

RÉSUMÉ DIGEST

ACT 13 (HB 53)

2016 Second Extraordinary Session

Abramson

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

Prior law provided an exemption from state sales and use tax for sales of taxable services and tangible personal property occurring at events conducted at a state-owned domed stadium facility or baseball facility or a domed facility owned by a political subdivision, and the publicly owned property on which the facility is located, hereinafter "domed stadium or baseball facility sales". The exemption did 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.

Existing law with respect to *local sales and use taxes* provides for an exemption for sales of taxable services and tangible personal property imposed on event sales at a domed stadium owned by a political subdivision or a university.

New law, with respect to *state sales and use taxes*, limits the exemptions for a state-owned domed facility or baseball facility or a domed facility owned by a political subdivision or a university to the following services and tangible personal property:

- (1) Admission tickets to athletic contests or any large scale bid-upon event sold in either the primary ticket market or ticket sales by a nonprofit host organization in a secondary market.
- (2) Any sale, service, or other transaction occurring in connection with athletic contests or any large scale bid-upon events, or other events allowed under a lease, including for 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.
- (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 bid-upon, awarded, or under contract on or before Sept. 1, 2016.

New law establishes definitions for "event", "large scale bid-upon event", "state-owned domed stadium or baseball facility", "sales", "university owned domed stadium", and "trade show".

New law provides for the disposition of a portion of the *state sales and use tax* proceeds from sales at a state-owned domed facility. 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 existing 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 new 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 the 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.

New law provides for the dedication of a portion of *local sales and use tax* proceeds from sales at a state-owned domed facility as follows:

- (1) If the local sales and use tax 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; however this provision does not apply to the Baton Rouge River Center or the Cajundome and Convention Center.

- (2) After satisfaction of the requirements of (1) above, in a parish with a population in excess of 320,000 and less than 400,000, of the remaining tax proceeds, an amount equal to 20% shall be allocated to the New Orleans Council on Aging.
- (3) After satisfaction of the requirements of (1) above, 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.

New law establishes legislative intent to prohibit any interpretation of new law as imposing any new state or local tax upon admissions, parking, and other transactions at intercollegiate athletic events, high school athletic events, or youth sport events.

Any other facility owned by the state or a political subdivision

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

Existing law provides exemptions for sales of services and tangible personal property for purposes of state sales and use tax if the local taxing jurisdiction in which the facility is located adopts the exemptions.

New law provides for the dedication of a portion of *local sales and use tax* proceeds from sales at a state-owned domed facility, as follows:

- (1) If the local sales and use tax 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) above, in a parish with a population in excess of 300,000 and less than 400,000, of the remaining tax proceeds, an amount equal to 20% shall be allocated to the New Orleans Council on Aging. Monies to satisfy this dedication shall be derived proportionately from the sales and use tax distributions for the following purposes: 50% from the Orleans Parish School Board, and 50% from the Regional Transit Authority.
- (3) After satisfaction of the requirements of (1) above, 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.

New law establishes legislative intent to prohibit any interpretation of new law as imposing any new state or local tax upon admissions, parking, and other transactions at intercollegiate athletic events, high school athletic events, or youth sport events.

New law provides that provisions of new law are unseverable and if any provision is held to be invalid or unconstitutional, every other provision or application of new law shall be ineffective.

Effective upon signature of governor (June 28, 2016).

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