

2016 Second Extraordinary Session

HOUSE BILL NO. 53

BY REPRESENTATIVE ABRAMSON

TAX: Provides with respect to sales of certain services and tangible personal property at certain publicly owned facilities (Item #35)

1 AN ACT

2 To amend and reenact R.S. 39:467 and 468, relative to sales of certain services and tangible
3 personal property at certain facilities owned by the state or a political subdivision;
4 to impose a local public entertainment facility access charge; to provide for the
5 collection and use of certain state and local revenues; to provide for exemptions from
6 certain taxes and charges; to provide for effectiveness; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:467 and 468 are hereby amended and reenacted to read as
10 follows:

11 CHAPTER 3-G. ~~TAX EXEMPTIONS~~, PUBLICLY-OWNED
12 FACILITIES, SALES OF SERVICES AND PROPERTY; ACCESS CHARGE; SALES
13 AND USE TAX; EXEMPTIONS

14 §467. ~~Tax exemption~~, Sales of services and tangible personal property at a publicly
15 owned domed stadium facilities; facility or baseball facilities facility; local
16 public entertainment facility access charge; sales and use tax; exemptions

17 A. Definitions. For purposes of this Chapter the following terms and phrases
18 shall have the following meanings:

19 (1) "Event" means any event, activity, or enterprise, excluding a trade show.

1 (2) "Locally owned domed facility" means a domed arena facility and
2 adjacent and connected facilities which are under the jurisdiction of any political
3 subdivision or any commission of such political subdivision if the domed arena
4 facility on such property has a seating capacity of at least twelve thousand five
5 hundred and is located within a parish with a population of more than one hundred
6 eighty-five thousand according to the most recent federal decennial census, or the
7 publicly owned property on which the facilities are located.

8 (3) "Sales" means sales of taxable services and tangible personal property
9 at an event at a locally owned domed facility, a state owned domed facility or
10 baseball facility, or any other facility owned and operated by or for the state, or any
11 of its agencies, boards, or commissions, or by any political subdivision or on the
12 publicly owned property on which the facility is located.

13 (4) "State owned domed facility or baseball facility" means a public facility
14 or site that is owned and operated by or for the state, or any of its agencies, boards,
15 or commissions and is located within a body politic and corporate and political
16 subdivision of the state composed of more than one parish and that meets either of
17 the following criteria:

18 (a) A domed facility which has a seating capacity of at least seventy
19 thousand, or the publicly owned property on which the facility is located.

20 (b) An open baseball site, or the property on which the site is located, which
21 site has a seating capacity of at least seven thousand five hundred, and has a
22 professional sports franchise that participates in Class Triple A professional baseball.

23 (5) "Trade show" means a trade show or other event at which the sale of
24 goods is the primary purpose of the event.

25 ~~(a) Any event, activity, or enterprise, or the right of admission thereto,~~
26 ~~conducted in any domed stadium facility owned and operated by or for the state, or~~
27 ~~any of its agencies, boards, or commissions, which facility has a seating capacity of~~
28 ~~at least seventy thousand and is located within a body politic and corporate and~~
29 ~~political subdivision of the state composed of more than one parish, or any sale,~~

1 ~~service, or other transaction occurring in such facility, or on the publicly owned~~
2 ~~property on which the facility is located, including without limitation the sale of~~
3 ~~admission tickets to events, activities, or enterprises, wherever sold, parking, and~~
4 ~~tours of the facility shall be exempt from all present and future taxes levied by the~~
5 ~~state or by any local taxing authority, including but not limited to the sales, use,~~
6 ~~amusement, or any other tax.~~

7 B. State owned facility. (1) Sales occurring at an event at a state owned
8 domed facility or baseball facility shall be exempt from sales and use taxes imposed
9 by a political subdivision, but the exemption shall not extend to sales at trade shows.
10 Such sales shall be subject to the state sales and use taxes and to the local public
11 entertainment facility access charge, hereinafter referred to as "local access charge",
12 which is hereby imposed upon sales at the rate of four percent of the retail price of
13 the sale, with all such taxes and charges subject to the exemptions established in
14 Paragraph (2) of this Subsection.

15 (2) Exemptions. The following sales shall be exempt from state sales and
16 use taxes and the local access charge:

17 (a) Admission tickets to athletic contests or any large scale bid-upon events
18 sold in either of the following:

19 (i) The primary ticket market.

20 (ii) Secondary market ticket sales by a nonprofit host organization.

21 (b) Any sale, service, or other transaction, including the sale of parking, and
22 for purposes of a state owned baseball facility parking on adjacent property under the
23 same jurisdiction, such sales occurring in the facility in connection with athletic
24 contests or any large scale bid-upon events.

25 (c) Sales of goods from a team merchandise store at the facility.

26 (d) Fifty percent of the cost price of admission tickets to events, activities,
27 or enterprises other than tickets to athletic contests or any large scale bid-upon
28 events, wherever sold.

29 (e) Tours of the facility.

1 (f) The full price of admission on tickets for non-athletic events if the event
2 was under contract on or before July 1, 2016.

3 (3) The state sales and use taxes and the local access charge imposed on such
4 sales shall be collected and enforced pursuant to the provisions of Chapter 2 of
5 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 insofar as such
6 provisions are not in conflict with this Subsection, with the local access charge
7 treated in the same manner as state sales and use taxes. All tax and local access
8 charge proceeds shall be remitted to the secretary of the Department of Revenue,
9 who shall collect the local access charge as an agent of local government. The
10 secretary may assess a collection fee in an amount not to exceed one-half of one
11 percent of the proceeds of the local access charge.

12 (4) Disposition of state tax proceeds. Of the monies remaining after
13 satisfaction of the requirements of Article VII, Section 9(B) of the Constitution of
14 Louisiana concerning the Bond Security and Redemption Fund, and R.S. 47:318(A)
15 concerning support of economic development, an amount equal to thirty percent of
16 the proceeds of the tax imposed under R.S. 47:321 on sales occurring at the state
17 owned domed facility described in Paragraph (4)(a) of Subsection A of this Section
18 shall be allocated to the Louisiana School of Math, Science, and the Arts and the
19 New Orleans Center for Creative Arts. All monies remaining thereafter shall be
20 deposited into the state general fund. For purposes of this allocation, on the last day
21 of November of each year the secretary of the Department of Revenue shall provide
22 to the chairman of the Joint Legislative Committee on the Budget and the
23 commissioner of administration an official estimate of the amount of state revenues
24 received within the previous twelve months which were derived from the tax
25 imposed pursuant to R.S. 47:321 from sales at the state owned domed facility
26 described in Paragraph (4)(a) of Subsection A of this Section. The estimate shall be
27 utilized by the commissioner of administration in the preparation of the following
28 year's executive budget in which a recommendation shall be made to appropriate
29 such amounts as may be necessary to provide for this allocation.

1 (5) Disposition of local access charge proceeds:

2 (a) The secretary shall distribute the local access charge proceeds monthly
3 to the parish governing authority of each parish in which the local access charges
4 were collected.

5 (b) Within fourteen days thereafter, the parish governing authority shall
6 distribute the local access charge proceeds, at no charge, to the following entities
7 within the parish, in the following order:

8 (i) If the local access charge proceeds were derived from activity occurring
9 at a facility located on the property of a public post-secondary educational institution
10 located in the parish, all proceeds attributable to activity at that facility shall be
11 distributed to that institution.

12 (ii) After satisfaction of the requirements of Item (i) of this Subparagraph,
13 all remaining local access charge proceeds shall be distributed to the parish council
14 on aging, except that in Orleans Parish access charge proceeds shall be expended by
15 the parish governing authority exclusively for purposes of the early childhood care
16 and education network that has been established in Orleans Parish by the State Board
17 of Elementary and Secondary Education in accordance with R.S. 17:407.23. Monies
18 allocated from this revenue source shall not be used to supplant any funding for the
19 network which may have existed since Fiscal Year 2014-2015.

20 ~~(b) Any event, activity, or enterprise, or the right of admission thereto,~~
21 ~~conducted on any property which contains a domed arena facility and adjacent and~~
22 ~~connected facilities which is under the jurisdiction of any political subdivision or any~~
23 ~~commission of such political subdivision if the domed arena facility on such property~~
24 ~~has a seating capacity of at least twelve thousand five hundred and is located within~~
25 ~~a parish with a population of more than one hundred eighty-five thousand and less~~
26 ~~than two hundred fifty thousand according to the most recent federal decennial~~
27 ~~census, or any sale, service, rental, or other transaction occurring in any such~~
28 ~~facilities or on the publicly owned property on which the facilities are located,~~
29 ~~including without limitation the sale of food, drink, merchandise, services of any~~

1 ~~kind, admission tickets to events, activities, or enterprises, wherever sold; parking,~~
2 ~~including any parking on property under the jurisdiction of such commission for an~~
3 ~~event or activity, and tours of the facilities shall be exempt from all present and~~
4 ~~future taxes the local public entertainment facility access charge, and for purposes~~
5 ~~of sales and use taxes levied by the state of Louisiana, including but not limited to~~
6 ~~the sales, use, amusement, or any other tax.~~

7 ~~(2) Any event, activity, enterprise, or the right of admission thereto,~~
8 ~~conducted in any open baseball site owned and operated by and for the state, or any~~
9 ~~of its agencies, boards, or commissions, which site has a seating capacity of at least~~
10 ~~ten thousand, has a professional sports franchise that participates in Class Triple A~~
11 ~~professional baseball and is located within a body politic and corporate and political~~
12 ~~subdivision of the state composed of more than one parish, or any sale, service, or~~
13 ~~other transaction occurring in such facility or on the publicly owned property on~~
14 ~~which the site is located, including without limitation the sale of admission tickets~~
15 ~~to events, activities, or enterprises, wherever sold, parking, and tours of the site shall~~
16 ~~be exempt from all present and future taxes levied by the state or by any local taxing~~
17 ~~authority, including but not limited to the sales, use, amusement, or any other tax.~~

18 C. Locally owned domed facility. Sales occurring at an event at a locally
19 owned domed facility shall be exempt from the local access charge, and for purposes
20 of state sales and use taxes the following exemptions shall apply:

21 (1) Admission tickets to athletic contests or any large scale bid-upon events
22 sold in either of the following:

23 (i) The primary ticket market.

24 (ii) Secondary market ticket sales by a nonprofit host organization.

25 (2) Any sale, service, or other transaction occurring in such facility,
26 including the sale of parking on adjacent property under the same jurisdiction, in
27 connection with athletic contests or any large scale bid-upon events.

28 (3) Sales of goods from a team merchandise store at the facility.

1 (4) Fifty percent of the cost price of admission tickets to events, activities,
2 or enterprises other than tickets to athletic contests or any large scale bid-upon
3 events, wherever sold.

4 (5) Tours of the facility.

5 (6) The full price of admission on tickets for non-athletic events if the event
6 was under contract on or before July 1, 2016.

7 D. The exemptions established in this Section shall apply to any event,
8 activity, or enterprise held in conjunction with athletic events or any large scale bid-
9 upon event or other event allowed under an existing lease or an extension thereof,
10 inclusive of activities within and adjacent to the facility to which the exemptions
11 apply.

12 ~~B. This exemption~~ E. The exemptions established in this Section shall not
13 extend to any sale of ~~goods or other~~ services or tangible personal property ~~at a trade~~
14 ~~show or other event at which the sale of such goods or property is the primary~~
15 ~~purpose of the show or event~~ not specifically provided for herein.

16 F. The provisions of this Section shall not be interpreted as either imposing
17 or rendering the following activities subject to the imposition of any state or local
18 tax:

19 (1) Sales of admission tickets and parking for intercollegiate athletic events
20 sponsored or promoted by a Louisiana-based college or university, including any
21 conferences, leagues and associations in which they participate, and a nonprofit
22 corporation affiliated with such college or university.

23 (2) Sales of admission tickets and parking for high school athletic events
24 sponsored or promoted by a Louisiana high school, including any conferences,
25 leagues and associations in which they participate.

26 (3) Sales of admission tickets and parking for youth sports events sponsored
27 or promoted by a Louisiana-based youth sports league or association.

28 (4) Sales of admission tickets and parking for events sponsored by a
29 Louisiana-based civic, educational, historical, charitable, fraternal, or religious

1 organization that is a nonprofit organization to the extent provided by applicable
2 laws.

3 §468. ~~Tax exemption, publicly-owned facility~~ Sales of services and tangible
4 personal property at certain public facilities; local public facility access
5 charge; sales and use tax; exemptions

6 ~~Any event, activity, or enterprise, or the right of admission thereto, conducted~~
7 ~~in any publicly-owned~~ A. Sales occurring at an event conducted at a facility owned
8 and operated by or for the state, or any of its agencies, boards, or commissions, or
9 by any political subdivision, or any sale, service, or other transaction occurring in
10 such facility or on the publicly-owned property on which the facility is located,
11 hereinafter referred to collectively as "facility", including without limitation the sale
12 of admission tickets to events, activities, or enterprises, wherever sold; parking; and
13 tours of the facility shall be exempt from all present and future taxes levied by the
14 state and political subdivisions including but not limited to the sales, use,
15 amusement, or any other tax; provided however, that such exemption shall not apply
16 unless the local taxing authority first exempts from any tax levied by that authority
17 such events, activities, enterprises, sales, services, or other transaction occurring
18 within all publicly-owned facilities within the jurisdiction of said local taxing
19 authority. However, this exemption shall not extend to any sale of goods or other
20 tangible personal property at a trade show or other event at which the sale of such
21 goods or property is the primary purpose of the show or event. to the extent provided
22 for in Subsection B of this Section. The provisions of this Section apply to any
23 public facility that is not subject to the provisions of R.S. 39:467.

24 B.(1) Beginning July 1, 2016, sales at an event at a facility located in a
25 parish in which there was no local sales and use tax imposed on those sales on June
26 1, 2016, shall be exempt from local sales and use tax, but the exemption shall not
27 extend to sales at a trade show. The sales shall be subject to the local public
28 entertainment facility access charge, hereinafter referred to as "local access charge",

1 which is hereby imposed upon such sales at the rate of four percent of the retail price
2 of the sale, subject to the exemptions established in Paragraph (2) of this Subsection.

3 (2) Beginning July 1, 2016, the following exemptions shall apply to sales
4 occurring at an event at a facility subject to the provisions of Paragraph (1) of this
5 Subsection for purposes of the state sales and use taxes and the local access charge:

6 (a) Admission tickets to athletic contests or any large scale bid-upon events
7 sold in either of the following:

8 (i) The primary ticket market.

9 (ii) Secondary market ticket sales by a nonprofit host organization.

10 (b) Any sale, service, or other transaction, including the sale of parking,
11 occurring in such facility in connection with officially sanctioned events affiliated
12 with athletic contests held at a facility subject to the provisions of R.S.39:467.

13 (c) Sales of goods from a team merchandise store at the facility.

14 (d) Fifty percent of the cost price of admission tickets to events, activities,
15 or enterprises other than tickets to athletic contests or any large scale bid-upon
16 events, wherever sold.

17 (e) Tours of the facility.

18 (f) The full price of admission on tickets for non-athletic events if the event
19 was under contract on or before July 1, 2016.

20 C. The imposition and collection of state sales and use taxes and the local
21 access charge on sales occurring at a facility shall be as provided in R.S.
22 39:467(B)(3). The disposition of the proceeds of the local access charge shall be as
23 provided in R.S. 39:467(B)(5).

24 D. The exemptions provided in this Section shall apply to any event, activity,
25 or enterprise held in conjunction with athletic events or any large scale bid-upon
26 event or other event allowed under an existing lease or an extension thereof,
27 inclusive of activities within and adjacent to the facility to which the exemptions
28 apply.

1 E. The provisions of this Section shall not be interpreted as either imposing
2 or rendering the following activities subject to the imposition of any state or local
3 tax:

4 (1) Sales of admission tickets and parking for intercollegiate athletic events
5 sponsored or promoted by a Louisiana-based college or university, including any
6 conferences, leagues and associations in which they participate, and a nonprofit
7 corporation affiliated with such a college or university.

8 (2) Sales of admission tickets and parking for high school athletic events
9 sponsored or promoted by a Louisiana high school, including any conferences,
10 leagues and associations in which they participate.

11 (3) Sales of admission tickets and parking for youth sports events sponsored
12 or promoted by a Louisiana-based youth sports league or association.

13 (4) Sales of admission tickets and parking for events sponsored by a
14 Louisiana-based civic, educational, historical, charitable, fraternal, or religious
15 organization that is a nonprofit organization to the extent provided by applicable
16 laws.

17 Section 2. The provisions of this Act shall be applicable to all taxable periods
18 beginning on or after July 1, 2016.

19 Section 3. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 effective on the day following such approval.

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)]

HB 53 Engrossed 2016 Second Extraordinary Session Abramson

Abstract: Provides with respect to taxes and charges imposed upon sales of taxable services and tangible personal property at a domed stadium, baseball facility, or other facility owned by the state or a political subdivision.

**Domed stadiums and baseball facilities
owned by the state or a political subdivision**

Present law provides an exemption from state and local sales and use tax for sales of taxable services and tangible personal property occurring at events conducted at a domed stadium facility or baseball facility, and the publicly owned property on which the facility is located, hereinafter "domed stadium or baseball facility sales". The exemption does not apply to domed stadium or baseball facility sales occurring at a trade show at which the sale of goods is the primary purpose of the show.

Proposed law establishes definitions for "event", "state owned domed stadium or baseball facility", "sales", "locally owned domed stadium", and "trade show".

Proposed law retains present law with respect to local sales and use taxes.

Proposed law imposes a local public entertainment facility access charge, hereinafter "local access charge", upon domed stadium or baseball facility sales which is equal to four percent of the retail price of the service or property sold. The imposition of the access charge is subject to the same exemptions as the state sales and use taxes.

Proposed law changes present law concerning state sales and use taxes by limiting the exemptions for domed stadium or baseball facility sales to the following:

- (1) Admission tickets to athletic contests or any large scale bid-upon event sold in either:
 - (a) The primary ticket market.
 - (b) Secondary market ticket sales by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of tangible personal property 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.
- (6) The full price of admission tickets for non-athletic events if the event was under contract on or before July 1, 2016.

Proposed law provides for the collection, administration, and enforcement of the state sales and use taxes and the local access charge, by the secretary of the Dept. of Revenue, hereinafter "secretary". The secretary shall collect the local access charge as an agent of local government and may assess a collection fee of no more than .05% of the amounts collected. The secretary is required to distribute the local access charge proceeds monthly to the parish governing authority of each parish in which the local access charges were collected.

Proposed law provides for the disposition of a portion of the state sales and use tax proceeds from domed stadium or baseball facility sales. After satisfaction of the requirements of the Bond Redemption and Security Fund, and dedications of state sales and use tax monies to economic development as provided in present law, an amount equal to 30% of the proceeds of the 1% state sales and use tax imposed under R.S. 47:321 upon sales at a state owned domed facility as described in proposed law shall be allocated to the La. School of Math, Science, and the Arts and the New Orleans Center for Creative Arts. For purposes of this allocation, the secretary of the Dept. of Revenue is required to report annually on the amount of monies collected from such source so that the commissioner of administration can include

in the following year's executive budget a recommendation for an appropriation sufficient to provide for this allocation.

Proposed law provides for the disposition of the local access charge proceeds from domed stadium or baseball facility sales. Within 14 days of receipt of such monies from the secretary, the parish governing authority is required to distribute the local access charge proceeds, at no charge, to the following entities within the parish, in the following order:

- (1) If the local access charge proceeds were derived from activity occurring at a facility located on the property of a public post-secondary educational institution located in the parish, all proceeds attributable to activity at that facility shall be distributed to that institution.
- (2) After satisfaction of the requirements of (1), all remaining local access charge proceeds shall be distributed to the parish council on aging, except that in Orleans Parish such monies shall be expended by the parish governing authority exclusively for purposes of the early childhood care and education network that has been established in Orleans Parish by the State Board of Elementary and Secondary Education in accordance with R.S. 17:407.23. Monies allocated from this revenue source shall not be used to supplant any funding for the network which may have existed since Fiscal Year 2014-2015.

Proposed law establishes legislative intent to prohibit any interpretation of proposed law as imposing any new state or local tax upon admissions, parking, and other transactions at the following events: intercollegiate athletic events, high school athletic events, youth sport events, or events sponsored by a La.-based civic, educational, historical, charitable, fraternal, or religious organization that is a nonprofit organization.

Any other facility owned by the state or a political subdivision

Present law provides an exemption from state sales tax for sales at other publicly owned facilities if the local jurisdiction in which the facility is located elects to exempt these sales. The only taxable sales are sales at trade shows at which the sale of goods is the primary purpose of the show.

Proposed law applies to any facility owned by the state or a political subdivision which is not a domed stadium or baseball facility, hereinafter "facility".

Proposed law changes present law for purposes of local sales and use tax by providing that beginning July 1, 2016, sales at an event at a facility located in a parish in which there was no local sales and use tax imposed on those sales on June 1, 2016, shall be exempt from local sales and use tax, but the exemption shall not extend to sales at a trade show. Further, proposed law provides that such sales shall be subject to a local public entertainment facility access charge, hereinafter "local access charge" equal to four percent of the retail price of the service or property sold. The imposition of the access charge is subject to the same exemptions as the state sales and use taxes.

Proposed law provides that for purposes of sales at a facility where the local access charge is imposed the exemptions applicable for purposes of state sales and use taxes and the local access charge shall be limited to those listed above for domed stadiums and baseball facilities.

Proposed law changes present law for state sales and use taxes by removing the contingency for there to be a local exemption for sales at a facility in order for state sales and use tax exemptions to be in effect.

Proposed law provides that the collection, administration, and enforcement of state sales and use taxes and local access charge proceeds, and the disposition of local access charge proceeds, from sales at a facility shall be the same as for state sales and use taxes and local access charge proceeds collected on sales at a state owned domed stadium or baseball facility.

Proposed law establishes legislative intent to prohibit any interpretation of proposed law as imposing any new state or local tax upon admissions, parking, and other transactions at the following events: intercollegiate athletic events, high school athletic events, youth sport events, or events sponsored by a La.-based civic, educational, historical, charitable, fraternal, or religious organization that is a nonprofit organization.

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

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

(Amends R.S. 39:467 and 468)