
DIGEST

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HB 53 Reengrossed

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 Sept. 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 1.5% of the amounts collected. The secretary is required to distribute the local access charge proceeds quarterly 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 50% to the La. School of Math, Science, and the Arts and 50% to 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 as follows:
 - (a) Of the proceeds in Orleans Parish, 20% shall be allocated to the New Orleans Council on Aging.
 - (b) Of the proceeds derived from sales at the Angola Penitentiary Rodeo, 66% shall be allocated to the West Feliciana School Board, and 34% shall be allocated to the West Feliciana Council on Aging.

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 Sept. 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, except that the exemption for tickets to large scale bid-upon events shall not be included for purposes of these types of 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 Sept. 1, 2016.

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

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

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Change the maximum rate for the collection fee which may be charged by the Dept. of Revenue for collection of the local access charge from 0.5% to 1.5%.
2. Specify that the allocation of state sales and use tax revenues for the La. School for Math, Science, and the Arts and the New Orleans Center for Creative Arts shall be split 50% and 50%.
3. Add a specific allocation for the local access charge proceeds collected at the Angola Penitentiary Rodeo to be allocated 66% to the West Feliciana School Board and 34% to the West Feliciana Council on Aging.
3. Change the use of the local access charge proceeds in Orleans Parish from the early childhood care and education network established in Orleans Parish by the B.E.S.E board to a 20% allocation for the New Orleans Council on Aging.
4. Change the timing for application of proposed law from July 1, 2016, to Sept. 1, 2016.