8 (21) Sales of pharmaceuticals administered to livestock for agricultural
9 purposes as provided in R.S. 47:301(16)(f).

10 (22) Sales of livestock, poultry and other farm products and sales at public
11 livestock auctions as provided in R.S. 47:305(A)(1) and (2).

12 (23) Materials used in the production of crawfish and catfish as provided
13 in R.S. 47:305(A)(5) and (6).

14 (24) First fifty thousand dollars of farm equipment purchases as provided
15 in R.S. 47:305.25.

16 (25) Fuel used on the farm as provided in R.S. 47:305.37.

17 (26) Taxation of electrical cooperatives as provided in R.S. 12:425.

18 (27) Overhaul of naval vessels as provided in R.S. 47:301(7)(c) and
19 (14)(h).

20 (28) Purchases by state and local governments as provided in R.S.
21 47:301(8)(c).

22 (29) Transactions in interstate commerce and tangible personal property
23 imported into this state, or produced or manufactured in this state, for export as
24 provided in R.S. 47:305(E).

25 (30) Parish councils on aging in R.S. 47:305.66.

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

28 (32) A factory built home as provided in R.S. 47:301(16)(g).

29 W. The provisions of Subsection V of this Section shall supercede and
30 control to the extent of conflict with any other provision of law.

1 X. Notwithstanding the provisions of Subsection V of this Section, no
2 amount of additional revenue shall be remitted to any tax increment financing
3 district.

4 * * *

5 §321. Imposition of tax

6 * * *

7 L. Notwithstanding any other provision of law to the contrary, including
8 but not limited to any contrary provisions of this Chapter, for the period April 1,
9 2016 through July 1, 2016, the following exclusions and exemptions to the tax
10 levied pursuant to the provisions of this Section shall be the exclusive list of
11 allowable exemptions and exclusions.

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

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

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

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

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

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

25 (7) Sales to the United States government and its agencies, as provided
26 in R.S. 47:301(10)(g).

27 (8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)
28 and 305(A)(3).

1 (9) Lease or rentals of railroad rolling stock as provided in R.S.
2 47:301(4)(k), piggyback trailers as provided in R.S. 47:305.45, and certain trucks
3 and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B).

4 (10) Tangible personal property for resale as provided in R.S.
5 47:301(10)(a)(i).

6 (11) Feed and feed additives for animals held for business purposes as
7 provided in R.S. 47:305(A)(4).

8 (12) Farm products produced and used by farmers as provided in R.S.
9 47:305(B).

10 (13) Sales of fertilizers and containers to farmers as provided in R.S.
11 47:305(D)(1)(f).

12 (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.

13 (15) Sales of pesticides for agricultural purposes as provided in R.S.
14 47:305.8.

15 (16) Sales of materials for further processing as provided in R.S.
16 47:301(10)(c)(i)(aa).

17 (17) Sale of 50-ton vessels and new component parts and sales of certain
18 materials and services to vessels operating in interstate commerce as provided in
19 R.S. 47:305.1 (A) and (B).

20 (18) Louisiana Tax Free Shopping Program for international visitors as
21 provided in R.S. 51:1301.

22 (19) Sales of farm equipment used in poultry production as provided in
23 R.S. 47:301(13)(c).

24 (20) Sales of pharmaceuticals administered to livestock for agricultural
25 purposes as provided in R.S. 47:301(16)(f).

26 (21) Sales of livestock, poultry and other farm products and sales at public
27 livestock auctions as provided in R.S. 47:305(A)(1) and (2).

28 (22) Materials used in the production of crawfish and catfish as provided
29 in R.S. 47:305(A)(5) and (6).

1 (23) First fifty thousand dollars of farm equipment purchases as provided
2 in R.S. 47:305.25.

3 (24) Fuel used on the farm as provided in R.S. 47:305.37.

4 (25) Taxation of electrical cooperatives as provided in R.S. 12:425.

5 (26) Overhaul of naval vessels as provided in R.S. 47:301(7)(c) and
6 (14)(h).

7 (27) Purchases by state and local governments as provided in R.S.
8 47:301(8)(c).

9 (28) Transactions in interstate commerce and tangible personal property
10 imported into this state, or produced or manufactured in this state, for export as
11 provided in R.S. 47:305(E).

12 (29) Parish councils on aging in R.S. 47:305.66.

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

15 (31) A factory built home as provided in R.S. 47:301(16)(g).

16 M. The provisions of Subsection L of this Section shall supercede and
17 control to the extent of conflict with any other provision of law.

18 N. Notwithstanding the provisions of Subsection L of this Section, no
19 amount of additional revenue shall be remitted to any tax increment financing
20 district.

21 O. Notwithstanding Subsections L and M of this Section, purchases,
22 use, and lease of manufacturing machinery and equipment as provided in R.S.
23 47:301(3)(i)(i), (13)(k), and (28)(a) shall be subject to the tax levied in this
24 Section beginning April 1, 2016, through June 30, 2018.

25 * * *

1 §331. Imposition of tax

2 * * *

3 P.(1) ~~Notwithstanding any other provision of law to the contrary, except~~
4 ~~as provided in Paragraph (2) of this Subsection, for the period July 1, 2004~~
5 ~~through June 30, 2009, the exemptions to the tax levied by this Section, except for~~
6 ~~the exemptions provided in R.S. 39:467 and 468, R.S. 47:305(A)(1), (B),~~
7 ~~(D)(1)(f), (j), (k), (l), (m), (s), and (t), and (G), 305.1, 305.2, 305.3, 305.8, 305.10,~~
8 ~~305.14, 305.15, 305.20, 305.25(A)(1) and (2), 305.37, 305.38, 305.46, 305.50, and~~
9 ~~305.51, and R.S. 51:1787, shall be inapplicable, inoperable, and of no effect.~~

10 (2) ~~For the period July 1, 2004, through December 31, 2005~~April 1, 2019,
11 the exemptions to the tax levied by this Section for sales of steam, water, electric
12 power, or energy, and natural gas shall be inapplicable, inoperable, and of no
13 effect as to ~~eighty percent~~ of the tax levied by this Section. ~~Except as provided for~~
14 ~~in Subsection R of this Section, for the period January 1, 2006, through June 30,~~
15 ~~2009, the exemptions to the tax levied by this Section for sales of electric power~~
16 ~~or energy and natural gas shall be inapplicable, inoperable, and of no effect as to~~
17 ~~thirty percent of the tax levied by this Section. For the period January 1, 2006,~~
18 ~~through June 30, 2009, the exemptions to the tax levied by this Section for sales~~
19 ~~of steam and water shall be inapplicable, inoperable, and of no effect as to eighty~~
20 ~~percent of the tax levied by this Section.~~

21 * * *

22 Q. Notwithstanding any other provision of the law to the contrary and
23 specifically notwithstanding any provision enacted during the 2004 First
24 Extraordinary Session which makes any sales and use tax exemption inapplicable,
25 inoperable, and of no effect, the exemption provided in R.S. 47:305.51 shall be
26 applicable, operable, and effective for all taxable periods beginning on or after
27 July 1, 2007 through March 31, 2016, and for all taxable periods on and after
28 April 1, 2019.

29 * * *

1 S. Notwithstanding any other provision of law to the contrary, including
2 but not limited to any contrary provisions of this Chapter, for the period April 1,
3 2016 through July 1, 2016, the following exclusions and exemptions to the tax
4 levied pursuant to the provisions of this Section shall be the exclusive list of
5 allowable exemptions and exclusions.

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

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

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

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

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

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

19 (7) Sales to the United States government and its agencies, as provided
20 in R.S. 47:301(10)(g).

21 (8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)
22 and 305(A)(3).

23 (9) Lease or rentals of railroad rolling stock as provided in R.S.
24 47:301(4)(k), piggyback trailers as provided in R.S. 47:305.45, and certain trucks
25 and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B).

26 (10) Tangible personal property for resale as provided in R.S.
27 47:301(10)(a)(i).

28 (11) Feed and feed additives for animals held for business purposes as
29 provided in R.S. 47:305(A)(4).

1 (12) Farm products produced and used by farmers as provided in R.S.
2 47:305(B).

3 (13) Sales of fertilizers and containers to farmers as provided in R.S.
4 47:305(D)(1)(f).

5 (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.

6 (15) Sales of pesticides for agricultural purposes as provided in R.S.
7 47:305.8.

8 (16) Purchases, use, and lease of manufacturing machinery and equipment
9 as provided in R.S. 47:301(3)(i)(i), (13)(k) and (28)(a).

10 (17) Sales of materials for further processing as provided in R.S.
11 47:301(10)(c)(i)(aa).

12 (18) Sale of 50-ton vessels and new component parts and sales of certain
13 materials and services to vessels operating in interstate commerce as provided in
14 R.S. 47:305.1 (A) and (B).

15 (19) Louisiana Tax Free Shopping Program for international visitors as
16 provided in R.S. 51:1301.

17 (20) Sales of farm equipment used in poultry production as provided in
18 R.S. 47:301(13)(c).

19 (21) Sales of pharmaceuticals administered to livestock for agricultural
20 purposes as provided in R.S. 47:301(16)(f).

21 (22) Sales of livestock, poultry and other farm products and sales at public
22 livestock auctions as provided in R.S. 47:305(A)(1) and (2).

23 (23) Materials used in the production of crawfish and catfish as provided
24 in R.S. 47:305(A)(5) and (6).

25 (24) First fifty thousand dollars of farm equipment purchases as provided
26 in R.S. 47:305.25.

27 (25) Fuel used on the farm as provided in R.S. 47:305.37.

28 (26) Taxation of electrical cooperatives as provided in R.S. 12:425.

29 (27) Overhaul of naval vessels as provided in R.S. 47:301(7)(c) and
30 (14)(h).

1 (28) Purchases by state and local governments as provided in R.S.
2 47:301(8)(c).

3 (29) Transactions in interstate commerce and tangible personal property
4 imported into this state, or produced or manufactured in this state, for export as
5 provided in R.S. 47:305(E).

6 (30) Parish councils on aging in R.S. 47:305.66.

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

9 (32) A factory built home as provided in R.S. 47:301(16)(g).

10 T. The provisions of Subsection S of this Section shall supercede and
11 control to the extent of conflict with any other provision of law.

12 U. Notwithstanding the provisions of Subsection (S) of this Section, no
13 amount of additional revenue shall be remitted to any tax increment financing
14 district.

15 Section 2. R.S. 22:270 is hereby amended and reenacted to read as follows:

16 §270. Taxes and tax base

17 A. (1) In lieu of the state income tax and the corporate franchise tax levied
18 in Title 47 of the Louisiana Revised Statutes of 1950, every health maintenance
19 organization authorized and certified to engage in the business of issuing contracts
20 or other evidences or similar forms of coverage to enrollees for health care
21 services or prepaid medical services in this state, including Louisiana partnerships
22 authorized under R.S. 22:244(B), shall pay an annual license tax on the gross
23 amount of its receipts from contracts and other evidences of coverage at the same
24 rate as the license tax on life insurance companies provided in R.S. 22:842 and
25 R.S. 22:844.

26 (2) Except that the rate for health maintenance organizations with
27 enrollment in coverage in the individual market in Louisiana greater than fifty-
28 five thousand individuals as of December 31, 2015 shall be six hundred dollars
29 for every ten thousand dollars of gross annual premiums collected. For purposes
30 of this Paragraph, "individual market" means the market for health coverage

offered to individuals other than in connection with a group plan. The
Commissioner of Insurance, in consultation with the Secretary of the Department
of Health and Hospitals, shall have the authority, by rule-making pursuant to the
Administrative Procedure Act, to prescribe rules in order to implement this
provision or to meet the requirements of federal law or regulations, obtain
approval from the Centers for Medicare and Medicaid Services, or to ensure
federal financial participation. The commissioner shall not adjust the enrollment
numbers described in this Paragraph. This Paragraph shall become effective
upon the issuance of any required approval by the Centers for Medicare and
Medicaid Services, if approval is not received the rate for health maintenance
organizations with enrollment in coverage in the individual market in Louisiana
greater than fifty-five thousand individuals in effect before the effective date of
the Act creating this Paragraph shall apply.

* * *

Section 3. Section 4 of Act No. 386 of the 1990 Regular Session of the
 Legislature is hereby repealed in its entirety.

Section 4. The provisions of this Act shall become effective on April 1, 2016.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____