

2016 Second Extraordinary Session

SENATE BILL NO. 15

BY SENATOR MORRELL

TAX EXEMPTIONS. Provides for an annual reporting requirement by certain nonprofit entities for certain sales tax exemptions. (gov sig) (Item Nos. 7, 8, 11, 12, 14, 15, 19-24, 32)

AN ACT

To enact R.S. 47:306.4, relative to state sales and use tax exemptions; to provide for an annual reporting requirement for certain transactions involving sales by certain nonprofit entities; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:306.4 is hereby enacted to read as follows:

§306.4. Annual reporting requirement

A.(1) Notwithstanding any provision of law to the contrary, transactions listed in Subsection B of this Section involving sales of tangible personal property or services that are not subject to state sales and use tax pursuant to the exclusions and exemptions provided by law shall be subject to an annual reporting requirement.

(2) The annual report shall include all of the following information:

(a) The name of the organization.

(b) The federal and state tax identification numbers of the organization.

(c) Annual gross sales of tangible personal property or services that are not subject to state sales and use tax pursuant to the exclusions and exemptions

1 provided for in Subsection B of this Section.

2 (d) Any additional information required by the secretary that is
3 necessary to determine the annual sales tax revenue loss to the state related to
4 the exclusion or exemption as required by R.S. 47:1517.

5 (3) The annual report is due on the first day of September of each year.
6 If an organization fails to file the annual report the exemption or exclusion shall
7 be suspended with respect to that organization until the report is filed.

8 (4) The annual report shall be submitted to the secretary on a form
9 provided by the secretary.

10 B. The transactions listed in this Subsection shall be subject to the annual
11 reporting requirement.

12 (1) Sales of room rentals by a camp or retreat facility owned by a
13 nonprofit organization as provided in R.S. 47:301(6)(b).

14 (2) Sales of room rentals by a homeless shelter as provided in R.S.
15 47:301(6)(c).

16 (3) Sales by a nonprofit entity which sells donated goods as provided in
17 R.S. 47:301(8)(f).

18 (4) Sales of food items by a youth serving organization chartered by the
19 United States Congress as provided in R.S. 47:301(10)(h).

20 (5) Sales by a parochial or private elementary or secondary school that
21 complies with the court order from the Dodd Brumfield decision and Section
22 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(18)(e).

23 (6) Sales of admissions to athletic and entertainment events as provided
24 in R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or
25 secondary school.

26 (7) Sales of memberships by and dues paid to a nonprofit civic
27 organization as provided in R.S. 47:301(14)(b)(i).

28 (8) Sales of meals by an educational institution, medical facility, or
29 mental institution, or occasional meals furnished by an educational, religious,

or medical organization as provided in R.S. 47:305(D)(2).

(9) Sales of admissions to entertainment events by a little theater organization as provided in R.S. 47:305.6.

(10) Sales of admissions to musical performances by a nonprofit organization as provided in R.S. 47:305.7.

(11) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable, religious, or educational organization as provided in R.S. 47:305.13.

(12) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization as provided in R.S. 47:305.14(A)(1).

(13) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization as provided in R.S. 47:305.18.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 15 Original

2016 Second Extraordinary Session

Morrell

Present law provides for numerous exclusions and exemptions from state sales and use tax for various transactions involving nonprofit organizations.

Present law suspends several state sales tax exemptions relating to sales by nonprofit organizations from April 1, 2016, to June 30, 2018, for purposes of the 2% sales tax imposed by R.S. 47:302, and from April 1, 2016, to June 30, 2016, for purposes of each of the 1% state sales tax levies in R.S. 47:321 and 331. These exemptions will be fully restored on July 1, 2018.

Proposed law requires that nonprofits that sell exempt tangible personal property and services report the total amount of exempt sales annually to the Department of Revenue.

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

(Adds R.S. 47:306.4)