
DIGEST

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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))