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## DIGEST

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HB 4 Original

2016 Second Extraordinary Session

Jay Morris

**Abstract:** Adds various exemptions and exclusions to the list of state sales and use tax exemptions and exclusions to be given effect beginning July 1, 2016.

Present law establishes a variety of state sales and use tax exclusions and exemptions.

Present law suspends numerous exemptions and exclusions from the state sales and use tax (R.S. 47:302, 321, 321.1, and 331) for two different periods of time, both occurring between April 1, 2016, and June 30, 2018.

Present law provides that the suspension of the following exemptions and exclusions for purposes of two of the tax levies, R.S. 47:321 and 331, expires June 30, 2016. The suspension with respect to the other two tax levies, R.S. 47:302 and 321.1 remains effective through June 30, 2018.

Proposed law changes present law for purposes of exemptions and exclusions to the state sales and use taxes imposed under R.S. 47:302, beginning July 1, 2016, by adding the following exemptions and exclusions to the list of exemptions and exclusions that remain in effect through June 30, 2018:

- (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization.
- (2) Sales of room rentals by a homeless shelter.
- (3) Sales by a nonprofit entity which sells donated goods.
- (4) Isolated or occasional sales by a person not engaged in such business.
- (5) Sales of human tissue transplants.
- (6) Sales of food items by a youth-serving organization chartered by the U. S. Congress.
- (7) Sales to a food bank or use of tangible personal property donated to a food bank.
- (8) Sales or purchases of fire-fighting equipment by a volunteer fire department.
- (9) Sales of tangible personal property and services to a free hospital.
- (10) Sales, leases, or rentals of educational materials and equipment to a parochial and private

elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.

- (11) Sales and use of tangible personal property sold by a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (12) Sales, leases, or rentals of tangible personal property to Boys State of La., Inc., and Girls State of La., Inc.
- (13) Sales of admissions to athletic and entertainment events held for or by an elementary or secondary school.
- (14) Sales of memberships by and dues paid to a nonprofit civic organization.
- (15) Sales or use of materials used in the collection of blood.
- (16) Sales or use of apheresis kits and leuko reduction filters.
- (17) Sales or use of orthotic devices, prosthetic devices, and wheelchairs.
- (18) Sales or use of ostomy, colostomy, and ileostomy devices and other equipment.
- (19) Sales or use of adaptive driving equipment and motor vehicle modifications.
- (20) Sales of meals by an educational institution, medical facility, or other institution.
- (21) Sales, use, or leases of materials, supplies, and machines by a private individual for home renal dialysis.
- (22) Sales of admissions to entertainment events by a Little Theater organization.
- (23) Sales of admissions to musical performances by a nonprofit organization.
- (24) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable, religious, or educational organization.
- (25) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization.
- (26) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization.
- (27) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of vessels by licensed commercial fishermen.

- (28) Sales or use of butane, propane, or other liquefied petroleum gases for private, residential consumption.

Present law imposes a 1% temporary state sales and use tax (R.S. 47:321.1) for the period from April 1, 2016, through June 30, 2018. The following exemptions and exclusions from state sales and use tax are not applicable for purposes of the new tax.

Proposed law changes present law for purposes of exemptions and exclusions to the 1% temporary state sales and use tax imposed under R.S. 47:321.1 by adding the foregoing exclusions and exemptions to the list of state sales and use tax exemptions and exclusions to be given effect beginning July 1, 2016:

- (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization.
- (2) Sales of room rental by a homeless shelter.
- (3) Sales or purchases of fire-fighting equipment by a volunteer fire department.
- (4) Sales, leases, or rentals of educational materials and equipment to a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (5) Sales and use of tangible personal property sold by a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (6) Sales, leases, or rentals of tangible personal property to Boys State of La., Inc., and Girls State of La., Inc.
- (7) Sales of admissions to athletic and entertainment events for or by an elementary or secondary school.
- (8) Sales of memberships by and dues paid to a nonprofit civic organization.
- (9) Sales or use of orthotic devices, prosthetic devices, and wheelchairs.
- (10) Sales or use of ostomy, colostomy, and ileostomy devices and other equipment.
- (11) Sales or use of adaptive driving equipment and motor vehicle modifications.
- (12) Sales of meals by an educational institution, medical facility, or other institution.
- (13) Sales, use, or leases of materials, supplies, and machines by a private individual for home renal dialysis.

- (14) Sales of admissions to entertainment events by a Little Theater organization.
- (15) Sales of admissions to musical performances by a nonprofit organization.
- (16) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable, religious, or educational organization.
- (17) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization.
- (18) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization.
- (19) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of vessels by licensed commercial fishermen.
- (20) Sales or use of butane, propane, or other liquefied petroleum gases for private, residential consumption.

Effective July 1, 2016.

(Amends R.S. 47:302(V)(intro. para.) as enacted by Act No. 25 of the 2016 1<sup>st</sup> E.S. and R.S. 47:321.1(F)(intro.para.); Adds R.S. 47:302(AA) and 321.1(F)(66))