

2017 Regular Session

HOUSE BILL NO. 673

BY REPRESENTATIVE STOKES

TAX/SALES & USE: Provides with respect to the exclusions, and exemptions applicable to sales and use taxes

1 AN ACT

2 To amend and reenact R.S. 4:168 and 227, R.S. 12:425, R.S. 47:301(7)(b), (10)(b) and

3 (c)(ii), 13(a) and (h), (14)(b)(i)(aa), (23) and (24)(introductory paragraph), (a) and

4 (b), 305(A)(4)(a) and (b) and (D)(1)(a), (h), (i), (k) and (u), 305.11(A), 305.14(A)(1)

5 through (4), 305.19, 305.28(A), 305.44(A)(introductory paragraph), 305.47, 305.48,

6 305.49, 305.50(E)(1), 305.57(A) and (B), 305.66(A), 315(B)(4), 315.5(A),

7 337.9(C)(1), (4) and (13), and (D)(10) and (20), 337.10(G) and (I)(1), and 6001(A),

8 to enact R.S. 47:301(10)(ii) and (18)(q), 305.73 through 305.98, 315(B)(5), 315.6

9 through 315.11, and 337.10(P) through (T), and to repeal R.S. 38:2212.4(C), R.S.

10 39:467 and 468, R.S. 47:301(3)(g), (i) through (k), (4)(i) and (k), (6)(b), (7)(c), (e)

11 through (g), (h), (j) and (l), (8)(b) and (d) through (f), (10)(c)(i)(bb), (d), (h) through

12 (j), (l), (n) through (r), (t), (y) through (hh), (13)(c), (e), (k), (l), (m), (14)(b)(i)(bb),

13 and (b)(ii) through (iv), (g)(iii), (h) through (k), (16)(b)(ii), (c), (f), (h), (i) through

14 (k), and (m), (n) through (p), (18)(c), (e), (f), (h), (k), (m), (n), (o), and (p), and (28),

15 302(D), 305(A)(1), (B), and (F), 305.2, 305.6, 305.7, 305.9, 305.13, 305.14(A)(5),

16 305.18, 305.26, 305.30, 305.33, 305.40 through 305.44(B), 305.45, 305.50(E)(2),

17 305.51, 305.52, 305.53, 305.57(C), 305.59, 305.60, 305.61, 305.65, 305.67 through

18 305.71, 337.9(B), (C)(23), (D)(3), (4), (6), (9), (18), (19), (21), (26) through (33),

19 337.10(C), (I)(2) and (3), (K) and (M), and 6003, relative to the sales and use taxes;

20 to provide for exclusions and exemption from sales and use taxes; to provide with

1 respect to the tax treatment of the sale, lease, rental, or storage of certain tangible
2 personal property and sale of certain services; to repeal certain sales and use tax
3 exemptions and exclusions; to establish certain sales and use tax refunds; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 4:168 and 227 are hereby amended and reenacted to read as follows:

7 §168. License fees, commissions, and taxes of this Part in lieu of all other such
8 taxes

9 The license fees, commissions, and taxes imposed in this Part are in lieu of
10 all other such licenses, ~~sales~~, excise and occupational taxes to the state or to any
11 parish, city, town, or other political subdivision thereof.

12 * * *

13 §227. License fees, commissions, and taxes of this Part in lieu of all other such
14 taxes

15 The license fees, commissions, and taxes imposed upon an offtrack wagering
16 facility in this Part are in lieu of all other such licenses, ~~sales~~, excise, and
17 occupational taxes to the state or to any parish, city, town, municipality, or other
18 political subdivision thereof.

19 Section 2. R.S. 12:425 is hereby amended and reenacted to read as follows:

20 §425. Taxation

21 Each cooperative shall pay annually, on or before the first day of July, to the
22 department of revenue, a fee of ten dollars for each one hundred persons or fraction
23 thereof to whom electricity is supplied within the state by it, but shall be exempt
24 from all other excise and income taxes whatsoever. Notwithstanding any provision
25 of law to the contrary, this exemption shall be applicable to all state sales and use tax
26 levies.

27 Section 3. R.S. 47:301(7)(b), (10)(b) and (c)(ii), 13(a) and (h), (14)(b)(i)(aa), (23)
28 and (24)(introductory paragraph), (a) and (b), 305(A)(4)(a) and (b) and (D)(1)(a), (h), (i),
29 (k) and (u), 305.11(A), 305.14(A)(1) through (4), 305.19, 305.28(A), 305.44(A)(introductory

1 paragraph), 305.47, 305.48, 305.49, 305.50(E)(1), 305.57(A) and (B), 305.66(A), 315(B)(4),
2 315.5(A), 337.9(C)(1), (4) and (13), and (D)(10) and (20), 337.10(G) and (I)(1), and
3 6001(A), to enact R.S. 47:301(10)(ii) and (18)(q), 305.73 through 305.98, 315(B)(5), 315.6
4 through 315.11, and 337.10(P) through (T) are here by enacted to read as follows:

5 §301. Definitions

6 As used in this Chapter the following words, terms, and phrases have the
7 meanings ascribed to them in this Section, unless the context clearly indicates a
8 different meaning:

9 * * *

10 (7)

11 * * *

12 ~~(b) Solely for purposes of the state sales and use taxes imposed under R.S.~~
13 ~~47:302, 321, and 331, the~~ The term "lease or rental", as herein defined, shall not
14 mean or include the lease or rental made for the purposes of re-lease or re-rental of
15 casing tools and pipe, drill pipe, tubing, compressors, tanks, pumps, power units,
16 other drilling or related equipment used in connection with the operating, drilling,
17 completion, or reworking of oil, gas, sulphur, or other mineral wells.

18 * * *

19 (10)

20 * * *

21 ~~(b)(i) Solely for purposes of the sales and use tax levied by the state, the sale~~
22 ~~of tangible personal property to a dealer who purchases said property for resale~~
23 ~~through coin-operated vending machines shall be considered a "sale at retail", subject~~
24 ~~to such tax. The subsequent resale of the property by the dealer through~~
25 ~~coin-operated vending machines shall not be considered a "sale at retail".~~

26 ~~(ii) Solely for purposes of the sales and use tax levied by political~~
27 ~~subdivisions, the~~ The term "sale at retail" shall include the sale of tangible personal
28 property by a dealer through a kiosk or coin-operated vending machines machine.

29 * * *

1 (c)

2 * * *

3 ~~(ii)(aa) Solely for purposes of the sales and use tax levied by the state, the~~
4 ~~term "sale at retail" does not include sales of electricity for chlor-alkali~~
5 ~~manufacturing processes.~~

6 ~~(bb)~~ The ~~term~~ phrase "sale at retail" does not include an isolated or
7 occasional sale of tangible personal property by a person not engaged in such
8 business. "Isolated or occasional sale" means any of the following:

9 (aa) Six or fewer separate sales of taxable items at retail during a
10 twelve-month period by a person who does not habitually engage, or hold himself
11 out as engaging in the business of selling taxable items at retail.

12 (bb) The sale of all of the operating assets of a business or of a separate
13 division, branch, or identifiable segment of a business.

14 (cc) The sale of tangible personal property by an individual if the property
15 was originally bought by the individual or a member of the individual's family for
16 the personal use of the individual or the individual's family.

17 (dd) The sale of tangible personal property by an individual if the individual
18 is not required to be registered as a dealer pursuant to this Chapter.

19 (ee) The sale of tangible personal property by an individual if the individual
20 does not employ an auctioneer, broker, or factor, other than an online auction, to sell
21 the property.

22 (ff) The sale of tangible personal property at a sheriff's sale or tax sale due
23 to foreclosure on the property or the sale by an obligee of tangible personal property
24 acquired by the obligee by foreclosure or otherwise in full or partial satisfaction of
25 an obligation.

26 * * *

27 (ii) The phrase "sale at retail" shall not include the sale of livestock, poultry,
28 and other farm products directly by the farm that produced such tangible personal
29 property.

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(13)(a) (i) "Sales price" means the total amount for which tangible personal property is sold, less ~~the market value of any article traded in including any services, except services for financing, that are a part of the sale valued in money, whether paid in money or otherwise, and includes the cost of materials used, labor or service costs, except costs for financing which shall not exceed the legal interest rate and a service charge not to exceed six percent of the amount financed, and losses; provided that cash discounts allowed and taken on sales shall not be included, nor shall the sales price include the amount charged for labor or services rendered in installing, applying, remodeling, or repairing property sold.~~ separately stated trade-in property of a like kind, including cash, credit, or tangible personal property, expressed in terms of money paid or delivered by a buyer to a seller occurring at the same time and place. As a result, the buyer of tangible personal property shall be entitled to reduce the measure of retail sales or use tax due on the purchase if both of the following conditions are met:

(aa) The buyer delivers the trade-in property to the seller as consideration for the purchase.

(bb) The trade-in property is property of a like kind to that being purchased.

(ii) The phrase "property of a like kind" means an article of tangible personal property of the same general classification which shall be determined by the nature of the property and its function or use, but not of its grade or quality. "Property of a like kind" also includes all property within a general classification rather than within a specific category within the classification, for illustrative purposes: furniture for furniture, a motor vehicle for a motor vehicle, or an appliance for an appliance.

* * *

(h) Solely for the purpose of state sales and use taxes imposed by the state under R.S. 47:302, 321, and 331 and those of all other taxing authorities in the state of any cellular, PCS, or wireless telephone used in connection with the sale or use of mobile telecommunications services, as defined in R.S. 47:301(10)(v), after

1 ~~preexisting routines, utilities, or other computer software components.~~ Custom
2 computer software may contain pre-written software.

3 (b) In order to be considered "custom computer software", the computer
4 software must require preparation, creation, adaption, or modification by the vendor
5 in order to be used in a specific work environment or to perform a specific function
6 for the user.

7 (c) Updates, upgrades, and new versions of custom computer software shall
8 be considered custom computer software, provided such upgrades, updates, and new
9 versions meet the definition of custom computer software ~~contained in this Chapter~~
10 as provided in this Paragraph.

11 (d) Pre-written software means a data processing program prepared for sale
12 or license to multiple users, and not to the special order or specifications of a single
13 customer. Pre-written software is commonly referred to as "canned" or "off-the-
14 shelf" or "standardized" software.

15 (24) The term "news publication" shall mean any printed periodical,
16 including advertising supplements and other printed matter ultimately distributed
17 with or a part of printed periodicals, that:

18 (a) Appears at regular intervals, of not less than quarterly.

19 (b) Contains reports of a varied character, such as political, social, cultural,
20 sports, moral, religious, editorial comment, announcements, advertising, public
21 notices, or other subjects of general public interest.

22 * * *

23 §305. Exclusions and exemptions from the tax

24 A.

25 * * *

26 (4)(a) The purchase of feed and feed additives for the purpose of sustaining
27 animals which are held primarily for commercial, ~~business,~~ or agricultural use shall
28 be exempted from the taxes levied by taxing authorities. Notwithstanding any

1 provision of law to the contrary, the exemption authorized in this Paragraph shall be
2 applicable to all state sales and use tax levies.

3 (b) For purposes of this Subsection:

4 (i) "Commercial use" means the purchasing, producing, or maintaining of
5 animals, including breeding stock and race horses, for resale;

6 ~~(ii) "Business use" means the keeping and maintaining of animals which are~~
7 ~~used in performing services in conjunction with a business enterprise, such as sentry~~
8 ~~dogs and rental horses;~~

9 ~~(iii)~~ (ii) "Agricultural use" means the maintaining of work animals and beasts
10 of burden which are utilized in the activity of producing crops or animals for market,
11 in the production of food for human consumption, in the production of animal hides
12 or other animal products for market, or in the maintaining of breeding stock for the
13 propagation of such agricultural use animals.

14 * * *

15 D.(1) The sale at retail, the use, the consumption, the distribution, and the
16 storage to be used or consumed in the taxing jurisdiction of the following tangible
17 personal property is hereby specifically exempted from the tax imposed by taxing
18 authorities, except as otherwise provided in this Paragraph:

19 * * *

20 (a) Gasoline, not subject to the tax on motor fuels, shall be exempt from all
21 sales and use taxes imposed by the state.

22 * * *

23 (h) All energy sources when used for boiler fuel including pelletized paper
24 waste, ~~except~~ and ~~excluding~~ refinery gas. Notwithstanding any provision of law to
25 the contrary, this exemption shall be applicable to all state sales and use tax levies.

26 (i) New trucks, new automobiles, new aircraft, and new boats, vessels, or
27 other water craft withdrawn from stock by factory authorized new truck, new
28 automobile, new aircraft dealers, and factory-authorized dealers of new boats,
29 vessels, or other water craft, and used trucks and used automobiles withdrawn from

1 stock by new or used motor vehicle dealers, which are withdrawn for use as
2 demonstrators. Notwithstanding any provision of law to the contrary, this exemption
3 shall be applicable to all state sales and use tax levies.

4 * * *

5 (k)(i) Solely for purposes of the state sales and use tax, orthotic, including
6 but not limited to prescription eyeglasses and contact lenses, ~~and~~ prosthetic devices
7 ~~and~~, wheelchairs and wheelchair lifts, hearing aids, and augmentative
8 communication devices prescribed by physicians, optometrists ~~or~~, licensed
9 chiropractors, licensed audiologists, or licensed speech-language pathologists for
10 personal consumption or use.

11 * * *

12 (u) Solely for purposes of the state sales and use tax, adaptive driving
13 equipment and motor vehicle modifications prescribed for personal use by a
14 physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the
15 state. Notwithstanding any provision of law to the contrary, this exemption shall be
16 applicable to all state sales and use tax levies.

17 * * *

18 §305.11. Exclusions and exemptions; contracts prior to and within ninety days of
19 tax levy

20 A. No new or additional sales or use tax shall be applicable to sales of
21 materials or services involved in lump sum ~~or~~, unit price, fixed fee, or guaranteed
22 maximum price construction contracts entered into and reduced to writing prior to
23 the effective date of the statute or ordinance levying same or to sales or services
24 involved in such contracts entered into and reduced to writing within ninety days
25 thereafter, if such contracts involve contractual obligations undertaken prior to such
26 effective date and were computed and bid on the basis of sales taxes at the rates
27 effective and existing prior to such effective date.

28 * * *

1 §305.14. Exclusions and exemptions; nonprofit organizations; ~~nature of exemption;~~
2 limitations; qualifications; ~~newspapers;~~ determination of tax exempt status

3 A.(1)(a) ~~The sales and use taxes imposed by taxing authorities shall not~~
4 ~~apply to sales~~ Sales of tangible personal property at, ~~or admission or outside~~
5 gate charges for, outside gate admissions to, or and parking fees associated with,
6 qualifying events sponsored by a nonprofit organization shall be exempt from sales
7 and use taxes imposed by the state or any other taxing authority.

8 (a) For purposes of this Section, a qualifying event is an event that meets
9 both of the following criteria:

10 (i) It is sponsored by a nonprofit organization and the net proceeds from the
11 event are used exclusively for the purpose for which the organization is deemed to
12 be tax exempt under the Internal Revenue Code. Net proceeds means those revenues
13 from the event that are realized after accounting for customary expenses of such an
14 event which include but shall not be limited to fees paid for guest speakers, chair and
15 table rentals, and food and beverage utilities.

16 (ii) All for profit dealers or vendors participating in the event have registered
17 with the Department of Revenue for purposes of collection of sales and use and
18 individual and corporation income taxes.

19 ~~(b) Notwithstanding any other provision of this Section, the sales and use tax~~
20 ~~imposed by taxing authorities shall not apply to an event sponsored by a domestic~~
21 ~~nonprofit organization that is exempt from tax under Section 501(c)(3) of the~~
22 ~~Internal Revenue Code when the event provides Louisiana heritage, culture, crafts,~~
23 ~~art, food, and music, and the sponsor has contracted for production management and~~
24 ~~financing services for the event. Such services shall constitute necessary expenses~~
25 ~~of the sponsor for purposes of the event. The provisions of this Subparagraph shall~~
26 ~~apply only to the sales of tangible personal property and admission charges for,~~
27 ~~outside gate admissions to, or parking fees associated with an event when the sales,~~
28 ~~charges, and fees are payable to or for the benefit of the sponsor of the event. The~~
29 ~~provisions of this Subparagraph shall apply only to an event which transpires over~~

1 ~~a minimum of seven but not more than twelve days and has a five-year annual~~
2 ~~average attendance of at least three hundred thousand over the duration of the event.~~

3 For purposes of determining the five-year annual average attendance, the calculation
4 shall include the total annual attendance for each of the five most recent years.

5 For purposes of this Section, "nonprofit organization" means a domestic, civic,
6 educational, historical, charitable, fraternal, or religious organizations, which are
7 nonprofit, when the entire proceeds, except for necessary expenses such as fees paid
8 for guest speakers, chair and table rentals, and food and beverage utility related items
9 connected therewith, are used for educational, charitable, religious, or historical
10 restoration purposes, including the furtherance of the civic, educational, historical,
11 charitable, fraternal, or religious purpose of the organization. In addition,
12 newspapers published in this state by religious organizations shall also be exempt
13 from such taxes, provided that the price paid for the newspaper or a subscription to
14 the newspaper does not exceed the cost to publish such newspaper. organization that
15 is deemed to be tax exempt under Section 501(c)(3) of the Internal Revenue Code.

16 (2) The exemption provided herein shall not apply to any event intended to
17 yield a profit to the promoter ~~or to any individual contracted to provide services or~~
18 ~~equipment, or both, for the event.~~

19 (3) This Section shall not be construed to exempt any organization or activity
20 from the payment of sales or use taxes otherwise required by law to be made on
21 purchases made by ~~these organizations~~ an organization whose events may qualify for
22 this exemption.

23 (4) This Section shall not be construed to exempt regular commercial
24 ventures of any type such as bookstores, restaurants, gift shops, commercial flea
25 markets, and similar activities that are sponsored by organizations qualifying
26 hereunder which are in competition with retail merchants. ~~However, the exemption~~
27 ~~provided in this Section shall apply to thrift shops located on military installations,~~
28 ~~the operation of which is deemed to be an "event" for purposes of this exemption.~~

29 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 §305.19. Exclusions and exemptions; leased vessels used in the production of
2 minerals

3 The taxes imposed by taxing authorities shall not apply to those vessels
4 which are leased for use offshore beyond the territorial limits of this state for the
5 production of oil, gas, sulphur, and other minerals or for the providing of services to
6 those engaged in such production. Notwithstanding any other provision of law to the
7 contrary, the exemption established in this Section shall be applicable for all state
8 sales and use taxes levies.

9 * * *

10 §305.28. Exclusions and exemptions; gasohol

11 A. ~~The~~ Notwithstanding any other provision of law to the contrary, all sales
12 or use taxes imposed by the state of Louisiana or any such taxes imposed by any
13 parish or municipality or other local entity within the state shall not apply to the sale
14 at retail, the use, the consumption, the distribution, and the storage, to be used or
15 consumed in this state, of any motor fuel known as gasohol, containing a blend of
16 at least ten percent alcohol, if the alcohol therein has been produced, fermented, and
17 distilled in Louisiana from agricultural commodities. Alcohol to be used in gasohol
18 must have been rendered unsuitable for human consumption at the time of its
19 manufacture or immediately thereafter.

20 * * *

21 §305.44. Exclusions and exemptions; ~~raw~~ materials used in printing process

22 ~~A. The sales and use taxes imposed by the state under R.S. 47:302, R.S.~~
23 ~~47:321, and R.S. 47:331 and by any political subdivision shall not apply to purchases~~
24 ~~and sales of the following, including all chemical supplies necessary to produce such~~
25 ~~items whether manufactured by a printer or purchased from a subcontractor. The sale~~
26 or use of materials that are purchased for the purpose of inclusion into tangible
27 personal property to be sold at retail by a printer shall be exempt from sales and use
28 taxes imposed by the state or any other taxing authority.

29 * * *

1 §305.47. Exclusions and exemptions; pharmaceutical samples distributed without
2 charge

3 The sales and use tax imposed by the state of Louisiana or any of its political
4 subdivisions shall not apply to pharmaceutical samples approved by the United
5 States Food and Drug Administration which are manufactured in the state or
6 imported into the state for distribution without charge to physicians, dentists, clinics,
7 or hospitals. Notwithstanding any provision of law to the contrary, this exemption
8 shall be applicable to all state sales and use tax levies.

9 §305.48. Exemption; automobiles owned by military personnel

10 ~~Solely for purposes of the sales and use taxes levied by the state, motor~~
11 Motor vehicles subject to the vehicle registration tax previously purchased in another
12 state by active duty military personnel stationed in Louisiana, shall, at the time of
13 transfer of registration, be exempt from such use tax imposed by ~~this Chapter~~ the
14 state or any other taxing authority if a sales tax was imposed and collected upon the
15 purchase of the motor vehicle by the state in which the vehicle was purchased and
16 the purchaser was a resident or stationed in the state where the taxes were paid. The
17 motor vehicle shall continue to be exempt from such use tax as long as the registered
18 owner remains on active duty in any branch of the armed forces of the United States
19 and is stationed in Louisiana.

20 §305.49. Catalog distribution; exemption

21 Notwithstanding any provision of law to the contrary, no sales or use tax shall
22 be imposed by the state or any political subdivision on the value of catalogs
23 distributed, or intended for distribution in the state, without charge to the recipient.
24 This exemption shall apply to all state sales and use tax levies.

25 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;
26 railroad ties

27 * * *

1 (a) A domed facility which has a seating capacity of at least seventy
2 thousand, or the publicly owned property on which the facility is located.

3 (b) A domed facility which has a seating capacity of at least twelve thousand
4 five hundred, or the publicly owned property on which the facility is located.

5 (c) An open baseball site, or the property on which the site is located, which
6 site has a seating capacity of at least seven thousand five hundred, and has a
7 professional sports franchise that participates in Class Triple-A professional baseball.

8 (5) "Trade show" means a trade show or other event at which the sale of
9 goods is the primary purpose of the event.

10 B. Exemptions. (1) Sales occurring for or at an event at a state-owned
11 domed facility or baseball facility shall be exempt from sales and use taxes imposed
12 by the state and any other taxing authority as follows:

13 (a) Admission tickets to athletic contests or any large scale bid-upon events
14 or any other events allowed under an existing lease or extension thereof, including
15 for such contests and events where sales tax obligations created on or after April 1,
16 2016, were absorbed and the outstanding tax has yet to be remitted, sold in either of
17 the following:

18 (i) The primary ticket market.

19 (ii) Secondary market ticket sales by a nonprofit host organization whose
20 mission is to bid upon, contract, and manage large scale sporting and entertainment
21 events on behalf of the state of Louisiana.

22 (b) Any sale, service, or other transaction, including the sale of parking, and
23 for purposes of a state-owned baseball facility parking on adjacent property under
24 the same jurisdiction, such sales occurring in the facility in connection with athletic
25 contests or any large scale bid-upon events or any other events allowed under an
26 existing lease or extension thereof.

27 (c) Sales of goods from a team merchandise store at the facility.

28 (d) Fifty percent of the cost price of admission tickets to events, activities,
29 or enterprises other than tickets to athletic contests or any large scale bid-upon

1 events, including for such contests and events where sales tax obligations created on
2 or after April 1, 2016, were absorbed and the outstanding tax has yet to be remitted,
3 wherever sold.

4 (e) Tours of the facility.

5 (f) The full price of admission on tickets for nonathletic events and any sale,
6 service, or other transaction, including the sale of parking, relating to such
7 nonathletic events, if the event was bid upon, awarded, or under contract on or before
8 September 1, 2016.

9 (2) Disposition of state tax proceeds. Of the monies remaining after
10 satisfaction of the requirements of Article VII, Section 9(B) of the Constitution of
11 Louisiana concerning the Bond Security and Redemption Fund, and R.S. 47:318(A)
12 concerning support of economic development, an amount equal to thirty percent of
13 the proceeds of the tax imposed under R.S. 47:321 on sales occurring for or at the
14 state-owned domed facility described in Subparagraph (A)(4)(a) of this Section shall
15 be allocated one-half to the Louisiana School of Math, Science, and the Arts, and
16 one-half to the New Orleans Center for Creative Arts. All monies remaining
17 thereafter shall be deposited into the state general fund. For purposes of this
18 allocation, on the last day of November of each year the secretary of the Department
19 of Revenue shall provide to the chairman of the Joint Legislative Committee on the
20 Budget and the commissioner of administration an official estimate of the amount
21 of state revenues received within the previous twelve months which were derived
22 from the tax imposed pursuant to R.S. 47:321 from sales for or at the state-owned
23 domed facility described in Subparagraph (A)(4)(a) of this Section. The estimate
24 shall be utilized by the commissioner of administration in the preparation of the
25 following year's executive budget in which a recommendation shall be made to
26 appropriate such amounts as may be necessary to provide for this allocation.

27 (3) Disposition of local tax proceeds from event sales at a state-owned
28 domed facility.

1 (a) If the local sales and use tax proceeds were derived from event sales at
2 a facility located on the property of a public postsecondary educational institution
3 located in the parish, all such tax proceeds shall be distributed to that institution. This
4 provision shall not apply to the Baton Rouge River Center or the Cajundome and
5 Convention Center.

6 (b) After satisfaction of the requirements of Subparagraph (a) of this
7 Paragraph, of the total remaining local sales and use tax proceeds in a parish having
8 a population in excess of three hundred twenty thousand and less than four hundred
9 thousand persons as of the latest federal decennial census, which proceeds were
10 derived from event sales at a state-owned domed facility subject to the provisions of
11 this Section, an amount equal to twenty percent shall be distributed to the New
12 Orleans Council on Aging. Monies to satisfy this dedication shall be derived
13 proportionately from the sales and use tax distributions for the following purposes:
14 fifty percent from the Orleans Parish School Board, and fifty percent from the
15 Regional Transit Authority.

16 (c) After satisfaction of the requirements of Subparagraph (a) of this
17 Paragraph, of the total remaining local sales and use tax proceeds derived from event
18 sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-six
19 percent shall be allocated to the West Feliciana Parish School Board, and an amount
20 equal to thirty-four percent shall be allocated to the West Feliciana Council on
21 Aging.

22 C. The exemptions established in this Section shall apply to any event,
23 activity, or enterprise held in conjunction with athletic events or any large scale bid-
24 upon event or other event allowed under an existing lease or an extension thereof,
25 inclusive of activities within and adjacent to the facility to which the exemptions
26 apply.

27 D. The exemptions established in this Section shall not extend to any sale of
28 services or tangible personal property not specifically provided for in this Section.

1 E. The provisions of this Section shall not be interpreted as either imposing
2 or rendering the following activities subject to the imposition of any state or local
3 tax:

4 (1) Sales of admission tickets and parking for intercollegiate athletic events
5 sponsored or promoted by a Louisiana-based college or university, including any
6 conferences, leagues, and associations in which they participate, and a nonprofit
7 organization affiliated with such college or university.

8 (2) Sales of admission tickets and parking for high school athletic events
9 sponsored or promoted by a Louisiana high school, including any conferences,
10 leagues, and associations in which they participate.

11 (3) Sales of admission tickets and parking for youth sports events sponsored
12 or promoted by a Louisiana-based youth sports league or association.

13 F. Notwithstanding any provision of law to the contrary, for purposes of state
14 and local sales and use taxes, the exemptions provided in Subsection B of this
15 Section shall apply to sales for or at a regularly scheduled major annual sporting
16 event when the income taxes attributable to the nonresident professional athletes
17 participating in the event are dedicated to the Sports Facility Assistance Fund in
18 accordance with the provisions of R.S. 39:100.1.

19 G. Notwithstanding any provision of law to the contrary, including any
20 contrary provisions of R.S. 47:302(X), (Y) or (AA), R.S. 47:321(L) and (M), R.S.
21 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided
22 for in Subparagraphs (B)(1)(a), (d), and (f) of this Section, the exemptions from state
23 sales and use taxes authorized in this Section shall be applicable and effective on and
24 after April 1, 2016.

25 §305.74. Exemption; Sales at certain public facilities

26 A. The provisions of this Section shall apply to any public facility that is not
27 subject to the provisions of R.S. 47:305.73.

28 B. Definitions. For purposes of this Section the following terms and phrases
29 shall have the following meanings:

1 (1) "Event" means any event, large scale bid-upon event, activity, or
2 enterprise, excluding a trade show.

3 (2) "Large scale bid-upon event" means the instance when a nonprofit
4 organization, located in a parish with a population of more than two hundred fifty
5 thousand, whose mission is to bid upon, contract and manage large scale sporting
6 and entertainment events on behalf of the state of Louisiana, has bid upon or been
7 awarded an event which may have a bid requirement of a waiver of taxes or a waiver
8 of all tax has been offered as an enhancement to significantly increase the probability
9 of awarding the event to Louisiana.

10 (3) "Locally or university-owned domed facility" means a domed arena
11 facility and adjacent and connected facilities which are under the jurisdiction of any
12 political subdivision or any commission of such political subdivision if the domed
13 arena facility on such property has a seating capacity of at least twelve thousand five
14 hundred and is located within a parish with a population of more than one hundred
15 eighty-five thousand according to the most recent federal decennial census, or the
16 publicly-owned property on which the facilities are located.

17 (4) "Public facility" means a facility, other than a locally or university owned
18 domed facility or a facility subject to the provisions of R.S. 47:305.93, that is owned
19 and operated by or for the state, or any of its agencies, boards, or commissions, or
20 by any political subdivision, or on the publicly-owned property on which the facility
21 is located.

22 (5) "Sales" means sales of taxable services and tangible personal property
23 at an event at a public facility or a locally or university-owned domed facility.

24 (6) "Trade show" means a trade show or other event at which the sale of
25 goods is the primary purpose of the event.

26 C. Exemptions for event sales at a public facility or locally or university-
27 owned domed facility.

28 (1) The exemptions from the state sales and use tax for event sales shall be
29 the same as those in effect for purposes of local sales and use taxes.

1 (2) A local taxing authority may adopt exemptions from any tax levied by
2 that authority for any and all event sales occurring at a public facility or a locally or
3 university-owned domed facility within the jurisdiction of the local taxing authority.

4 (3) As an alternative to the provisions of Paragraph (2) of this Subsection,
5 a local taxing authority may adopt any of the following exemptions:

6 (a) Admission tickets to athletic events sold in either of the following:

7 (i) The primary ticket market.

8 (ii) Secondary market ticket sales by a nonprofit host organization.

9 (b) Any sale, service, or other transaction occurring in such facility in
10 connection with officially sanctioned events affiliated with athletic contests held at
11 a facility subject to the provisions of R.S. 47:305.73.

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

13 (d) Fifty percent of the cost price of admission tickets to events, activities,
14 or enterprises other than tickets to athletic events, wherever sold.

15 (e) Tours of the facility.

16 (f) The full price of admission on tickets for nonathletic events if the event
17 was bid upon, awarded, or under contract on or before September 1, 2016.

18 (g) Parking pursuant to events allowed under an existing lease or extension
19 thereof.

20 D. The exemptions provided in this Section shall apply to any event, activity,
21 or enterprise held in conjunction with athletic events or any large scale bid-upon
22 event or other event allowed under an existing lease or an extension thereof,
23 inclusive of activities within and adjacent to the facility to which the exemptions
24 apply.

25 E. Disposition of local tax proceeds.

26 (1) If the local sales and use tax proceeds were derived from event sales at
27 a public facility located on the property of a public postsecondary educational
28 institution located in the parish, all such tax proceeds shall be distributed to that

1 institution; however, the provisions of this Subsection shall not apply to tax proceeds
2 from sales associated with an event at a locally or university-owned domed facility.

3 (2) After satisfaction of the requirements of Paragraph (1) of this Subsection,
4 of the total remaining local sales and use tax proceeds in a parish having a population
5 in excess of three hundred twenty thousand and less than four hundred thousand
6 persons as of the latest federal decennial census which proceeds were derived from
7 event sales at a public facility subject to the provisions of this Section, an amount
8 equal to twenty percent shall be distributed to the New Orleans Council on Aging.
9 Monies to satisfy this dedication shall be derived proportionately from the sales and
10 use tax distributions for the following purposes: fifty percent from the Orleans
11 Parish School Board, and fifty percent from the Regional Transit Authority.

12 (3) After satisfaction of the requirements of Paragraph (1) of this
13 Subsection, of the total remaining local sales and use tax proceeds derived from
14 event sales at the Angola State Penitentiary Prison Rodeo, an amount equal to sixty-
15 six percent shall be allocated to the West Feliciana Parish School Board, and an
16 amount equal to thirty-four percent shall be allocated to the West Feliciana Council
17 on Aging.

18 F. The provisions of this Section shall not be interpreted as either imposing
19 or rendering the following activities subject to the imposition of any state or local
20 tax:

21 (1) Sales of admission tickets and parking for intercollegiate athletic events
22 sponsored or promoted by a Louisiana-based college or university, including any
23 conferences, leagues, and associations in which they participate, and a nonprofit
24 organization affiliated with such a college or university.

25 (2) Sales of admission tickets and parking for high school athletic events
26 sponsored or promoted by a Louisiana high school, including any conferences,
27 leagues, and associations in which they participate.

28 (3) Sales of admission tickets and parking for youth sports events sponsored
29 or promoted by a Louisiana-based youth sports league or association.

1 G. Notwithstanding any provision of law to the contrary, including any
2 contrary provisions of R.S. 47:302(X) and (Y), R.S. 47:321(L) and (M), R.S.
3 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided
4 for in Subparagraph (C)(3)(f) of this Section, the exemptions from state sales and use
5 taxes authorized in this Section shall be applicable and effective on and after April
6 1, 2016.

7 §305.75. Exemption; certain major entertainment events sponsored by a domestic
8 nonprofit organization

9 Sales of admission to an event which meets both of the following
10 requirements shall be exempt from sales taxes imposed by the state or any other
11 taxing authority to the extent of one-half of the admission price.

12 (1) The event is sponsored by a domestic nonprofit organization that is
13 exempt from tax under Section 501(c)(3) of the Internal Revenue Code when the
14 event provides Louisiana heritage, culture, crafts, art, food, and music, and the
15 sponsor has contracted for production management and financing services for the
16 event, such services constituting necessary expenses of the sponsor for purposes of
17 the event.

18 (2) The event transpires over a minimum of seven but not more than twelve
19 days and has a five-year annual average attendance of at least three hundred
20 thousand over the duration of the event. For purposes of determining the five-year
21 annual average attendance, the calculation shall include the total annual attendance
22 for each of the five most recent years.

23 §305.76. Exemption; contracts for construction or overhaul of U.S. Navy vessels

24 Any actions performed, including leases of property, pursuant to a contract
25 with the United States Department of the Navy for construction or overhaul of U.S.
26 Navy vessels shall be exempt from sales and use taxes imposed by the state or any
27 other taxing authority.

28 §305.77. Exemption; certain parochial and private schools

1 The sale, purchase, use, lease, or rental of tangible personal property or
2 services by an approved parochial and private elementary and secondary school
3 which complies with the court order from the Dodd Brumfield decision and Section
4 501(c)(3) of the Internal Revenue Code shall be exempt from sales and use taxes
5 imposed by the state or any other taxing authority, as follows:

6 (1) Sale of tangible personal property by the school, its students,
7 administrators, teachers, or other employees, if the money from such sale, less
8 reasonable and necessary expenses associated with the sale, is used solely and
9 exclusively to support the school or its program or curricula, shall be exempt from
10 tax. This exemption shall not be construed to allow tax-free sales to students or their
11 families by promoters or regular commercial dealers through the use of schools,
12 school faculty, or school facilities.

13 (2) Purchase, use, lease, or rental of educational materials or equipment for
14 classroom instruction purposes, limited to books, workbooks, computers, computer
15 software, films, videos, and audio tapes shall be exempt from tax.

16 (3) Purchase of food items for school lunch or breakfast programs by
17 nonpublic elementary or secondary schools which participate in the National School
18 Lunch and School Breakfast programs or the purchase of food items by nonprofit
19 organizations which serve students in nonpublic elementary or secondary schools
20 and which participate in the National School Lunch and School Breakfast programs
21 shall be exempt from tax.

22 §305.78. Exemption; lease or rental of motor vehicles by a motor vehicle dealer for
23 purposes of warranty agreements

24 The lease or rental of motor vehicles by a licensed motor vehicle dealer, as
25 defined in R.S. 32:1252(35), or a vehicle manufacturer, as defined in R.S.
26 32:1252(24), for their use in furnishing such leased or rented motor vehicles to their
27 customers in performance of their obligations under warranty agreements associated
28 with the purchase of a motor vehicle, or when the applicable warranty has lapsed and

1 the leased or rented motor vehicle is provided to the customer at no charge, shall be
2 exempt from sales and use taxes imposed by the state or any other taxing authority.

3 §305.79. Exemption; sales of repair services associated with a motor vehicle
4 warranty

5 The repair of a vehicle, including services and parts, by a licensed motor
6 vehicle dealer which is performed subsequent to the lapse of the applicable warranty
7 on that vehicle and at no charge to the owner of the vehicle shall be exempt from
8 sales and use taxes imposed by the state or any other taxing authority.

9 §305.80. Exemption; human tissue transplants

10 The sale of any human tissue transplants, which shall be defined to include
11 all human organs, bone, skin, cornea, blood, or blood products transplanted from one
12 individual into another recipient individual shall be exempt from sales and use taxes
13 imposed by the state or any other taxing authority.

14 §305.81. Exemption; food items sold by certain youth service organizations

15 The sale of food items by youth serving organizations chartered by congress
16 shall be exempt from sales and use taxes imposed by the state or any other taxing
17 authority.

18 §305.82. Exemption; volunteer and public fire departments

19 The sale or purchase of equipment used in fire fighting by a bona fide
20 volunteer or public fire department shall be exempt from sales and use taxes imposed
21 by the state or any other taxing authority.

22 §305.83. Exemption; telephone directories

23 The transfer of title to or possession of telephone directories by an advertising
24 company that is not affiliated with a provider of telephone services shall be exempt
25 from sales and use taxes imposed by the state or any other taxing authority if the
26 telephone directors are distributed to the public free of charge.

27 §305.84. Exemption; sales by the Military Department

28 Sales of tangible personal property by the Military Department, state of
29 Louisiana, which occur on an installation or other property owned or operated by the

1 Military Department shall be exempt from sales and use taxes imposed by the state
2 or any other taxing authority.

3 §305.85. Exemption; thrift shops located on military installations

4 Sales at a thrift shop located on a military installation shall be exempt from
5 sales and use taxes imposed by the state or any other taxing authority.

6 §305.86. Exemption; anthropogenic carbon dioxide

7 Sale of anthropogenic carbon dioxide for use in a qualified tertiary recovery
8 project approved by the assistant secretary of the office of conservation of the
9 Department of Natural Resources pursuant to R.S. 47:633.4 shall be exempt from
10 sales and use taxes imposed by the state or any other taxing authority.

11 §305.87. Exemption; athletic entertainment; schools, colleges and universities

12 Sales of admission to the following types of events shall be exempt from
13 sales and use taxes imposed by the state or any other taxing authority:

14 (1) Athletic entertainment events occurring at a college or university.

15 (2) Athletic entertainment events occurring at an elementary or secondary
16 school.

17 §305.88. Exemption; membership fees or dues for certain organizations

18 The sales of membership and access privileges for the facilities of a nonprofit
19 civic organization, including by way of illustration and not of limitation the Young
20 Men's Christian Association, the Catholic Youth Organization, and the Young
21 Women's Christian Association, shall be exempt from sales and use taxes imposed
22 by the state or any other taxing authority. For purposes of this Section, "nonprofit
23 organization means a nonprofit organization which is deemed to be exempt under
24 Section 501(c)(3) of the Internal Revenue Code.

25 §305.89. Exemption; sales of sleeping rooms by certain camp and retreat facilities

26 Sales of sleeping rooms by a camp or retreat facility owned and operated by
27 a nonprofit organization, the net revenue from which is used solely for the purpose
28 for which the nonprofit organization qualifies for its exempt status under Section
29 501(c)(3) of the Internal Revenue Code, shall be exempt from sales and use taxes

1 imposed by the state or any other taxing authority. Any other sales of sleeping
2 rooms or other accommodations at such facilities shall be subject to tax.

3 §305.90. Exemption; pharmaceuticals administered to livestock used for agricultural
4 purposes

5 Sales or use of pharmaceuticals administered to livestock used for
6 agricultural purposes shall be exempt from sales and use taxes imposed by the state
7 or any other taxing authority. Only pharmaceuticals registered with the Louisiana
8 Department of Agriculture and Forestry shall be eligible for this exemption.

9 §305.91. Exemption; custom software

10 Notwithstanding any other provision of law to the contrary, sales of services
11 and tangible personal property constituting custom software shall be exempt from
12 sales and use taxes imposed by the state or any other taxing authority. Pre-written
13 software contained within custom software shall be subject to tax. For purposes of
14 this Section, the terms "custom software" and "pre-written software" shall have the
15 meanings defined in R.S. 47:301(23).

16 §305.92. Exemption; blood banks

17 Sale or use of materials used directly in the collection, separation, treatment,
18 testing, and storage of blood, and apheresis kits and leuko reduction filters utilized
19 by nonprofit blood banks and nonprofit blood collection centers shall be exempt
20 from sales and use taxes imposed by the state or any other taxing authority.

21 §305.93. Exemption; investment grade bullion

22 Sale or use of investment grade platinum, gold, or silver bullion shall be
23 exempt from sales and use taxes imposed by the state or any other taxing authority.

24 §305.94. Exemption; mass communication industries

25 A. Raw materials used to print a news publication. Sales and use of the
26 following, including all chemical supplies necessary to produce such items whether
27 manufactured by a printer or purchased from a subcontractor if purchased by a news
28 publication, as defined in R.S. 47:301(24), shall be exempt from sales and use taxes
29 imposed by the state or any other taxing authority:

1 (1) Artwork.

2 (2) Blankets and bars.

3 (3) Chemicals.

4 (4) Color separations.

5 (5) Dies.

6 (6) Film, including negatives.

7 (7) Offset plates.

8 (8) Press proofs and photomechanical proofs.

9 (9) Layouts.

10 (10) Typesetting.

11 (11) Rubber plates.

12 (12) Paper.

13 (13) Ink.

14 B. Sales or use of newspapers shall be exempt from sales and use taxes
15 imposed by the state or any other taxing authority.

16 C. Sales or use of machinery and equipment for a radio or television station
17 located in Louisiana, which property is mandated for a license for radio or television
18 broadcasting from the Federal Communications Commission, shall be exempt from
19 the sales and use tax imposed by any taxing authority.

20 D. Sales or use taxes paid by person for machinery or equipment for a news
21 publication may be eligible for a refund of the amount of tax paid as provided under
22 R.S. 47:315.11.

23 §305.95. Exemption; nonprofit organizations; donations

24 A. Sales or use of any tangible personal property that is purchased by a
25 nonprofit organization deemed to be tax exempt under Section 501(c)(3) of the
26 Internal Revenue Code shall be exempt from sales and use taxes imposed by the state
27 and any other taxing authority if all of the following requirements are met:

28 (1) The tangible personal property is purchased with monies donated to the
29 nonprofit organization.

1 (2) The tangible personal property is donated free of charge for charitable
2 purposes for which the nonprofit organization is deemed to be tax exempt under
3 federal law.

4 (3) The nonprofit organization maintains a current certificate of exemption
5 granted by the secretary of the Department of Revenue for purposes of this Section.

6 B. Any use of property eligible for the exemption provided for in Subsection
7 A of this Section shall be exempt from the use tax imposed by any taxing authority.

8 §305.96. Exemption; charitable housing development, construction, and restoration

9 A. Sales or use of construction materials purchased by a nonprofit
10 organization which are intended for the following purposes shall be exempt from
11 sales and use taxes imposed by the state or any other taxing authority:

12 (1) Construction of new residential dwellings to be donated or sold at below
13 market rates by a nonprofit organization established for that purpose.

14 (2) Rehabilitation and renovation of residential dwellings that were damaged
15 in a natural disaster which will be donated or sold at below market rates by a
16 nonprofit organization established for that purpose.

17 B. For purposes of this Section, "nonprofit organization" means a nonprofit
18 organization deemed to be tax exempt under Section 501(c)(3) of the Internal
19 Revenue Code.

20 §305.97. Exemption; drilling rigs and equipment used outside of Louisiana
21 territorial waters

22 Sales of machinery and equipment and component parts thereof, and all
23 services, used in the repair, renovation, or conversion of any drilling rig which is
24 used exclusively for the exploration or development of minerals outside the
25 territorial limits of the state in Outer Continental Shelf waters shall be exempt from
26 the taxes imposed by any taxing authority. For the purposes of this Section, "drilling
27 rig" means any unit or structure, along with its component parts, which is used
28 primarily for drilling, workover, intervention or remediation of wells used for
29 exploration or development of minerals and "component parts" means any machinery

1 or equipment necessary for a drilling rig to perform its exclusive function of
2 exploration or development of minerals.

3 §305.98. Exemption; Louisiana Insurance Guaranty Association

4 Sales of tangible personal property and services to the Louisiana Guaranty
5 Association shall be exemption from sales and use taxes imposed by any taxing
6 authority, as further provided in R.S. 22:2065.

7 * * *

8 §315. Sales returned to dealer; credit or refund of tax

9 * * *

10 B.

11 * * *

12 (4) Only an amount equal to the tax remitted may be claimed as a credit.
13 Payments received shall be applied first to the sales price and tax collected, after
14 which payments shall be applied to interest, penalties, or finance charges. A detailed
15 accounting of each account may be requested to support a request for a refund.

16 ~~(4)~~ (5) This refund applies both to sales and use taxes imposed by the state
17 of Louisiana and to such taxes authorized and levied by any school board,
18 municipality, or other local taxing authority. All local taxing authorities shall grant
19 such credit or refund as provided by Paragraph (B)(1) of this Section. The taxing
20 authority shall provide for the granting of such refund either by ordinance or by local
21 rule or regulation. Such credit or refund shall be granted whenever the Louisiana
22 Department of Revenue has found the dealer to be entitled to reimbursement in
23 accordance with the provisions of Paragraph (B) (1) of this Section.

24 * * *

25 §315.5. Sales tax refund; nonprofits employing or training persons with workplace
26 disabilities or disadvantages

27 A. ~~A~~ For the purpose of promoting social welfare for the aid and support of
28 the needy, a qualified charitable institution which submits an application to the
29 secretary of the Department of Revenue shall receive an exemption in the form of a

1 restricted refund of the sales and use tax of the state which the institution has
2 collected on the sale of donated tangible personal property or items made from such
3 donated property; provided that, the refund is used exclusively in this state for land
4 acquisition, capital construction, or equipment, or debt service related thereto, and/or
5 job training, job placement, employment, or other related community services and
6 support program costs.

7 * * *

8 §315.6. Sales tax refund; sales, leases, and rentals of manufacturing machinery and
9 equipment

10 A. Manufacturer, as defined in Subsection E of this Section, who has paid
11 sales, use, and lease or rental taxes, levied by the state or a political subdivision
12 whose boundaries are coterminous with those of the state, upon the sale, lease, or
13 rental of machinery and equipment when such machinery and equipment as defined
14 in Subsection E of this Section, is used by the manufacturer in a plant facility
15 predominately and directly in the actual manufacturing for agricultural purposes or
16 the actual manufacturing process of an item of tangible personal property, which is
17 for ultimate sale to another and not for internal use, at one or more fixed locations
18 within Louisiana, shall be entitled to a refund of the amount of tax paid on such
19 property, provided the person claiming the refund has been certified as a
20 manufacturer by the secretary of the Department of Revenue.

21 B. No refund shall be made under the provisions of this Section unless a
22 claim for refund covering the amount of sales, use, lease or rental tax paid is filed on
23 or before the thirty-first day of December of the year in which the tax became due
24 or after one year from the date the tax was paid, whichever is the later.

25 C. Requests for refunds of state sales and use tax pursuant to this Section
26 shall be processed by the Department of Revenue as follows:

27 (1) A properly completed refund request shall be submitted to the Department
28 of Revenue on forms provided by the Department of Revenue. For purposes of this
29 Section, a properly completed refund request shall mean a refund request that

1 includes the general information required on the face of the request, is signed, and
2 includes a copy of each invoice and all required schedules. The request shall be
3 submitted electronically unless the secretary of the Department of Revenue grants
4 permission to submit the request in an alternate form. A copy the taxpayer's
5 approved certification for the Manufacturing Machinery and Equipment shall be
6 included.

7 (2) Within sixty days of the receipt of a properly completed refund request,
8 the Department of Revenue shall refund approximately seventy-five percent of the
9 total amount of the requested refund. Within sixty days after the date of the issuance
10 of the first refund, the Department of Revenue shall issue the remainder of the
11 amount of the refund. The Department of Revenue shall audit the refund request
12 within three months of the receipt of a properly filed refund request. During such
13 three-month period, the Department of Revenue shall disallow items determined to
14 be ineligible for refund. The Department of Revenue shall refund the remaining
15 twenty-five percent of the amount claimed on the refund request less any amounts
16 properly disallowed during the three-month audit period. The Department of
17 Revenue shall make such refund from the current collections of the taxes collected
18 pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title 47 of the
19 Louisiana Revised Statutes of 1950, as amended. Any sales and use tax refund issued
20 shall be subject to subsequent audit by the Department of Revenue, and any refund
21 amount determined to be in excess of that which should have been allowed shall be
22 subject to collection by the Department of Revenue.

23 D. Any local political subdivision may provide for a refund of the local sales
24 and use taxes levied on upon the sale, lease, or rental of machinery and equipment
25 as provided for in this Section.

26 E. For purposes of this Section, the following definitions shall apply:

27 (1) "Machinery and equipment" means tangible personal property or other
28 property that is eligible for depreciation for federal income tax purposes and that is
29 used as an integral part in the manufacturing of tangible personal property for sale.

1 "Machinery and equipment" shall also mean tangible personal property or other
2 property that is eligible for depreciation for federal income tax purposes and that is
3 used as an integral part of the production, processing, and storing of food and fiber
4 or of timber.

5 (a) Machinery and equipment, for purposes of this Section, also includes but
6 is not limited to the following:

7 (i) Computers and software that are an integral part of the machinery and
8 equipment used directly in the manufacturing process.

9 (ii) Machinery and equipment necessary to control pollution at a plant
10 facility where pollution is produced by the manufacturing operation.

11 (iii) Machinery and equipment used to test or measure raw materials, the
12 property undergoing manufacturing or the finished product, when such test or
13 measurement is a necessary part of the manufacturing process.

14 (iv) Machinery and equipment used by an industrial manufacturing plant to
15 generate electric power for self consumption or cogeneration.

16 (v) Machinery and equipment used by a manufacturer in a plant facility
17 predominately and directly in the actual manufacturing for agricultural purposes,
18 including, but not limited to rubber tired farm tractors, cane harvesters, cane loaders,
19 cotton pickers, combines, haybalers, attachments and sprayers, clippers, cultivators,
20 discs, plows, and spreaders.

21 (vi) Machinery and equipment used to manufacture, produce, or extract
22 unblended biodiesel.

23 (vii) Machinery and equipment used by a motor vehicle manufacturer with
24 a North American Industry Classification System (NAICS) Code beginning with
25 3361.

26 (viii) Machinery and equipment used by a glass container manufacturer with
27 a North American Industry Classification System (NAICS) Code of 327213.

28 (ix) Machinery and equipment that performs tooling in a compression mold
29 process.

1 (x) Machinery and equipment purchased by a utility company assigned the
2 North American Industrial Classification System Code 22111 as such code existed
3 in 2002, which company is regulated by the Public Service Commission or the
4 council of the city of New Orleans.

5 (b) Machinery and equipment, for purposes of this Section, does not include
6 any of the following:

7 (i) A building and its structural components, unless the building or structural
8 component is so closely related to the machinery and equipment that it houses or
9 supports that the building or structural component can be expected to be replaced
10 when the machinery and equipment are replaced.

11 (ii) Heating, ventilation, and air-conditioning systems, unless their
12 installation is necessary to meet the requirements of the manufacturing process, even
13 though the system may provide incidental comfort to employees or serve, to an
14 insubstantial degree, nonproduction activities.

15 (iii) Tangible personal property used to transport raw materials or
16 manufactured goods prior to the beginning of the manufacturing process or after the
17 manufacturing process is complete.

18 (iv) Tangible personal property used to store raw materials or manufactured
19 goods prior to the beginning of the manufacturing process or after the manufacturing
20 process is complete.

21 (2) "Manufacturer" means:

22 (a) A person whose principal activity is manufacturing, as defined in this
23 Subparagraph, and who is assigned by the Louisiana Workforce Commission a North
24 American Industrial Classification System code within the agricultural, forestry,
25 fishing, and hunting Sector 11, the manufacturing Sectors 31-33, the information
26 Sector 511110 as they existed in 2002, industry code 22111 or industry code 423930
27 as a recyclable material merchant wholesaler engaged in manufacturing activities,
28 which must include shredding facilities, as determined by the secretary of the
29 Department of Revenue.

1 (b) A person whose principal activity is manufacturing and who is not
2 required to register with the Louisiana Workforce Commission for purposes of
3 unemployment insurance, but who would be assigned a North American Industrial
4 Classification System code within the agricultural, forestry, fishing, and hunting
5 Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they
6 existed in 2002, as determined by the Louisiana Department of Revenue from federal
7 income tax data, if he were required to register with the Louisiana Workforce
8 Commission for purposes of unemployment insurance.

9 (3) "Manufacturing" means putting raw materials through a series of steps
10 that brings about a change in their composition or physical nature in order to make
11 a new and different item of tangible personal property that will be sold to another.
12 Manufacturing begins at the point at which raw materials reach the first machine or
13 piece of equipment involved in changing the form of the material and ends at the
14 point at which manufacturing has altered the material to its completed form. Placing
15 materials into containers, packages, or wrapping in which they are sold to the
16 ultimate consumer is part of this manufacturing process. Manufacturing, for
17 purposes of this Subparagraph, does not include any of the following:

18 (a) Repackaging or redistributing.

19 (b) The cooking or preparing of food products by a retailer in the regular
20 course of retail trade.

21 (c) The storage of tangible personal property.

22 (d) The delivery of tangible personal property to or from the plant.

23 (e) The delivery of tangible personal property to or from storage within the
24 plant.

25 (f) Actions such as sorting, packaging, or shrink wrapping the final material
26 for ease of transporting and shipping.

27 (4) "Manufacturing for agricultural purposes" means the production,
28 processing, and storing of food and fiber and the production, processing, and storing
29 of timber.

1 (5) "Plant facility" means a facility, at one or more locations, in which
2 manufacturing, referred to in Sectors 11 and 31-33 of the North American Industrial
3 Classification system as of 2002, of a product of tangible personal property takes
4 place.

5 (6) "Used directly" means used in the actual process of manufacturing or
6 manufacturing for agricultural purposes.

7 §315.7. Sales tax refund; pollution control devices or systems necessary for
8 compliance with state or federal law

9 A. A person that has paid sales, use, and lease or rental taxes levied by the
10 state on the purchase or lease of an eligible pollution control device or system shall
11 be entitled to a refund of the amount of tax paid on such property, provided the
12 person claiming the refund has been certified by the secretary of the Department of
13 Revenue as an eligible taxpayer for purposes of this refund.

14 B. An eligible pollution control device or system for purposes of the tax
15 refund shall meet all of the following requirements:

16 (1) Be approved by the Department of Revenue and the Department of
17 Environmental Quality;

18 (2) Be sold or leased, and used exclusively for the purpose of eliminating or
19 reducing the volume or toxicity of industrial pollution of air, land, water, or
20 groundwater in Louisiana.

21 (3) Produce data sufficient to demonstrate a net decrease in the volume or
22 toxicity of the environmental hazard for which the device or system was purchased
23 or leased that can be directly attributable to the installation of the device or system.
24 However, property that provides only limited or incidental reductions in the volume
25 or toxicity of pollution shall not qualify when such property is acquired primarily for
26 the production of goods and services and is integral to a profit-motivated business
27 purpose or activity.

28 (4) Be necessary to comply with federal or state environmental laws or
29 regulations.

1 C. No refund shall be made under the provisions of this Section unless a
2 claim for refund covering the amount of sales, use, lease, or rental tax paid is filed
3 on or before the thirty-first day of December of the year in which the tax became due
4 or after one year from the date the tax was paid, whichever is the later.

5 D. Requests for refunds of state sales and use tax pursuant to this Section
6 shall be processed by the Department of Revenue as follows:

7 (1.) A properly completed refund request shall be submitted to the
8 Department of Revenue on forms provided by the Department of Revenue. For
9 purposes of this Section, a properly completed refund request shall mean a refund
10 request that includes the general information required on the face of the request, is
11 signed, and includes a copy of each invoice and all required schedules. The request
12 shall be submitted electronically unless the secretary of the Department of Revenue
13 grants permission to submit the request in an alternate form. A copy the taxpayer's
14 approved certification as an eligible institution shall be included.

15 (2) Within sixty days of the receipt of a properly completed refund request,
16 the Department of Revenue shall refund approximately seventy-five percent of the
17 total amount of the requested refund. Within sixty days after the date of the issuance
18 of the first refund, the Department of Revenue shall issue the remainder of the
19 amount of the refund. The Department of Revenue shall audit the refund request
20 within three months of the receipt of a properly filed refund request. During such
21 three-month period, the Department of Revenue shall disallow items determined to
22 be ineligible for refund. The Department of Revenue shall refund the remaining
23 twenty-five percent of the amount claimed on the refund request less any amounts
24 properly disallowed during the three-month audit period. The Department of
25 Revenue shall make the refund from the current collections of the taxes collected
26 pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title 47 of the
27 Louisiana Revised Statutes of 1950, as amended. Any sales and use tax refund issued
28 shall be subject to subsequent audit by the Department of Revenue, and any refund

1 amount determined to be in excess of that which should have been allowed shall be
2 subject to collection by the Department of Revenue.

3 E. Any local political subdivision may provide for a refund of the local sales
4 and use taxes levied on upon the sale, lease, or rental of tangible personal property
5 or services as provided for in this Section.

6 §315.8. Sales tax refund; regionally accredited institutions of higher education

7 A. A regionally accredited institution of higher education that has paid sales,
8 use, and lease or rental taxes levied by the state on tangible personal property or
9 services directly related to the educational mission of the institution shall be entitled
10 to a refund of the amount of tax paid on such property or services, provided the
11 institution claiming the refund has been certified as an eligible institution by the
12 secretary of the Department of Revenue.

13 B. No refund shall be made under the provisions of this Section unless a
14 claim for refund covering the amount of sales, use, lease or rental tax paid is filed on
15 or before the thirty-first day of December of the year in which the tax became due
16 or after one year from the date the tax was paid, whichever is later.

17 C. Requests for refunds of state sales and use tax pursuant to this Section
18 shall be processed by the Department of Revenue as follows:

19 (1.) A properly completed refund request shall be submitted to the
20 Department of Revenue on forms provided by the Department of Revenue. For
21 purposes of this Section, a properly completed refund request shall mean a refund
22 request that includes the general information required on the face of the request, is
23 signed, and includes a copy of each invoice and all required schedules. The request
24 shall be submitted electronically unless the secretary of the Department of Revenue
25 grants permission to submit the request in an alternate form. A copy the taxpayer's
26 approved certification as an eligible institution shall be included.

27 (2) Within sixty days of the receipt of a properly completed refund request,
28 the Department of Revenue shall refund approximately seventy-five percent of the
29 total amount of the requested refund. Within sixty days after the date of the issuance

1 of the first refund, the Department of Revenue shall issue the remainder of the
2 amount of the refund. The Department of Revenue shall audit the refund request
3 within three months of the receipt of a properly filed refund request. During such
4 three-month period, the Department of Revenue shall disallow items determined to
5 be ineligible for refund. The Department of Revenue shall refund the remaining
6 twenty-five percent of the amount claimed on the refund request less any amounts
7 properly disallowed during the three-month audit period. The Department of
8 Revenue shall make the refund from the current collections of the taxes collected
9 pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title 47 of the
10 Louisiana Revised Statutes of 1950, as amended. Any sales and use tax refund issued
11 shall be subject to subsequent audit by the Department of Revenue, and any refund
12 amount determined to be in excess of that which should have been allowed shall be
13 subject to collection by the Department of Revenue.

14 D. Any local political subdivision may provide for a refund of the local sales
15 and use taxes levied on upon the sale, lease, or rental of tangible personal property
16 or services as provided for in this Section.

17 §315.9. Sales tax refund; new farm equipment used in poultry production

18 A person that has paid sales, use, and lease or rental taxes levied by the state
19 on the purchase of new farm equipment used in poultry production shall be entitled
20 to a refund of the amount of tax paid on the first fifty thousand dollars of the cost of
21 such property, provided the person claiming the refund has been certified by the
22 secretary of the Department of Revenue as an eligible taxpayer for purposes of this
23 refund. Procedures for making a claim for a refund and the processing and payment
24 of a refund claim by the Department shall be those procedures established in R.S.
25 47:315.8(B) and (C). Any local political subdivision may provide for a refund of the
26 local sales and use taxes levied on the sale, lease, or rental of tangible personal
27 property or services as provided for in this Section.

28 §315.10. Sales tax refund; consumables and services used by certain manufacturers

1 A manufacturer that has paid sales, use, and lease or rental taxes levied by the
2 state on the purchase of tangible personal property consumed in the manufacturing
3 process, such as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils,
4 and on the purchase of services for the repair and maintenance of manufacturing
5 machinery and equipment shall be entitled to a refund of the amount of tax paid on
6 such property or services, provided the person claiming the refund has been certified
7 by the secretary of the Department of Revenue as an eligible taxpayer for purposes
8 of this refund. For purposes of this Section, "manufacturer" means a person whose
9 principal activity is manufacturing and who is assigned a 2007 North American
10 Industry Classification Code of 3211 through 3222 or 113310. Procedures for
11 making a claim for a refund, and the processing and payment of a refund claim by
12 the Department shall be those procedures established in R.S. 47:315.8(B) and (C).
13 Any local political subdivision may provide for a refund of the local sales and use
14 taxes levied on the sale, lease, or rental of tangible personal property or services as
15 provided for in this Section.

16 §315.11. Sales tax refund; machinery or equipment used to produce a news
17 publication

18 A. A person that has paid sales, use, and lease or rental taxes levied by the
19 state on the purchase of machinery and equipment used primarily to produce a news
20 publication whether it is ultimately sold at retail or for resale or at no cost, such
21 machinery and equipment shall include but not be limited to all machinery and
22 equipment used primarily in composing, creating, and other prepress operations,
23 electronic transmission of pages from prepress to press, pressroom operations, and
24 mailroom operations and assembly activities, shall be entitled to a refund of the
25 amount of tax paid on such property, provided the person claiming the refund has
26 been certified by the secretary of the Department of Revenue as an eligible taxpayer
27 for purposes of this refund. For purposes of this Section, "news publication" shall
28 be defined as provided in R.S. 47:301(24). Procedures for making a claim for a

1 refund, and the processing and payment of a refund claim by the Department shall
2 be those procedures established in R.S. 47:315.8(B) and (C).

3 B. Any local political subdivision may provide for a refund of the local sales
4 and use taxes levied on the sale, lease, or rental of tangible personal property or
5 services as provided for in this Section.

6 * * *

7 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
8 exemptions applicable

9 * * *

10 C.(1) ~~R.S. 47:305(A)(1)~~ R.S. 47:301(10)(ii), "key words": direct sales of
11 livestock, poultry, and other farm products.

12 * * *

13 (4) ~~R.S. 47:305(B)~~ R.S. 47:301(18)(q), "key words": farm products used by
14 farmers.

15 * * *

16 (13) R.S. 47:305(D)(1)(h), "key words": boiler fuel, including pelletized
17 paper waste, except refinery gas.

18 * * *

19 D.

20 * * *

21 (10) R.S. 47:305.14, "key words": nonprofit organizations ~~and certain~~
22 newspapers.

23 * * *

24 (20) R.S. 47:305.44, "key words": ~~raw~~ materials used in the printing process.

25 * * *

26 §337.10. Optional exclusions ~~and~~ exemptions, and refunds

27 * * *

28 G. As provided for in ~~R.S. 47:301(16)(i)(vi)~~ R.S.47:316.11, taxing
29 authorities are hereby authorized to provide ~~an exemption from~~ a refund of any local

1 sales and use ~~tax liability to~~ taxes paid by any taxpayers holding a Federal
 2 Communications Commission license issued pursuant to 47 CFR Part 73 which have
 3 purchased any of the digital television conversion equipment and/or digital radio or
 4 television conversion equipment ~~listed in R.S. 47:301(16)(i)(i) and (i)(ii). Local~~
 5 ~~taxing authorities are further authorized to provide a credit against any tax liability~~
 6 ~~for the amount of local sales tax paid by taxpayers holding Federal Communications~~
 7 ~~Commission licenses issued pursuant to 47 CFR Part 73 on any equipment listed in~~
 8 ~~Item (i) or (ii) of 47:301(16)(i) purchased subsequent to January 1, 1999, but prior~~
 9 ~~to June 25, 2002~~ as provided therein.

* * *

11 I.(1) A political subdivision may provide for a sales and use tax ~~exclusion~~
 12 refund as provided for in R.S. 47:301(3)(i), (13)(k), or (28), or any combination of
 13 ~~these or all of them, for the sales, cost, or lease and rental price of~~ R.S. 47:315.6 for
 14 the purchase of manufacturing machinery and equipment, either effective upon
 15 adoption or enactment or phased in over a period of time, or effective for a certain
 16 period of time or duration, all as set forth in the instrument, resolution, vote, or other
 17 affirmative action providing the exclusion.

* * *

19 P. A political subdivision may provide for a sales and use tax refund of taxes
 20 paid by regionally accredited institutions of higher education for purchases of
 21 tangible personal property or services directly related to the educational mission of
 22 the institution, as provided in R.S. 47:315.7.

23 Q. A political subdivision may provide for a sales and use tax refund of taxes
 24 paid by a person for pollution control devices or systems necessary for compliance
 25 with state or federal law, as provided in R.S. 47:315.8.

26 R. A political subdivision may provide for a sales and use tax refund of taxes
 27 paid by a person for new farm equipment used in poultry production to the extent of

1 those taxed paid on the first fifty thousand dollars of the cost of such property, as
2 provided in R.S. 47:315.9.

3 S. A political subdivision may provide for a sales and use tax refund of taxes
4 paid by a person for tangible personal property consumed in the manufacturing
5 process, such as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils,
6 and on the purchase of services for the repair and maintenance of manufacturing
7 machinery and equipment. For purposes of this Subsection, "manufacturer" means
8 a person whose principal activity is manufacturing and who is assigned a 2007 North
9 American Industry Classification Code of 3211 through 3222 or 113310. The refund
10 is authorized as provided in R.S. 47:315.10.

11 T. A political subdivision may provide for a sales and use tax refund of taxes
12 paid by a person for machinery and equipment used primarily to produce a news
13 publication whether it is ultimately sold at retail or for resale or at no cost, such
14 machinery and equipment shall include but not be limited to all machinery and
15 equipment used primarily in composing, creating, and other prepress operations,
16 electronic transmission of pages from prepress to press, pressroom operations, and
17 mailroom operations and assembly activities, as provided in R.S. 47:315.11.

18 * * *

19 §6001. Antique airplanes and certain other aircraft

20 A. No tax imposed by the state or by any parish, municipality, school board,
21 or any political subdivision of the state, other than sales and use taxes, shall be
22 imposed on antique airplanes which are maintained by private collectors and not
23 used for commercial purposes, and no personal property tax shall be imposed on any
24 aircraft weighing less than six thousand pounds which is owned by a private
25 individual and not used for commercial or profit making purposes. ~~The exemption~~
26 ~~from local taxes contained in this Section is granted notwithstanding the provisions~~
27 ~~of R.S. 47:302, and such exemption shall apply to any sales and use tax levied by~~
28 ~~any local governmental subdivision or school board.~~

29 * * *

1 Section 4. The repeal of R.S. 47:302(D) is intended to provide clarity with regard
2 to the specific services that are subject to sales and use taxes, as they are defined in R.S.
3 47:301(14). The repeal of R.S. 47:302(D) shall not be interpreted or construed to impose
4 sales and use taxes upon the sale of advertising services. Nor shall the repeal of R.S.
5 47:302(D) be interpreted or construed in any way to change the taxability of any tangible
6 personal property which is taxable under the provisions of Chapter 2 of Subtitle II of Title
7 47 of the Louisiana Revised Statutes of 1950.

8 Section 5. R.S. 38:2212.4(C), R.S. 39:467 and 468, R.S. 47:301(3)(g), (i) through
9 (k), (4)(i) and (k), (6)(b), (7)(c), (e) through (g), (h), (j) and (l), (8)(b) and (d) through (f),
10 (10)(c)(i)(bb), (d), (h) through (j), (l), (n) through (r), (t), (y) through (hh), (13)(c), (e), (k),
11 (l), (m), (14)(b)(i)(bb), and (b)(ii) through (iv), (g)(iii), (h) through (k), (16)(b)(ii), (c), (f),
12 (h), (i) through (k), and (m), (n) through (p), (18)(c), (e), (f), (h), (k), (m), (n), (o), and (p),
13 and (28), 302(D), 305(A)(1), (B), and (F), 305.2, 305.6, 305.7, 305.9, 305.13, 305.14(A)(5),
14 305.18, 305.26, 305.30, 305.33, 305.40 through 305.44(B), 305.45, 305.50(E)(2), 305.51,
15 305.52, 305.53, 305.57(C), 305.59, 305.60, 305.61, 305.65, 305.67 through 305.71,
16 337.9(B), (C)(23), (D)(3), (4), (6), (9), (18), (19), (21), (26) through (33), 337.10(C), (I)(2)
17 and (3), (K) and (M), and 6003 are hereby repealed in their entirety.

18 Section 6. This Act shall become effective on July 1, 2018.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 673 Original

2017 Regular Session

Stokes

Abstract: Provides for exclusions and exemptions applicable to sale and use taxes imposed by the state and any other taxing authority.

Present law establishes a wide variety of exclusions and exemptions from the sales and use taxes imposed by the state and other taxing authorities.

Proposed law changes numerous provisions concerning exclusions and exemptions as follows.

Present law establishes the following exemptions and exclusions from sales and use taxes imposed by state, but restricts applicability to the state taxes levied under R.S. 47:302 and 331, but not R.S. 47:321 or 321.1.

- (1) Nonprofit electric cooperative.
- (2) Vessels leased for use offshore.
- (3) Gasohol.
- (4) Pharmaceutical samples for distribution without charge to physicians, dentists, clinics, or hospitals.
- (5) Catalogs distributed, or intended for distribution in La., without charge.
- (6) Gasoline not subject to the tax on motor fuels.
- (7) Adaptive driving equipment.
- (8) Wood pellets used for boiler fuel.

Present law establishes a sales and use tax exemption for purchases by parimutuel racetracks and off-track watering facilities.

Proposed law repeals present law.

Present law establishes a sales and use tax exemption for the purchase of materials, supplies, vehicles, and equipment by a public trust.

Proposed law repeals present law.

Present law establishes an exclusion from state sales and use taxes from the taxes imposed under R.S. 47:302, 321, and 331 for lease or rental for re-lease or re-rental of certain tools, pipe, tubing, and other equipment used in connection mineral wells.

Proposed law changes present law by expanding the application of the exclusion to all state tax levies and to those imposed by other taxing authorities.

Present law provides that for purposes of state sales and use taxes, the sale of tangible personal property to a dealer who purchases the property for resale through coin-operated vending machines shall be considered a "sale at retail" and be subject to tax. The subsequent resale of the property by the dealer through coin-operated vending machines shall not be considered a "sale at retail".

Present law provides that for purposes of sales and use taxes imposed by local taxing authorities "sale at retail" shall include the sale of tangible personal property by a dealer through coin-operated vending machines.

Proposed law changes present law by providing that for purposes of taxes imposed by all taxing authorities "sale at retail" shall include the sale of tangible personal property by a dealer through a kiosk or coin-operated vending machine.

Present law excludes from sales and use taxes imposed by all taxing authorities isolated or occasional sales made by a person not engaged in the business of selling at retail.

Proposed law retains present law and establishes a definition for "isolate or occasional sale" as follows:

- (1) Six or fewer separate sales of taxable items at retail during a twelve-month period by a person who does not habitually engage, or hold himself out as engaging, in the business of selling taxable items at retail.
- (2) The sale of all of the operating assets of a business, or of a separate division, branch, or identifiable segment of a business.
- (3) The sale of tangible personal property by an individual if the property was originally bought by the individual or a member of the individual's family for the personal use of the individual or the individual's family.
- (4) The sale of tangible personal property by an individual if the individual is not required to be registered as a dealer pursuant to this Chapter.
- (5) The sale of tangible personal property by an individual if the individual does not employ an auctioneer, broker, or factor, other than an online auction, to sell the property.
- (6) The sale of tangible personal property at a sheriff's sale or tax sale due to foreclosure on the property or the sale by an obligee of tangible personal property acquired by the obligee by foreclosure or otherwise in full or partial satisfaction of an obligation.

Present law establishes state sales and use tax exemptions for the following:

- (1) Sale of livestock, poultry, and other farm products directly by the farm that produced them.
- (2) Use of livestock, poultry, and other farm products by the farmer that produced them.

Proposed law changes present law by converting the exemptions to exclusions.

Present law establishes the following sales and use tax exclusions:

- (1) Admissions to athletic entertainment events of schools, colleges and universities.
- (2) Activities involved in a contract with the U.S. Navy concerning Navy vessels.
- (3) Sales, purchases, and leases by a parochial or private schools.
- (4) Sale of school lunch by a parochial or private school.
- (5) Lease or rental of a motor vehicle by a motor vehicle dealer for purposes of a warranty agreement.
- (6) Repair services associated with a motor vehicle warranty.
- (7) Human tissue transplants.
- (8) Food items sold by youth organizations.
- (9) Purchases by volunteer and public fire departments.
- (10) Free telephone directories.
- (11) Sales by the Military Department.
- (12) Sales by a thrift shop located at a military installation.

- (13) Sale of anthropogenic carbon dioxide for a tertiary recovery project.
- (14) Membership fees or dues for certain nonprofit clubs or organizations.
- (15) Certain sales of sleeping room at certain camp and retreat facilities.
- (16) Pharmaceutical administered to livestock.
- (17) Materials used by a blood bank or nonprofit blood collection center, to include aphaeresis kits and leuko reduction filters.

Proposed law changes present law by converting the exclusions to exemptions.

Present law provides for the definition of "sales price" and excludes from "sales price" the value of an article of tangible personal property that is traded in on the purchase of another article of tangible personal property.

Proposed law changes present law to update references to property that is traded in and adding the requirement that the trade in occur at the same time and place as the sale at retail.

Present law provides that for purposes of sales and use taxes imposed by all taxing authorities, any cellular, PCS, or wireless telephone used in connection with the sale or use of mobile telecommunications services, the term "sales price" shall mean and include the greater of (i) the amount of money actually received by the dealer from the purchaser for each such telephone, or (ii) twenty-five percent of the cost of the telephone to the dealer.

Proposed law changes present law by changing the the condition for determining "sales price" based on the cost of the telephone to the dealer from 25% to 100% of the cost.

Present law defines "custom software" for purposes of sales and use taxes imposed by all taxing authorities and establishes a state sales and use tax exemption for the sale of custom software.

Proposed law changes present law by adding a definition of "pre-written software" and by extending applicability of the exemption to the taxes imposed by any taxing authority.

Present law defines "news publication" to mean any printed periodical that appears at regular intervals, contains reports of a varied character, such as political, social, cultural, sports, moral, religious, or other subjects of general public interest.

Proposed law changes present law by adding to the definition concerning types of content and intervals of publication.

Present law establishes an exemption from sales and use taxes imposed by any taxing authority for feed for the purpose of sustaining animals for commercial, business, or agricultural purposes. Present law defines "commercial", "business", and "agricultural" uses. Further, present law, for purposes of state tax, is only applicable to the taxes imposed under R.S. 47:302 and 331, but not applicable for the tax imposed under R.S. 47:321 or 321.1

Proposed law changes present law by repealing the definition of "business use" and including race horses in the definition of "commercial use", and by extending the exemption to all state sales and use tax levies.

Present law establishes an exemption from sales and use taxes imposed by any taxing authority for all energy sources used for boiler fuel, the exemption being applicable to the state taxes levied under R.S. 47:302 and 331, but not R.S. 47:321 or 321.1.

Present law establishes an exclusion from sales and use taxes imposed by any taxing authority for pelletized paper waste used for boiler fuel.

Proposed law changes present law by adding the exclusion for pelletized paper waste into the exemption for energy sources for boiler fuel and by extending the applicability of the exemption to all state sales and use tax levies.

Present law establishes an exemption from sales and use taxes imposed by the state for the purchase of orthotics, including prescription eyeglasses, contact lenses, prosthetic devices, and wheelchairs and wheelchair lifts.

Proposed law retains present law and adds hearing aids, and augmentative communication devices to the list of exempt items.

Present law provides that no new or additional sales tax shall be applicable to sales of materials or services involved in lump sum or unit price construction contracts entered into prior to the effective date of the statute or ordinance levying the tax.

Proposed law changes present law by expanding the types of contracts to which the exemption applies to include unit price, fixed fee, or guaranteed maximum price contracts.

Present law contains three different exemptions concerning admissions to and sales of parking and tangible personal property at an event sponsored by a nonprofit organization (R.S. 47:305.13, 305.14(A)(1)(a), and 305.18), with duplicate provisions.

Proposed law consolidates the three sections of law into one.

Present law establishes an exemption from taxes imposed by all taxing authorities for raw materials used in a printing process, to include a variety of types of equipment and chemical supplies.

Proposed law changes present law by establishing two different exemptions, one for a commercial printer, and one for a printer of a news publication.

Proposed law regarding a commercial printer, limits the exemption to sale or use of materials that are purchased for the purpose of inclusion into tangible personal property to be sold at retail by the printer.

Proposed law regarding a printer of a news publication, retains the provisions of present law and converts such provisions into a new exemption for "mass communication industries".

Present law establishes an exemption from sales and use taxes imposed by any taxing authority for the sale of newspapers.

Proposed law retains provisions of present law and adds the exemption for newspapers into the the new exemption for "mass communication industries".

Present law establishes an exemption from state use taxes for the use of a motor vehicles subject to the vehicle registration tax previously purchased in another state by active duty military personnel stationed in La.

Proposed law changes present law by extending the exemption to the use taxes imposed by any taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of original, one-of-a-kind works of art from an established location within the boundaries of a cultural product district. Further, present law defines "cultural product district" as a special area designed by a local governing authority for such purpose.

Proposed law changes present law by extending the applicability of the exemption to the taxes imposed by any taxing authority and, further, by repealing the requirement that the sale of the artwork occur in a cultural product district, with the exemption to apply to all sales of such property in La.

Present law establishes an exemption from state sales and use taxes for purchase by a council on aging.

Proposed law changes present law by extending the applicability of the exemption to the taxes imposed by any taxing authority and by including cooperative purchasing organizations comprised of councils on aging.

Present law establishes exemptions from state sales and use tax for certain sales of admissions to and tangible personal property and services sold at an event occurring at a state-owned domed stadium facility, a state-owned baseball facility, or a locally or university-owned domed stadium facility.

Proposed law changes present law by moving the provision to Title 47 and re-designating it R.S. 47:305.73, and by repealing the exemption for events occurring at a locally or university-owned domed stadium facility.

Present law authorizes optional sales and use tax exemptions for any non-state taxing authority for certain sales of admissions, tangible personal property, and services at an event occurring at a facility that is owned and operated by or for the state, or any of its agencies, boards, or commissions, or by any political subdivision, or on the publicly owned property on which the facility is located. Exemptions from state sales and use tax will be identical to those adopted by the local taxing authority in which the facility is located.

Present law does not apply to events occurring at a state-owned domed stadium facility, a state-owned baseball facility, or a locally or university-owned domed stadium facility.

Proposed law changes present law by moving the provision to Title 47 and re-designating it R.S. 47:305.74, and by adding an optional exemption for sales at an event occurring at a locally or university-owned domed stadium facility.

Present law establishes an exemption from the sales and use taxes imposed by any taxing authority for sales of admissions, tangible personal property, and parking services occurring at an event sponsored by a domestic nonprofit organization if the event provides La. heritage, culture, crafts, art, food, and music that transpires over a minimum of seven but not more than twelve days with a five-year annual average attendance of at least three hundred thousand over the duration of the event.

Present law provides that the exemption shall not apply to any event intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

Proposed law changes present law by limiting the exemption for sales at an event sponsored by a domestic nonprofit organization if the event provides La. heritage, culture, crafts, art, food, and music to one-half of the cost price of admission. Further, proposed law removes the restriction that no individual contracted to provide services or equipment for the event shall make a profit on the contract.

Present law establishes a sales and use tax exclusion for the sale of platinum, gold, or silver bullion, and numismatic coins.

Proposed law changes present law by converting the exclusion to an exemption and limiting it to sales of investment grade platinum, gold, or silver bullion.

Present law establishes the following exemptions and exclusions for specific nonprofit organizations:

- (1) Food banks.
- (2) Nonprofit entities that sell donated goods.
- (3) Sickle cell disease organizations.
- (4) Boys State of La., Inc. and Girls State of La., Inc.
- (5) Fore!kids Foundation.
- (6) Toys to be donated.
- (7) Ducks Unlimited and Bass Life.
- (8) Organizations dedicated to the conservation of fish and migratory waterfowl.
- (9) Construction materials used by certain nonprofit retirement centers.
- (10) Literacy organizations.
- (11) Admissions to little theater, musical, and dance and drama performances.
- (12) Donations to schools and food banks.
- (13) Food items sold by youth organizations.

Proposed law repeals present law and establishes a new sales and use tax exemption applicable to all taxing authorities for sales or use of any tangible personal property which is purchased by a nonprofit organization if the property is purchased with monies donated to the organization, and if the property is donated for free for the charitable purpose for which the organization was established as a nonprofit, and if the organization has an exemption certificate from the Dept. of Revenue.

Present law provides for the following exclusions, exemptions, and refunds for purposes of specific providers of charitable residential housing construction:

- (1) St. Bernard Project, Inc.
- (2) Hands on New Orleans and Rebuilding Together New Orleans.
- (3) Make it Right Foundation.
- (4) Habitat for Humanities.

Proposed law repeals present law and establishes a new sales and use tax exemption applicable to all taxing authorities for sales or use of construction materials purchased by a nonprofit organization which are intended for the following purposes: construction of new residential dwellings to be donated or sold at below market rates by a nonprofit organization established for that purpose, or rehabilitation and renovation of residential dwellings that were damaged in a natural disaster which will be donated or sold at below market rates by a nonprofit organization established for that purpose.

Present law provides with regard to sales returned to a dealer for a credit or refund of tax associated with a bad debt.

Proposed law retains present law and specifies that only an amount equal to the amount of tax remitted may be claimed as a credit or refund.

Present law establishes sales and use tax exclusions or exemptions from state sales and use taxes for the following purposes:

- (1) Manufacturing machinery and equipment.
- (2) Machinery and equipment used for production of unblended biodiesel.
- (3) Machinery and equipment used by a motor vehicle manufacturer.
- (4) Machinery and equipment used by a glass manufacturer.
- (5) Machinery and equipment used by a utility company regulated by the city of New Orleans.
- (6) Machinery and equipment used to perform tooling in a compression mold process.
- (7) Purchases and leases by a regionally accredited institution of higher education.
- (8) Pollution control devices
- (9) First \$50,000 in value of new farm equipment used in poultry production.
- (10) Consumables and services used by wood and paper product manufacturers.

Proposed law changes present law by converting these exclusions and exemptions to refunds.

Proposed law provides the requirements for refund eligibility, application, and payment.

Present law establishes a state sales and use tax exemption for the purchase of machinery and equipment by a radio station based in La.

Proposed law changes present law by limiting the benefit to only that machinery or equipment necessary to comply with licensing requirements of the Federal Communication Commission, by extending the exemption to purchases by television stations, by extending applicability of the exemption to the taxes imposed by any taxing authority, and by moving the exemption to the newly established "mass communications industries" exemption.

Present law establishes an exemption from all taxes imposed by the state or any other taxing authority for antique airplanes and other aircraft.

Proposed law repeals present law concerning sales and use taxes.

Present law authorizes provides in the Uniform Local Sales and Use Tax law provisions that specifically concern mandatory and optional sales and use tax exemptions for local taxing authorities.

Proposed law repeals or revises present law for the authority for mandatory or optional exemptions for which have been converted under proposed law to either a state refund with a local option or to application of the exemption to taxes imposed by all taxing authorities.

Effective July 1, 2018.

(Amends R.S. 4:168 and 227, R.S. 12:425, R.S. 47:301(7)(b), (10)(b) and (c)(ii), 13(a) and (h), (14)(b)(i)(aa), (23) and (24)(introductory paragraph), (a) and (b), 305(A)(4)(a) and (b)

and (D)(1)(a), (h), (i), (k) and (u), 305.11(A), 305.14(A)(1) through (4), 305.19, 305.28(A), 305.44(A)(introductory paragraph), 305.47, 305.48, 305.49, 305.50(E)(1), 305.57(A) and (B), 305.66(A), 315(B)(4), 315.5(A), 337.9(C)(1), (4) and (13), and (D)(10) and (20), 337.10(G) and (I)(1), and 6001(A), to enact R.S. 47:301(10)(ii) and (18)(q), 305.73 through 305.98, 315(B)(5), 315.6 through 315.11, and 337.10(P) through (T), and to repeal R.S. 38:2212.4(C), R.S. 39:467 and 468, R.S. 47:301(3)(g), (i) through (k), (4)(i) and (k), (6)(b), (7)(c), (e) through (g), (h), (j) and (l), (8)(b) and (d) through (f), (10)(c)(i)(bb), (d), (h) through (j), (l), (n) through (r), (t), (y) through (hh), (13)(c), (e), (k), (l), (m), (14)(b)(i)(bb), and (b)(ii) through (iv), (g)(iii), (h) through (k), (16)(b)(ii), (c), (f), (h), (i) through (k), and (m), (n) through (p), (18)(c), (e), (f), (h), (k), (m), (n), (o), and (p), and (28), 302(D), 305(A)(1), (B), and (F), 305.2, 305.6, 305.7, 305.9, 305.13, 305.14(A)(5), 305.18, 305.26, 305.30, 305.33, 305.40 through 305.44(B), 305.45, 305.50(E)(2), 305.51, 305.52, 305.53, 305.57(C), 305.59, 305.60, 305.61, 305.65, 305.67 through 305.71, 337.9(B), (C)(23), (D)(3), (4), (6), (9), (18), (19), (21), (26) through (33), 337.10(C), (I)(2) and (3), (K) and (M), and 6003