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

DIGEST

SB 206 Original

2017 Regular Session

Morrell

<u>Present law</u> provides for the following exemptions, exclusions and deductions:

- (1) R.S. 3:84 License fee and tax liability
- (2) R.S. 12:425 Taxation
- (3) R.S. 22:2065 Tax exemption
- (4) R.S. 26:345 Discount on taxes on beverages of low alcoholic content
- (5) R.S. 47:121 Exemptions from tax on corporations
- (6) R.S. 47:633 Rates of tax
- (7) R.S. 47:713 Exclusions and exemptions; casinghead gasoline sold for commercial blending
- (8) R.S. 47:716.1 Exclusions and exemptions; aviation gasoline
- (9) R.S. 3:147 Annual license fees
- (10) R.S. 3:4684 Fee to be collected for testing, etc.
- (11) R.S. 26:354 Payment and reporting of taxes; discounts; rules and regulations; enforcement; forfeitures and penalties; redemption of tax stamps
- (12) R.S. 26:366 Exported beverages not subject to tax
- (13) R.S. 26:421 Exempt products
- (14) R.S. 47:158 Basis for depletion
- (15) R.S. 47:246 Corporations; deduction from net income from Louisiana sources
- (16) R.S. 47:287.71 Modifications to federal gross income
- (17) R.S. 47:287.73 Modifications to deductions from gross income allowed by federal law
- (18) R.S. 47:287.86 Net operating loss deduction

- (19) R.S. 47:287.501 Exemption from tax on corporations
- (20) R.S. 47:287.521 Farmers' cooperatives; all cooperatives
- (21) R.S. 47:287.732 S Corporations
- (22) R.S. 47:287.738 Other inclusions and exclusions from gross income
- (23) R.S. 47:287.745 Deductions from gross income; depletion
- (24) R.S. 47:602 Determination of taxable capital
- (25) R.S. 47:605 Surplus and undivided profits
- (26) R.S. 47:606 Allocation of taxable capital
- (27) R.S. 47:632 Taxes payable by owners; lien and privilege created
- (28) R.S. 47:713 Exclusions and exemptions; casinghead gasoline sold for commercial blending
- (29) R.S. 47:716.1 Exclusions and exemptions; aviation gasoline
- (30) R.S. 818.13 Point of imposition of the tax
- (31) R.S. 47:823 Rate of tax

Proposed law eliminates present law on January 1, 2021.

<u>Proposed law</u> provides that exemptions in state law do not apply to any sales and use tax levied under R.S. 47:302, 321, 321.1, 331, or R.S. 51:1286 except as follows:

- (1) Any exemption which causes the tax to be levied upon a sale which is not a retail sale of, not a use, consumption, distribution, or storage for use or consumption of, or not the lease or rental of, an item or article of tangible personal property.
- (2) The exemption is required by federal law or the Constitution of the United States.
- (3) The exemption is required pursuant to an agreement by the state of Louisiana for the operation of a public facility.

<u>Proposed law</u> provides that the limitation on such exemptions apply to all taxable periods beginning on or after January 1, 2018.

Effective August 1, 2017.

 $\begin{array}{l} (Amends~R.S.~3:84~and~147,~R.S.~12:425,~R.S.~22:2065,~R.S.~26:345,~R.S.~47:121,~713~and~716.1;\\ adds~R.S.~3:4684(C),~R.S.~26:354(L),~366(C)~and~421(F),~R.S.~47:158(I),~246(H),~287.71(C),\\ 287.73(D),~287.86(F),~287.501(C),~287.521(C),~287.732(D),~287.738(H),~287.745(C),~602(I),\\ 605(D),~606(G),~632(C),~633.1,~818.13(I)~and~823(F)) \end{array}$