

2016 Second Extraordinary Session

SENATE BILL NO. 12

BY SENATOR MORRELL

TAX/TAXATION. Provides for the modification of the sales and use tax exemption for domed stadium facilities, baseball facilities, and other publicly owned facilities. (Item #35)(gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:467 and 468, relative to sales and use tax exemptions for
3 publicly owned facilities; to limit the application of the exemptions; and to provide
4 for related matters.

5 Be it enacted by the Legislature of Louisiana:

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

8 §467. Tax exemption, domed stadium facilities; baseball facilities

9 A.(1)(a) ~~Any event, activity, or enterprise, or the right of admission thereto,~~
10 **Events, activities, or enterprises** conducted in any domed stadium facility owned
11 and operated by or for the state, or any of its agencies, boards, or commissions,
12 which facility has a seating capacity of at least seventy thousand and is located
13 within a body politic and corporate and political subdivision of the state composed
14 of more than one parish, ~~or any sale, service, or other transaction occurring in such~~
15 ~~facility~~ or on the publicly owned property on which the facility is located, including
16 ~~without limitation~~ the sale of admission tickets to events, activities, or enterprises,
17 wherever sold; ~~parking; and~~ tours of the facility; **the sale** shall be exempt from all

1 ~~present and future~~ **sales and use and amusement** taxes levied by the state or by any
2 local taxing authority, ~~including but not limited to the sales, use, amusement, or any~~
3 ~~other tax.~~ **as follows:**

4 **(i) Admission tickets to athletic contests or any large scale bid-upon**
5 **events, including for such contests and events where sales tax obligations**
6 **created on or after April 1, 2016, were absorbed and the outstanding tax has yet**
7 **to be remitted, sold in the primary ticket market, but not secondary market**
8 **sales of such tickets unless such sales are made by a nonprofit host organization.**

9 **(ii) Any sale, service, or other transaction, including the sale of parking,**
10 **occurring in such facility in connection with athletic contests or any large scale**
11 **bid-upon events.**

12 **(iii) Sales of goods from a team merchandise store at the facility.**

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

16 **(v) Tours of the facility.**

17 **(vi) The full price of admission tickets for nonathletic events and any**
18 **sale, service or other transaction, including the sale of parking, relating to such**
19 **nonathletic events, if the event was under contract on or before September 1,**
20 **2016.**

21 **(vii) Parking pursuant to events allowed under an existing lease or**
22 **extension thereof.**

23 ~~(b) Any event, activity, or enterprise, or the right of admission thereto,~~
24 **Events, activities, or enterprises** conducted on any property which contains a
25 domed arena facility and adjacent and connected facilities which is under the
26 jurisdiction of any political subdivision or any commission of such political
27 subdivision if the domed arena facility on such property has a seating capacity of at
28 least twelve thousand five hundred and is located within a parish with a population
29 of more than one hundred eighty-five ~~thousand and less than two hundred fifty~~

1 thousand according to the most recent federal decennial census, ~~or any sale, service,~~
2 ~~rental, or other transaction occurring in any such facilities~~ or on the publicly owned
3 property on which the facilities are located, including ~~without limitation the sale of~~
4 ~~food, drink, merchandise, services of any kind,~~ admission tickets to events, activities,
5 or enterprises, wherever sold; ~~parking, including any parking on property under the~~
6 ~~jurisdiction of such commission for an event or activity,~~ and tours of the facilities
7 shall be exempt from all ~~present and future~~ **sales and use and amusement** taxes
8 levied by the state of Louisiana, ~~including but not limited to the sales, use,~~
9 ~~amusement, or any other tax.~~ **as follows:**

10 **(i) Admission tickets to athletic contests or any large scale bid-upon**
11 **events, or any other events allowed under an existing lease or extension thereof,**
12 **including for such contests and events where sales tax obligations created on or**
13 **after April 1, 2016, were absorbed and the outstanding tax has yet to be**
14 **remitted, sold in the primary ticket market, but not secondary market sales of**
15 **such tickets unless such sales are made by a nonprofit host organization.**

16 **(ii) Any sale, service, or other transaction occurring in such facility,**
17 **including the sale of parking on adjacent property under the same jurisdiction,**
18 **in connection with athletic contests or any large scale bid-upon events.**

19 **(iii) Sales of goods from a team merchandise store at the facility.**

20 **(iv) Fifty percent of the cost price of admission tickets to events,**
21 **activities, or enterprises other than tickets to athletic contests or any large scale**
22 **bid-upon events, wherever sold.**

23 **(v) Tours of the facility.**

24 **(vi) The full price of admission tickets for nonathletic events if the event**
25 **was under contract on or before September 1, 2016.**

26 ~~(2) Any event, activity, or enterprise, or the right of admission thereto,~~
27 **Events, activities, or enterprises** conducted in any open baseball site owned and
28 operated by and for the state, or any of its agencies, boards, or commissions, which
29 site has a seating capacity of at least ~~ten thousand~~ **seven thousand five hundred**, has

1 a professional sports franchise that participates in Class ~~Triple A~~ **Triple-A**
2 professional baseball and is located within a body politic and corporate and political
3 subdivision of the state composed of more than one parish, ~~or any sale, service, or~~
4 ~~other transaction occurring in such facility~~ or on the publicly owned property on
5 which the site is located, including ~~without limitation~~ the sale of admission tickets
6 to events, activities, or enterprises, wherever sold, ~~parking, and tours of the site shall~~
7 ~~be exempt from all present and future~~ **shall be exempt from sales and use and**
8 **amusement** taxes levied by the state or by any local taxing authority, ~~including but~~
9 ~~not limited to the sales, use, amusement, or any other tax.~~ **as follows:**

10 **(i) Admission tickets to athletic events, or any large scale bid-upon**
11 **events, or any other events allowed under an existing lease or extension thereof,**
12 **including for such contests and events where sales tax obligations created on or**
13 **after April 1, 2016, were absorbed and the outstanding tax has yet to be**
14 **remitted, or any other events allowed under an existing lease or extension**
15 **thereof, sold in the primary ticket market, but not secondary market sales of**
16 **such tickets unless such sales are made by a nonprofit host organization.**

17 **(ii) Any sale, service, or other transaction, including the sale of parking,**
18 **occurring in such facility in connection with athletic contests or any other events**
19 **allowed under an existing lease or extension thereof.**

20 **(iii) Sales of goods from a team merchandise store at the facility.**

21 **(iv) Fifty percent of the cost price of admission tickets to events,**
22 **activities, or enterprises other than tickets to athletic contests, wherever sold or**
23 **any other events allowed under an existing lease or extension thereof.**

24 **(v) Tours of the site.**

25 **(vi) The full price of admission tickets for nonathletic events if the event**
26 **was under contract on or before April 1, 2016.**

27 **(3) The exemptions provided in this Section shall apply to any event,**
28 **activity, or enterprise held in conjunction with athletic contests held in or**
29 **adjacent to the facility to which the exemptions apply.**

1 B. This exemption shall not extend to any sale of goods, ~~or other tangible~~
 2 personal property, ~~at a trade show or other event at which the sale of such goods or~~
 3 property is the primary purpose of the show or event **or services not specifically**
 4 **provided in Subsection A of this Section.**

5 §468. Tax exemption, publicly-owned facility

6 **A.(1)(a) Any event, activity, or enterprise, or the right of admission thereto,**
 7 **Events, activities, or enterprises** conducted in any publicly-owned 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, the
 11 sale of admission tickets to events, activities, or enterprises, wherever sold, ~~parking,~~
 12 ~~and tours of the facility~~ shall be exempt from all ~~present and future~~ **sales and use**
 13 **and amusement** taxes levied by the state, including but not limited to the sales, use,
 14 amusement, or any other tax, provided however, that such **as follows:**

15 **(i) Admission tickets to athletic events, sold in the primary ticket market,**
 16 **but not secondary market sales of such tickets unless such sales are made by a**
 17 **nonprofit host organization.**

18 **(ii) Any sale, service, or other transaction occurring in such facility,**
 19 **including the sale of parking on adjacent property under the same jurisdiction,**
 20 **in connection with athletic contest or any large scale bid-upon events.**

21 **(iii) Sales of goods from a team merchandise store at the facility.**

22 **(iv) Fifty percent of the cost price of admission tickets to events,**
 23 **activities, or enterprises other than tickets to athletic events or any large scale**
 24 **bid-upon events or any other events allowed under an existing lease or extension**
 25 **thereof, wherever sold.**

26 **(v) Tours of the facility.**

27 **(vi) The full price of admission tickets for nonathletic events if the event**
 28 **was under contract on or before April 1, 2016.**

29 **(b) This** exemption shall not apply unless the local taxing authority first

1 exempts from any tax levied by that authority such rights of admission to events,
 2 activities, and enterprises, ~~sales, services, or other transaction~~ occurring within all
 3 publicly-owned facilities within the jurisdiction of said local taxing authority.

4 (2) The exemptions provided in this Section shall apply to any event,
 5 activity or enterprise held in conjunction with athletic events or any large scale
 6 bid-upon events or any other events allowed under an existing lease or extension
 7 thereof held in or adjacent to the facility to which the exemptions apply.

8 (3) The exemptions provided in this Section shall apply to events hosted
 9 by a nonprofit organization, located in a parish with a population of more than
 10 two hundred fifty thousand, whose mission is to bid upon, contract and manage
 11 large scale sporting and entertainment events on behalf of the state of
 12 Louisiana, which may have a bid requirement of a waiver of taxes, or a waiver
 13 of all tax is offered as an enhancement to significantly increase the probability
 14 of awarding the event to Louisiana.

15 B. However, this exemption shall not extend to:

16 (1) any Any sale of goods, ~~or~~ other tangible personal property, ~~at a trade~~
 17 ~~show or other event at which the sale of such goods or property is the primary~~
 18 ~~purpose of the show or event~~ or services not specifically provided in Subsection
 19 A of this Section.

20 (2) Any facility that is subject to the exemption provided for in R.S.
 21 39:467.

22 Section 2. The provisions of this Act shall be applicable to all taxable periods
 23 beginning on or after April 1, 2016.

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

The original instrument was prepared by James Benton. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

DIGEST

SB 12 Reengrossed

2016 Second Extraordinary Session

Morrell

Present law provides an exemption from state and local sales and use tax for sales at certain domed stadium facilities, domed arena facilities, baseball facilities, and the publicly owned property on which these facilities are located. The only taxable sales are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law removes the exemptions from sales and use and amusement taxes at such events in a domed stadium facility, except as follows:

- (1) Admission tickets to athletic contests or any large scale bid-upon event including contests and events where sales tax obligations created on or after April 1, 2016 were absorbed and the outstanding tax has yet to be remitted sold in the primary ticket market but not the secondary market unless made by a nonprofit host organization.
- (2) Any sale, service, or other transaction, including the sale of parking, occurring in such facility in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent 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 nonathletic events and any sale, service, or other transaction, including the sale of parking, related to the nonathletic event if the event was under contract on or before September 1, 2016.
- (7) Parking pursuant to events allowed under an existing lease or extension thereof.

Present law applies to events, activities, or enterprises conducted on property containing a domed arena facility with a seating capacity of at least 12,500 located in a parish with a population of more than 185,000 and less than 250,000 based on the most recent federal decennial census.

Proposed law removes upper population limit of more than 250,000.

Present law applies to events, activities, or enterprises at an open baseball site publicly owned with a seating capacity of at least 10,000 having a class Triple A professional baseball franchise and located in more than one parish.

Proposed law changes seating capacity to 7,500.

Proposed law removes the exemptions from sales and use and amusement taxes at events in a domed arena facility except as follows:

- (1) Admission tickets to athletic contests or any large scale bid-upon events, or any other events allowed under an existing lease or extension thereof including contests and events where sales tax obligations created on or after April 1, 2016 were absorbed and the outstanding tax has yet to be remitted, sold in the primary ticket market, but

- not secondary market sales of such tickets unless such sales are made by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in such facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.
 - (3) Sales of goods from a team merchandise store at the facility.
 - (4) Fifty percent 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 nonathletic events if the event was under contract on or before September 1, 2016.

Proposed law removes the exemptions from sales and use and amusement taxes at events conducted in an open baseball site, except as follows:

- (1) Admission tickets to athletic events, or any large scale bid-upon events or any other events allowed under an existing lease or extension thereof, including for contests and events where the sales tax obligations created on or after April 1, 2016 were absorbed and the outstanding tax has yet to be remitted or any other events allowed under an existing lease or extension thereof, sold in the primary ticket market, but not secondary market sales of tickets unless made by a nonprofit host organization.
- (2) Any sale, service, or other transaction, including the sale of parking, occurring in such facility in connection with athletic contests or any other events allowed under an existing lease or extension thereof.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests, wherever sold or any other events allowed under an existing lease or extension thereof.
- (5) Tours of the site.
- (6) The full price of admission tickets for nonathletic events if the event was under contract on or before April 1, 2016.

Further provides that proposed law exemptions also apply to any event, activity, or enterprise held in conjunction with athletic contests held in or adjacent to the respective facility to which they apply.

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 also exempts these sales. The only taxable sales are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law removes the exemptions from state sales and use and amusement taxes for sales at these facilities except as follows:

- (1) Admission tickets to athletic events sold in the primary ticket market but not secondary market sales unless sold by a nonprofit host organization.

- (2) Any sale, service, or other transaction occurring in the facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) Fifty percent of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic events or other large scale bid-upon events or any other events allowed under existing an lease or extension thereof.
- (5) Tours of the facility.
- (6) The full price of admission tickets for nonathletic events if the event was under contract on or before April 1, 2016.

Proposed law provides that these exemptions also apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to the facility to which the exemptions apply.

Requires that the exemptions provided in proposed law apply to events hosted by a nonprofit organization, located in a parish with a population of more than 250,000, whose mission is to bid upon, contract and manage large scale sporting and entertainment events on behalf of the state, which may have a bid requirement of a waiver of taxes, or a waiver of all tax offered as an enhancement to significantly increase the probability of awarding the event to Louisiana.

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

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

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

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Provides that exemptions also apply to events allowed under certain existing leases or extensions thereof.
2. Adds provision for applying exemptions to events hosted by a nonprofit organization in a parish with a population in excess of 250,000.