

2023 Regular Session

HOUSE BILL NO. 107

BY REPRESENTATIVE TURNER

TAX/SALES-USE, LOCAL-EXEM: Provides for a local sales and use tax exemption for the procurement or administration of certain prescription drugs

1 AN ACT

2 To amend and reenact R.S. 47:337.9(C)(21) through (26), to enact R.S. 47:305(D)(5)(d) and
3 337.9(C)(27), and to repeal R.S. 47:305(D)(5)(c) and 337.10(A), relative to
4 exemptions from sales and use taxes imposed by political subdivisions of the state;
5 to provide relative to the local sales and use tax exemption for procurement or
6 administration of certain prescription drugs; to enact the exemption as a mandatory
7 exemption; to repeal provisions establishing the exemption as an optional exemption;
8 to provide for terms designated as "key words" that are associated with certain local
9 sales and use tax exemptions; to provide for effectiveness; and to provide for related
10 matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:337.9(C)(21) through (26) are hereby amended and reenacted and
13 R.S. 47:305(D)(5)(d) and 337.9(C)(27) are hereby enacted to read as follows:

14 §305. Exclusions and exemptions from the tax

15 * * *

16 D.

17 * * *

18 (5)

19 * * *

1 (d) Sales taxes authorized and imposed by any school board, municipality,
 2 or other local taxing authority shall not apply to the procurement or administration
 3 of prescription drugs by a physician's office, infusion clinic, or other outpatient
 4 facility, including but not limited to chemotherapy drugs, which are used exclusively
 5 by the patient in the medical treatment of various diseases or injuries and are
 6 administered exclusively to the patient by a physician, nurse, or other healthcare
 7 professional in a physician's office, infusion clinic, or any other outpatient facility
 8 where patients are not regularly kept as bed patients for twenty-four hours or more.

9 * * *

10 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
 11 exemptions applicable

12 * * *

13 C.

14 * * *

15 (21) R.S. 47:305(D)(5)(d), "key words": procurement or administration of
 16 prescription drugs by a physician's office, infusion clinic, or other outpatient facility,
 17 including but not limited to chemotherapy drugs, when administered by a healthcare
 18 professional in a physician's office, infusion clinic, or any other outpatient facility.

19 (22) R.S. 47:305(D)(6), "key words": exemptions from the state sales and
 20 use tax provided in R.S. 47:305 in existence as of the effective date of Act 205 of
 21 1978, except as otherwise specifically provided in R.S. 47:305(D); the requirement
 22 concerning specifically providing in the title and body of any Act subsequent to the
 23 effective date of that Act that it is applicable to a political subdivision in order for
 24 such Act to be effective.

25 ~~(22)~~ (23) R.S. 47:305(E), "key words": articles of tangible personal property
 26 imported into a taxing jurisdiction, or produced or manufactured in a taxing
 27 jurisdiction, for export, and for bona fide interstate commerce; the intention of any
 28 local ordinance and this Chapter that a tax be levied on the sale at retail, the use, the
 29 consumption, the distribution, and the storage to be used or consumed in the taxing

1 jurisdiction, of tangible personal property after it has come to rest in the taxing
2 jurisdiction and has become a part of the mass of property in the taxing jurisdiction.

3 ~~(23)~~ (24) R.S. 47:305(F), "key words": broadcasters or exhibit rights.

4 ~~(24)~~ (25) R.S. 47:305(G), "key words": home renal dialysis machines.

5 ~~(25)~~ (26) R.S. 47:305(H), "key words": demonstrators.

6 ~~(26)~~ (27) R.S. 47:305(I), "key words": drilling rigs and component parts.

7 * * *

8 Section 2. R.S. 47:305(D)(5)(c) and 337.10(A) are hereby repealed in their entirety.

9 Section 3. 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 107 Original

2023 Regular Session

Turner

Abstract: Changes the local sales and use tax exemption for procurement or administration of certain prescription drugs by a physician's office, infusion clinic, or other outpatient clinic from an optional exemption to a mandatory exemption.

Present law provides for certain mandatory exemptions from local sales and use taxes imposed by political subdivisions of the state. Present law also provides for certain optional exemptions from such local sales and use taxes which local jurisdictions, at the discretion of their governing authorities, may adopt.

Proposed law repeals present law authorizing school boards, municipalities, and other local taxing authorities to provide for the following optional exemptions from local sales and use taxes:

- (1) An exemption for the sale of prescription drugs administered exclusively to a patient by a physician, nurse, or other healthcare professional in a physician's office where patients are not regularly kept as bed patients for 24 hours or more.
- (2) An exemption for the procurement and administration of chemotherapy drugs used exclusively by a patient in his medical treatment if administered exclusively to the patient by a physician, nurse, or other healthcare professional in a physician's office where patients are not regularly kept as bed patients for 24 hours or more.

Proposed law repeals present law authorizing local taxing authorities to provide for an amnesty for any person who may have been responsible to impose, collect, or remit the tax previously imposed on the transactions provided for in paragraphs (1) and (2) above prior to the time when the tax exemption or amnesty is granted.

Proposed law creates a mandatory exemption from local sales and use taxes requiring that such taxes shall not apply to the procurement or the administration of prescription drugs by a physician's office, infusion clinic, or other outpatient facility, including but not limited to chemotherapy drugs, which are used exclusively by the patient in the medical treatment of various diseases or injuries and are administered exclusively to the patient by a physician, nurse, or other healthcare professional in a physician's office, infusion clinic, or any other outpatient facility where patients are not regularly kept as bed patients for 24 hours or more.

Present law known as the Uniform Local Sales Tax Code, R.S. 47:337.1 et seq., establishes terms designated as "key words" following particular statutory citations and associates those terms with the particular local sales and use tax exemptions provided for at those citations, respectively. Present law indicates that such key words are illustrative only and are intended to aid in clarity and ease of finding particular exemptions in present law.

Proposed law retains present law and establishes key words associated with the mandatory local sales and use tax exemption created by proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:337.9(C)(21)-(26); Adds R.S. 47:305(D)(5)(d) and 337.9(C)(27); Repeals R.S. 47:305(D)(5)(c) and 337.10(A))