

2021 Regular Session

HOUSE BILL NO. 429

BY REPRESENTATIVE GEYMANN

TAX/SALES-USE-EXEMPT: Exempts certain sales made by schools from state and local sales and use tax

1 AN ACT

2 To amend and reenact R.S. 47:301(10)(q)(i), relative to state and local sales and use tax
3 exclusions; to provide for an exclusion from state and local sales and use tax for
4 certain sales made by schools through a third-party vendor; to provide for certain
5 limitations; to provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(10)(q)(i) is hereby amended and reenacted to read as follows:

8 §301. Definitions

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

12 * * *

13 (10)

14 * * *

15 (q) For purposes of state and political subdivision sales and use tax, the term
16 "sale at retail" shall not include:

17 (i) The sale of tangible personal property by approved parochial and private
18 elementary and secondary schools which comply with the court order from the Dodd
19 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,

1 administrators, ~~or~~ teachers, ~~or~~ other employees of the school, and authorized third-
 2 party vendors selling paraphernalia on behalf of the school, if the money from such
 3 sales, less reasonable and necessary expenses associated with the sale, is used solely
 4 and exclusively to support the school or its program or curricula. This exclusion
 5 shall not be construed to allow tax-free sales to students or their families by
 6 promoters or regular commercial dealers through the use of schools, school faculty,
 7 or school facilities.

8 * * *

9 Section 2. This Act shall become effective upon signature by the governor or, if not
 10 signed by the governor, upon expiration of the time for bills to become law without signature
 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 13 effective on the day following such approval.

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 429 Original

2021 Regular Session

Geymann

Abstract: Excludes sales of school paraphernalia made by third-party vendors on behalf of certain schools from state and local sales and use taxes.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

- R.S. 47:302 - 2%
- R.S. 47:321 - 1%
- R.S. 47:321.1 - .45%
- R.S. 47:331 - .97%
- R.S. 51:1286 - .03%

Present law authorizes local governmental subdivisions and political subdivisions to levy sales and use taxes on the sale, use, lease, or rental of tangible personal property at varying rates.

Present law provides for certain state and local sales and use tax exemptions and exclusions.

Present law excludes from state and local sales and use tax, sales of tangible personal property by certain parochial and private elementary and secondary schools or by students, administrators, teachers, or other employees of the school, if the money from those sales, is used to support the school or its program or curricula.

Proposed law retains present law but extends the exclusion to sales by authorized third-party vendors on behalf of schools when the tangible personal property is school paraphernalia.

(Amends R.S. 47:301(10)(q)(i))