
DIGEST

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HB 668 Engrossed

2017 Regular Session

Stokes

Abstract: Extends applicability of various state sales and use tax exclusions and exemptions to sales and use taxes imposed by local and other taxing authorities.

Proposed law extends applicability of various state sales and use tax exemptions to the taxes imposed by taxing authorities other than the state, with the application phased in over four years, beginning Oct. 1, 2017, when the exemptions would be applicable to 25% of the sale, and with 100% of the sale to be exempt starting Oct. 1, 2020. The following exclusions and exemptions would be subject to the phased in implementation.

Present law establishes an exclusion from state sales and use taxes for machinery and equipment purchased by the owner of a radio station located within La. that is licensed by the Federal Communications Commission for radio broadcasting, if the owner meets certain requirements concerning business ownership and payroll in La.

Proposed law changes present law by extending applicability of the exemption for machinery and equipment purchased by the owner of a radio station to taxes imposed by any other taxing authority.

Proposed law repeals present law requirements concerning radio station ownership domicile and payroll, and requires instead that the machinery and equipment be necessary to maintain a license with the FCC. Proposed law further extends the exemption to machinery and equipment purchased by the owner of a television station.

Present law establishes an exemption from state sales and use taxes for the gross proceeds derived from the sale of livestock at public sales sponsored by breeders' or registry associations or livestock auction markets.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for sales of livestock to taxes imposed by any other taxing authority.

Present law establishes an exclusion from state sales and use taxes for the sale or use of bait, feed, materials, supplies, equipment, fuel, and related items other than vessels used in the production or harvesting of crawfish.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of bait, feed, materials, supplies, equipment,

fuel, and related items used in the production or harvesting of crawfish to the taxes imposed by any other taxing authority.

Present law establishes an exclusion from state sales and use taxes for the sale or use of bait, feed, materials, supplies, equipment, fuel, and related items other than vessels used in the production or harvesting of catfish.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of bait, feed, materials, supplies, equipment, fuel, and related items used in the production or harvesting of crawfish to the taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of orthotics, including prescription eyeglasses and contact lenses, and prosthetic devices and wheelchairs and wheelchair lifts prescribed by physicians, optometrists or licensed chiropractors for personal consumption or use.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of orthotics to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of ostomy, ileostomy or colostomy devices or any other appliance including catheters or any related item which is required as the result of any surgical procedure by which an artificial opening is created in the human body for the elimination of natural waste.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of ostomy and related supplies to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of patient aids prescribed by a physician or a licensed chiropractor for home use.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of patient aids to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of medical devices used exclusively by the patient in the medical treatment of various diseases or administered exclusively to the patient by a physician, nurse, or other health care professional or health care facility in the medical treatment of various diseases under the supervision of and prescribed by a licensed physician.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of medical devices to taxes imposed by any

other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of supplies, equipment, materials, repairs, and vessels used by commercial fishermen or a seafood processor who processes the catch of such a fisherman. Present law authorizes a local option for adoption of the exemption by local taxing authorities.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of supplies, equipment, and services for the vessel of a commercial fisherman or seafood processor to taxes imposed by any other taxing authority. Proposed law repeals the local option provision.

Present law establishes an exemption from state sales and use taxes the first \$50,000 of the sales price for farm equipment including tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers, attachments, sprayers, clippers, cultivators, discs, plows, spreaders, irrigation wells, drives, motors, and other equipment and farm facilities used for the production of food and fiber or for the storage of grain or any materials used to construct such structures on a farm facility.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of a variety of farm implements, equipment, and facilities to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for the sale of diesel fuel, butane, propane, or other liquefied petroleum gases used for farm purposes. Present law authorizes a local option for adoption of the exemption by local taxing authorities.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of fuel for farm purposes to taxes imposed by any other taxing authority. Proposed law repeals the local option provision.

Present law establishes an exemption from state sales and use taxes for the sale of polyroll tubing sold or used for commercial farm irrigation.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for the sale of polyroll tubing to taxes imposed by any other taxing authority.

Present law establishes an exemption from state sales and use taxes for sales to a qualifying radiation therapy treatment center for the purchase, lease, or repair of capital equipment and the purchase, lease, or repair of software used to operate capital equipment. Present law authorizes a local option for adoption of the exemption by local taxing authorities.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for purchases by a qualifying radiation therapy center to taxes imposed by any other taxing authority. Proposed law repeals the local option provision.

Present law establishes an exclusion from state sales and use tax, and sales and use taxes imposed in East Feliciana Parish, for repair services on property to be delivered outside of the state. Present law authorizes a local option for adoption of the exemption by local taxing authorities.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for purchases by a qualifying radiation therapy center to taxes imposed by any other taxing authority. Proposed law repeals the specific provision for East Feliciana Parish.

Present law establishes an exemption from state sales and use tax for parts and services used in the fabrication and repair of rail rolling stock. Present law authorizes a local option for adoption of the exemption by local taxing authorities.

Proposed law retains present law for purposes of state sales and use tax, and changes present law by extending applicability of the exemption for parts and services used in the fabrication and repair of real rolling stock to taxes imposed by any other taxing authority. Proposed law repeals the local option provision.

Effective Oct. 1, 2017, if House Bill No. 562 or 559 of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 47:301(14)(g)(i)(bb)(I), 305(A)(2), (5), and (6), and (D)(1)(k)-(m) and (s), 305.20(A), 305.25(A)(intro. para.) and (B), 305.37(A), 305.50(E)(2), 305.63, and 305.64(A)(1); Adds R.S. 47:305.72; Repeals R.S. 47:301(16)(n), 305.20(G), 305.25(C), 305.37(B), and 337.10(D), (J), (N), and (O))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Adds extension of the state sales and use tax exclusion for repair services to property that will be delivered outside of La. to the taxes imposed by any other taxing authority.
2. Adds extension of the state sales and use tax exclusion for repair services to property that will be delivered outside of La. to the taxes imposed by any other taxing authority.
3. Adds effectiveness contingency for proposed law based on enactment and effectiveness of HB Nos. 559 or 562.