

2024 Third Extraordinary Session

HOUSE BILL NO. 10

BY REPRESENTATIVE WRIGHT

TAX/SALES & USE: Provides for the rate of the state sales and use tax and provides for the exemptions, exclusions, credits, and rebates claimed against sales and use taxes (Item #8)

1 AN ACT

2 To amend and reenact R.S. 12:425, R.S. 22:2065, R.S. 33:4169(D), R.S. 47:301(3), (4)(i)

3 through (k), (6), (7), (8), (10), (13), (14), (16), (18), and (23) through (30),

4 301.1(A)(introductory paragraph), (B)(2)(b) through (d), (C)(2)(b), (D), and (E),

5 302(D), 303(B)(introductory paragraph), (1)(introductory paragraph) and

6 (b)(introductory paragraph), (3)(b)(ii), and (4), (D)(1), (E), and (F), 303.1(B)(5),

7 304(A), 305(A), (B), (C), (D)(1), and (E) through (I), 305.2 through 305.4, 305.6

8 through 305.8, 305.10(F), 305.13, 305.20(A), (C), and (D), 305.39, 305.50(B)

9 through (D), 305.72(C), 305.73(B) through (D), 305.75, 306.5(B), 318(A), 321(A)

10 and (C), 321.1(A), (B), and (C), 322, 331(A) through (C), 332, 337.2(C)(2) and

11 (4)(a) and (b)(i)(aa)(II) and (bb)(II), 337.4(B)(6) and (7), 337.6(B), 337.8(B),

12 337.13(A), 463.8(B)(1)(b) and (3), and 6001(A), and R.S. 51:1286, to enact R.S. 47:

13 301(4)(l), 301.3, 301.4, 301.5, 305(J), 305.5, 305.12, and 305.72(D) through (F), and

14 to repeal Part V of Chapter 3 of Title 40, comprised of R.S. 40:582.1 through 582.7,

15 R.S. 47:9, 301(4)(m) and (n) and (31), 301.1(B)(2)(e) and (f) and (F), 301.2, 302(F)

16 through (J), (L) through (T), and (X) through (CC), 305(D)(3) through (6), 305.9,

17 305.14 through 305.18, 305.24 through 305.26, 305.28, 305.30, 305.33, 305.36,

18 305.37, 305.40 through 305.44, 305.46, 305.47, 305.49, 305.50(E) and (F), 305.52

19 through 305.54, 305.56 through 305.65, 305.67, 305.68, 305.70, 305.71,

1 305.73(A)(5) and (6), (E), and (F), 305.74, 305.76 through 305.80, 306(A)(3), (6),
2 and (7), and (D), 315.1 through 315.3, 315.5, 321(E) through (Q), 321.1(E), (F), (I),
3 and (J), 331(F) through (W), 337.2(A)(2) and (B)(3)(e) through (h), 337.4(B)(4) and
4 (8), 337.5(A)(1)(e), 337.10.1 through 337.10.2, 337.11.1, 337.11.2, 337.11.4,
5 337.18(A)(3), 337.23(C)(1)(a)(ii), 338.1(B), 340(G)(6)(d), 6003, and 6040, and
6 Chapter 10 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S.
7 51:1301 through 1316, relative to sales and use taxes; to provide for the rate of the
8 sales and use tax; to provide for sales and use tax exclusions, exemptions, credits,
9 and rebates; to provide for the applicability of certain exclusions, exemptions,
10 credits, and rebates to sales and use taxes levied by the state and certain other
11 political subdivisions; to provide with respect to compensation for certain dealers for
12 collecting and remitting sales and use taxes; to provide for the administration and
13 sourcing of certain sales; to provide for the the sourcing of certain bundled
14 transactions; to provide for certain requirements and limitations; to repeal the
15 Louisiana Tax Free Shopping Program; to repeal certain sales and use tax exclusions,
16 exemptions, credits, and rebates; to provide for applicability; to provide for an
17 effective date; and to provide for related matters.

18 Be it enacted by the Legislature of Louisiana:

19 Section 1. 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. The exemption provided for in
25 this Section shall not apply to sales and use tax imposed by any taxing authority.

26 Section 2. R.S. 22:2065 is hereby amended and reenacted to read as follows:

1 §2065. Tax exemption

2 The association shall be exempt from payment of all fees and all taxes levied
3 by this state or any of its subdivisions except taxes levied on real or personal
4 property, and sales and use taxes levied by any taxing authority.

5 Section 3. R.S. 33:4169(D) is hereby amended and reenacted to read as follows:

6 §4169. Collection contracts for sewerage service charges; access charges;
7 enforcement procedures for delinquent charges

8 * * *

9 D. Any municipal corporation, parish, or sewerage or water district shall
10 have the power to execute and enter into a contract with any private company for the
11 construction of sewerage or wastewater treatment facilities and for the operation of
12 such facilities. Any ~~such~~ private company shall have in its construction and
13 operation of such the facilities the same ad valorem ~~and sales~~ tax liability exemption
14 as the municipal corporation, parish, or sewerage or water district with which it
15 contracts for such purpose.

16 * * *

17 Section 4. R.S. 47:301(3), (4)(i) through (k), (6), (7), (8), (10), (13), (14), (16), (18),
18 and (23) through (30), 301.1(A)(introductory paragraph), (B)(2)(b) through (d), (C)(2)(b),
19 (D), and (E), 302(D), 303(B)(introductory paragraph), (1)(introductory paragraph) and
20 (b)(introductory paragraph), (3)(b)(ii), and (4), (D)(1), (E), and (F), 303.1(B)(5), 304(A),
21 305(A), (B), (C), (D)(1), and (E) through (I), 305.2 through 305.4, 305.6 through 305.8,
22 305.10(F), 305.13, 305.20(A), (C), and (D), 305.39, 305.50(B) through (D), 305.72(C),
23 305.73(B) through (D), 305.75, 306.5(B), 318(A), 321(A) and (C), 321.1(A), (B), and (C),
24 322, 331(A) through (C), 332, 337.2(C)(2) and (4)(a) and (b)(i)(aa)(II) and (bb)(II),
25 337.4(B)(6) and (7), 337.6(B), 337.8(B), 337.13(A), 463.8(B)(1)(b) and (3), and 6001(A)
26 are hereby amended and reenacted and R.S. 47: 301(4)(l), 301.3, 301.4, 301.5, 305(J), 305.5,
27 305.12, and 305.72(D) through (F) are hereby enacted to read as follows:

28 §301. Definitions

1 ~~on the first day of the designated First Month, or ninety days from July 1, 1990,~~
2 ~~whichever is later.~~

3 ~~(bb) For the First Month and each month thereafter, cost price shall be based~~
4 ~~and use tax shall be paid only on one-sixtieth of the aggregate cost price of the~~
5 ~~interchangeable components deployed and earning revenue within Louisiana during~~
6 ~~the month, without regard to any credit or other consideration for Louisiana state,~~
7 ~~political subdivision, or school board use tax previously paid on such~~
8 ~~interchangeable components.~~

9 ~~(cc) Any election made under this Paragraph shall be irrevocable for a period~~
10 ~~of sixty consecutive months inclusive of the First Month. If at any time after the~~
11 ~~sixty-month period the taxpayer revokes its election, no credit or other consideration~~
12 ~~for use taxes paid pursuant thereto shall be applied to any use tax liability arising~~
13 ~~after such revocation.~~

14 ~~(ii)(aa) For purposes of this Paragraph, "interchangeable component" means~~
15 ~~a component that is used or stored for use in measurement-while-drilling instruments~~
16 ~~or systems manufactured or assembled by the taxpayer, which measurement-while-~~
17 ~~drilling instruments or systems collectively generate eighty percent or more of their~~
18 ~~annual revenue from their use outside of the state.~~

19 ~~(bb) "Measurement-while-drilling instruments or systems" means~~
20 ~~instruments or systems which measure information from a downhole location in a~~
21 ~~borehole, transmit the information to the surface during the process of drilling the~~
22 ~~borehole using a wireless technique, and receive and decode the information on the~~
23 ~~surface.~~

24 ~~(iii) The method for determining cost price of interchangeable components~~
25 ~~provided for in this Paragraph shall apply to any use taxes imposed by a local~~
26 ~~political subdivision or school board. For purposes of that application, the words~~
27 ~~"political subdivision" or "school board" as the case may be, shall be substituted for~~
28 ~~the words "Louisiana" or "State" in each instance where those words appear in this~~

1 ~~Paragraph and an appropriate official of the local political subdivision or school~~
2 ~~board shall be designated to receive the notices required by this Paragraph.~~

3 ~~(e)~~ "Cost price" shall not include any amount designated as a cash discount
4 or a rebate by a vendor or manufacturer of any new vehicle subject to the motor
5 vehicle license tax. For purposes of this Paragraph "rebate" means any amount
6 offered by the vendor or manufacturer as a deduction from the listed retail price of
7 the vehicle.

8 ~~(f)~~(c) The "cost price" of refinery gas shall be fifty-two cents per thousand
9 cubic feet multiplied by a fraction the numerator of which shall be the posted price
10 for a barrel of West Texas Intermediate Crude Oil on December first of the preceding
11 calendar year and the denominator of which shall be twenty-nine dollars, and
12 provided further that such cost price shall be the maximum value placed upon
13 refinery gas by the state and by any political subdivision under any authority or grant
14 of power to levy and collect use taxes.

15 ~~(g)~~ "Cost price", for purposes of the use tax imposed by the state and its
16 political subdivisions, shall exclude any amount that a manufacturer pays directly to
17 a dealer of the manufacturer's product for the purpose of reducing and that actually
18 results in an equivalent reduction in the retail "cost price" of that product. This
19 exclusion shall not apply to the value of the coupons that dealers accept from
20 purchasers as part payment of the "sales price" and that are redeemable by the
21 dealers through manufacturers or their agents. The value of such coupons is deemed
22 to be part of the "cost price" of the product purchased through the use of the coupons.

23 ~~(h)~~(i) For purposes of a publishing business which distributes its news
24 publications at no cost to readers and pays unrelated third parties to print such news
25 publications, the term "cost price" shall mean only the lesser of the following costs:

26 ~~(aa)~~ The printing cost paid to unrelated third parties to print such news
27 publications, less any itemized freight charges for shipping the news publications
28 from the printer to the publishing business and any itemized charges for paper and
29 ink.

1 ~~(bb) Payments to a dealer or distributor as consideration for distribution of~~
2 ~~the news publications.~~

3 ~~(ii) The definition of "cost price" provided for in this Subparagraph shall be~~
4 ~~applicable to taxes levied by all tax authorities in the state.~~

5 ~~(i)(i) For purposes of the imposition of the use tax levied by the state under~~
6 ~~R.S. 47:302, 321, and 331, the cost price of machinery and equipment used by a~~
7 ~~manufacturer in a plant facility predominately and directly in the actual~~
8 ~~manufacturing for agricultural purposes or the actual manufacturing process of an~~
9 ~~item of tangible personal property, which is for ultimate sale to another and not for~~
10 ~~internal use, at one or more fixed locations within Louisiana, shall be reduced as~~
11 ~~follows:~~

12 ~~(aa) For the period ending on June 30, 2005, the cost price shall be reduced~~
13 ~~by five percent.~~

14 ~~(bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the~~
15 ~~cost price shall be reduced by nineteen percent.~~

16 ~~(cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the~~
17 ~~cost price shall be reduced by thirty-five percent.~~

18 ~~(dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the~~
19 ~~cost price shall be reduced by fifty-four percent.~~

20 ~~(ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the~~
21 ~~cost price shall be reduced by sixty-eight percent.~~

22 ~~(ff) For all periods beginning on or after July 1, 2009, the cost price shall be~~
23 ~~reduced by one hundred percent.~~

24 ~~(ii) For purposes of this Subparagraph, the following definitions shall apply:~~

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

1 used as an integral part of the production, processing, and storing of food and fiber
2 or of timber.

3 (I) ~~Machinery and equipment, for purposes of this Subparagraph, also~~
4 ~~includes but is not limited to the following:~~

5 (aaa) ~~Computers and software that are an integral part of the machinery and~~
6 ~~equipment used directly in the manufacturing process.~~

7 (bbb) ~~Machinery and equipment necessary to control pollution at a plant~~
8 ~~facility where pollution is produced by the manufacturing operation.~~

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

12 (ddd) ~~Machinery and equipment used by an industrial manufacturing plant~~
13 ~~to generate electric power for self consumption or cogeneration.~~

14 (eee) ~~Machinery and equipment used primarily to produce a news~~
15 ~~publication whether it is ultimately sold at retail or for resale or at no cost. Such~~
16 ~~machinery and equipment shall include but not be limited to all machinery and~~
17 ~~equipment used primarily in composing, creating, and other prepress operations,~~
18 ~~electronic transmission of pages from prepress to press, pressroom operations, and~~
19 ~~mailroom operations and assembly activities. The term "news publication" shall~~
20 ~~mean any publication issued daily or regularly at average intervals not exceeding~~
21 ~~three months, which contains reports of varied character, such as political, social,~~
22 ~~cultural, sports, moral, religious, or subjects of general public interest, and~~
23 ~~advertising supplements and any other printed matter ultimately distributed with or~~
24 ~~a part of such publications.~~

25 (II) ~~Machinery and equipment, for purposes of this Subparagraph, does not~~
26 ~~include any of the following:~~

27 (aaa) ~~A building and its structural components, unless the building or~~
28 ~~structural component is so closely related to the machinery and equipment that it~~

1 houses or supports that the building or structural component can be expected to be
2 replaced when the machinery and equipment are replaced.

3 ~~(bbb) Heating, ventilation, and air-conditioning systems, unless their~~
4 ~~installation is necessary to meet the requirements of the manufacturing process, even~~
5 ~~though the system may provide incidental comfort to employees or serve, to an~~
6 ~~insubstantial degree, nonproduction activities.~~

7 ~~(ccc) Tangible personal property used to transport raw materials or~~
8 ~~manufactured goods prior to the beginning of the manufacturing process or after the~~
9 ~~manufacturing process is complete.~~

10 ~~(ddd) Tangible personal property used to store raw materials or~~
11 ~~manufactured goods prior to the beginning of the manufacturing process or after the~~
12 ~~manufacturing process is complete.~~

13 ~~(bb) "Manufacturer" means:~~

14 ~~(i) A person whose principal activity is manufacturing, as defined in this~~
15 ~~Subparagraph, and who is assigned by the Louisiana Workforce Commission a North~~
16 ~~American Industrial Classification System code within the agricultural, forestry,~~
17 ~~fishing, and hunting Sector 11, the manufacturing Sectors 31-33, the information~~
18 ~~Sector 511110 as they existed in 2002, or industry code 423930 as a recyclable~~
19 ~~material merchant wholesaler engaged in manufacturing activities, which must~~
20 ~~include shredding facilities, as determined by the secretary of the Department of~~
21 ~~Revenue.~~

22 ~~(ii) A person whose principal activity is manufacturing and who is not~~
23 ~~required to register with the Louisiana Workforce Commission for purposes of~~
24 ~~unemployment insurance, but who would be assigned a North American Industrial~~
25 ~~Classification System code within the agricultural, forestry, fishing, and hunting~~
26 ~~Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they~~
27 ~~existed in 2002, as determined by the Louisiana Department of Revenue from federal~~
28 ~~income tax data, if he were required to register with the Louisiana Workforce~~
29 ~~Commission for purposes of unemployment insurance.~~

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

10 ~~(f) Repackaging or redistributing.~~

11 ~~(H) The cooking or preparing of food products by a retailer in the regular~~
12 ~~course of retail trade.~~

13 ~~(Hh) The storage of tangible personal property.~~

14 ~~(IV) The delivery of tangible personal property to or from the plant.~~

15 ~~(V) The delivery of tangible personal property to or from storage within the~~
16 ~~plant.~~

17 ~~(VI) Actions such as sorting, packaging, or shrink wrapping the final~~
18 ~~material for ease of transporting and shipping.~~

19 ~~(dd) "Manufacturing for agricultural purposes" means the production,~~
20 ~~processing, and storing of food and fiber and the production, processing, and storing~~
21 ~~of timber.~~

22 ~~(cc) "Plant facility" means a facility, at one or more locations, in which~~
23 ~~manufacturing, referred to in Sectors 11 and 31-33 of the North American Industrial~~
24 ~~Classification system as of 2002, of a product of tangible personal property takes~~
25 ~~place.~~

26 ~~(ff) "Used directly" means used in the actual process of manufacturing or~~
27 ~~manufacturing for agricultural purposes.~~

28 ~~(iii) No person shall be entitled to purchase, use, lease, or rent machinery or~~
29 ~~equipment as defined herein without payment of the tax imposed by R.S. 47:302,~~

1 ~~321, and 331 before receiving a certificate of exclusion from the secretary of the~~
2 ~~Department of Revenue certifying that he is a manufacturer as defined herein.~~

3 ~~(iv) The secretary of the Department of Revenue is hereby authorized to~~
4 ~~adopt rules and regulations in order to administer the exclusion provided for in this~~
5 ~~Subparagraph.~~

6 ~~(j) For the purpose of the sales and use taxes imposed by the state under R.S.~~
7 ~~47:302, 321, and 331, the "cost price" of electric power or energy, or natural gas for~~
8 ~~the period beginning July 1, 2007 and thereafter, purchased or used by paper or wood~~
9 ~~products manufacturing facilities shall not include any of such cost.~~

10 ~~(k)(i) For purposes of the imposition of the sales and use tax levied by the~~
11 ~~state under R.S. 47:302, 321, and 331, the tax on the cost price of tangible property~~
12 ~~consumed in the manufacturing process, such as fuses, belts, felts, wires, conveyor~~
13 ~~belts, lubricants, and motor oils and the tax on the cost price of repairs and~~
14 ~~maintenance of manufacturing machinery and equipment shall be reduced as follows:~~

15 ~~(aa) For the period beginning July 1, 2010, and ending on June 30, 2011, the~~
16 ~~state sales and use tax on the cost price shall be reduced by twenty-five percent.~~

17 ~~(bb) For the period beginning July 1, 2011, and ending June 30, 2012, the~~
18 ~~state sales and use tax on the cost price shall be reduced by fifty percent.~~

19 ~~(cc) For the period beginning July 1, 2012, and ending June 30, 2013, the~~
20 ~~state sales and use tax on the cost price shall be reduced by seventy-five percent.~~

21 ~~(dd) For all periods beginning on and after July 1, 2013, the state sales and~~
22 ~~use tax on the cost price shall be reduced by one hundred percent.~~

23 ~~(ii) For purposes of this Subparagraph, "manufacturer" means a person~~
24 ~~whose principal activity is manufacturing and who is assigned an industry group~~
25 ~~designation by the United States Census of 3211 through 3222 or 113310 pursuant~~
26 ~~to the North American Industry Classification System of 2007.~~

27 ~~(4) "Dealer" includes every person who manufactures or produces tangible~~
28 ~~personal property for sale at retail, for use, or consumption, or distribution, or for~~

1 storage to be used or consumed in a taxing jurisdiction. "Dealer" is further defined
2 to mean:

3 * * *

4 ~~(i) Any person who sells at retail any tangible personal property to a vending~~
5 ~~machine operator for resale through coin-operated vending machines.~~

6 ~~(j)~~ Any person who makes deliveries of tangible personal property into the
7 taxing jurisdiction in a vehicle owned or operated by said person.

8 ~~(k)~~(j) The term "dealer" shall not include lessors of railroad rolling stock
9 used either for freight or passenger purposes. However, the term "dealer" shall
10 include lessees, other than a railway company or railroad corporation, of such
11 property and such lessees shall be responsible for the collection and payment of all
12 state and local sales and use taxes.

13 ~~(m)~~~~(i)~~(k)(i) Any person who sells for delivery into Louisiana tangible
14 personal property, products transferred electronically, or services, and who does not
15 have a physical presence in Louisiana, if during the previous or current calendar year
16 the person's gross revenue for sales delivered into Louisiana has exceeded one
17 hundred thousand dollars from sales of tangible personal property, products
18 transferred electronically, or services.

19 (ii) A person without a physical presence in Louisiana may voluntarily
20 register for and collect state and local sales and use taxes as a dealer, even if they do
21 not meet the criteria established in Item (i) of this Subparagraph.

22 ~~(n)~~~~(i)~~(l)(i) Any person who operates, maintains, or facilitates a peer-to-peer
23 vehicle sharing program and collects any amount required to be paid as part of a
24 vehicle sharing program agreement whereby a shared vehicle owner leases or rents
25 a shared vehicle to a shared vehicle driver in this state.

26 (ii) For the purposes of this Subparagraph, the following definitions shall
27 apply:

28 (aa) "Peer-to-peer vehicle sharing" means the authorized use of a vehicle by
29 a person other than the vehicle's owner through a peer-to-peer car sharing program.

1 (bb) "Peer-to-peer vehicle sharing program" means a business platform that
2 connects a shared vehicle owner with a shared vehicle driver to enable the sharing
3 of vehicles for financial consideration.

4 (cc) "Shared vehicle" means a vehicle that is available for sharing through
5 a peer-to-peer vehicle sharing program.

6 (dd) "Shared vehicle driver" means a person who has been authorized to
7 drive the shared vehicle by the shared vehicle owner under a vehicle sharing program
8 agreement.

9 (ee) "Shared vehicle owner" means the registered owner, or a person or
10 entity designated by the registered owner, of a shared vehicle made available for
11 sharing to shared vehicle drivers through a peer-to-peer vehicle sharing program.

12 (ff) "Vehicle sharing program agreement" means the terms and conditions
13 applicable to a shared vehicle owner and a shared vehicle driver that govern the use
14 of a shared vehicle through a peer-to-peer vehicle sharing program.

15 * * *

16 (6)(a) "Hotel" means and includes any establishment or person engaged in
17 the business of furnishing sleeping rooms, cottages, or cabins to transient guests,
18 where such establishment consists of sleeping rooms, cottages, or cabins at any of
19 the following:

20 (i)(a) A single business location.

21 (ii)(b) A residential location, including but not limited to a house, apartment,
22 condominium, camp, cabin, or other building structure used as a residence.

23 (iii)(c) For purposes of this Chapter, hotel shall not mean or include any
24 establishment or person leasing apartments or single family dwelling on a month-to-
25 month basis.

26 (b) ~~For purposes of the sales and use taxes of all tax authorities in this state,~~
27 ~~the term "hotel" as defined herein shall not include camp and retreat facilities owned~~
28 ~~and operated by nonprofit organizations exempt from federal income tax under~~
29 ~~Section 501(a) of the Internal Revenue Code as an organization described in Section~~

1 ~~501(c)(3) of the Internal Revenue Code provided that the net revenue derived from~~
2 ~~the organizations's property is devoted wholly to the nonprofit organization's~~
3 ~~purposes. However, for purposes of this Paragraph, the term "hotel" shall include~~
4 ~~camp and retreat facilities which shall sell rooms or other accommodations to~~
5 ~~transient guests who are not attending a function of such nonprofit organization that~~
6 ~~owns and operates the camp and retreat facilities or a function of another nonprofit~~
7 ~~organization exempt from federal income tax under Section 501(a) of the Internal~~
8 ~~Revenue Code as an organization described in Section 501(c)(3) of the Internal~~
9 ~~Revenue Code. It is the intention of the legislature to tax the furnishing of rooms to~~
10 ~~those who merely purchase lodging at such facilities.~~

11 ~~(c) For purposes of the sales and use taxes of all tax authorities in this state,~~
12 ~~the term "hotel", as defined herein, shall not include a temporary lodging facility~~
13 ~~which is operated by a nonprofit organization described in Section 501(c)(3) of the~~
14 ~~Internal Revenue Code, provided that the facility is devoted exclusively to the~~
15 ~~temporary housing, for periods no longer than thirty days' duration, of homeless~~
16 ~~transient persons whom the organization determines to be financially incapable of~~
17 ~~engaging lodging at a facility defined by Subparagraph (a) of this Paragraph, and~~
18 ~~further provided that the lodging charge to such persons is no greater than twenty~~
19 ~~dollars per day.~~

20 (7)(a) "Lease or rental" means the leasing or renting of tangible personal
21 property and the possession or use thereof by the lessee or renter, for a consideration,
22 without transfer of the title of such property. For the purpose of the leasing or
23 renting of automobiles, "lease" means the leasing of automobiles and the possession
24 or use thereof by the lessee, for a consideration, without the transfer of the title of
25 such property for a one hundred eighty-day period or more. "Rental" means the
26 renting of automobiles and the possession or use thereof by the renter, for a
27 consideration, without the transfer of the title of such property for a period less than
28 one hundred eighty days.

1 (b) Solely for purposes of the state sales and use taxes imposed under R.S.
2 47:302, 321, and 331, the term "lease or rental", as herein defined, shall not mean or
3 include the lease or rental made for the purposes of re-lease or re-rental of casing
4 tools and pipe, drill pipe, tubing, compressors, tanks, pumps, power units, other
5 drilling or related equipment used in connection with the operating, drilling,
6 completion, or reworking of oil, gas, sulphur, or other mineral wells.

7 ~~(c) The term "lease or rental", as herein defined shall not mean or include a~~
8 ~~lease or rental of property to be used in performance of a contract with the United~~
9 ~~States Department of the Navy for construction or overhaul of U.S. Naval vessels.~~

10 ~~(d) Solely for purposes of the state sales and use taxes imposed under R.S.~~
11 ~~47:302, 321, and 331, the term "lease or rental", as herein defined, shall not mean the~~
12 ~~lease or rental of airplanes or airplane equipment by a commuter airline domiciled~~
13 ~~in Louisiana.~~

14 ~~(e) For purposes of state and political subdivision sales and use tax, the term~~
15 ~~"lease or rental", as herein defined, shall not mean the lease or rental of items,~~
16 ~~including but not limited to supplies and equipment, which are reasonably necessary~~
17 ~~for the operation of free hospitals.~~

18 ~~(f) For purposes of state and political subdivision sales and use tax, "lease~~
19 ~~or rental" shall not mean the lease or rental of educational materials or equipment~~
20 ~~used for classroom instruction by approved parochial and private elementary and~~
21 ~~secondary schools which comply with the court order from the Dodd Brumfield~~
22 ~~decision and Section 501(c)(3) of the Internal Revenue Code, limited to books,~~
23 ~~workbooks, computers, computer software, films, videos, and audio tapes.~~

24 ~~(g) For purposes of state and political subdivision sales and use tax, "lease~~
25 ~~or rental" shall not mean the lease or rental of tangible personal property to Boys~~
26 ~~State of Louisiana, Inc. and Girls State of Louisiana, Inc. which is used by such~~
27 ~~organizations for their educational and public service programs for youth.~~

28 ~~(h) For purposes of state and political subdivision sales and use tax, the term~~
29 ~~"lease or rental" shall not mean or include the lease or rental of motor vehicles by~~

1 ~~licensed motor vehicle dealers, as defined in R.S. 32:1252(35), or vehicle~~
2 ~~manufacturers, as defined in R.S. 32:1252(24), for their use in furnishing such leased~~
3 ~~or rented motor vehicles to their customers in performance of their obligations under~~
4 ~~warranty agreements associated with the purchase of a motor vehicle or when the~~
5 ~~applicable warranty has lapsed and the leased or rented motor vehicle is provided to~~
6 ~~the customer at no charge.~~

7 ~~(i) For purposes of sales and use taxes levied and imposed by local~~
8 ~~governmental subdivisions, school boards, and other political subdivisions whose~~
9 ~~boundaries are not coterminous with those of the state, "lease or rental" by a person~~
10 ~~shall not mean or include the lease or rental of tangible personal property if such~~
11 ~~lease or rental is made under the provisions of Medicare.~~

12 ~~(j) Solely for purposes of the sales and use tax levied by the state under R.S.~~
13 ~~47:302, 321, and 331, the term "lease or rental" shall not include the lease or rental~~
14 ~~in this state of manufacturing machinery and equipment used or consumed in this~~
15 ~~state to manufacture, produce, or extract unblended biodiesel.~~

16 ~~(k)(i) For purposes of any sales, use, or lease tax levied by the state, or any~~
17 ~~political subdivision of the state, the term "lease or rental" shall not include the lease~~
18 ~~or rental of a crane and related equipment with an operator.~~

19 ~~(ii) Notwithstanding the provisions of Item (i) of this Subparagraph, cranes~~
20 ~~leased or rented with an operator are subject to the provisions of the sales and use tax~~
21 ~~law upon first use in Louisiana.~~

22 ~~(l)(i) For purposes of the sales and use tax levied by the state under R.S.~~
23 ~~47:302, 321, and 331, and by any political subdivision, the term "lease or rental"~~
24 ~~shall not apply to leases or rentals of pallets which are used in packaging products~~
25 ~~produced by a manufacturer.~~

26 ~~(ii) For purposes of this Subparagraph, the term "manufacturer" shall mean~~
27 ~~a person whose primary activity is manufacturing and who is assigned by the~~
28 ~~Louisiana Workforce Commission a North American Industrial Classification~~
29 ~~System code within the manufacturing sectors 31-33 as they existed in 2002.~~

1 ~~(m)(i)(c)(i)~~ For purposes of any sales, use, lease, or rental tax, the term
2 "lease or rental" shall not mean or include the lease or rental of any item of tangible
3 personal property by a short-term equipment rental dealer for the purpose of re-lease
4 or re-rental.

5 (ii) For purposes of this Subparagraph, "short-term equipment rental dealer"
6 shall mean a person or entity whose principal business is the short-term rental of
7 tangible personal property classified under the code numbers 532412 and 532310 of
8 the North American Industry Classification System published by the United States
9 Bureau of the Census.

10 (iii) For purposes of this Subparagraph, "short-term rental" shall mean the
11 rental of an item of tangible personal property for a period of less than three hundred
12 sixty-five days, for an undefined period, or under an open-ended agreement.

13 ~~(8)(a)~~ "Person", ~~except as provided in Subparagraph (c)~~, includes any
14 individual, firm, copartnership, joint adventure, association, corporation, estate, trust,
15 business trust, receiver, syndicate, this state, any parish, city and parish,
16 municipality, district or other political subdivision thereof or any board, agency,
17 instrumentality, or other group or combination acting as a unit, and the plural as well
18 as the singular number.

19 ~~(b)~~ ~~Solely for purposes of the payment of state sales or use tax on the lease~~
20 ~~or rental or the purchase of tangible personal property or services, "person" shall not~~
21 ~~include a regionally accredited independent institution of higher education which is~~
22 ~~a member of the Louisiana Association of Independent Colleges and Universities,~~
23 ~~if such lease or rental or purchase is directly related to the educational mission of~~
24 ~~such institution. However, the term "person" shall include such institution for~~
25 ~~purposes of the payment of tax on sales by such institution if the sales are not~~
26 ~~otherwise exempt.~~

27 ~~(c)(i)~~ For purposes of the payment of the state sales and use tax and the sales
28 and use tax levied by any political subdivision, "person" shall not include this state,
29 any parish, city and parish, municipality, district, or other political subdivision

1 ~~thereof, or any agency, board, commission, or instrumentality of this state or its~~
2 ~~political subdivisions.~~

3 ~~(ii) Upon request by any political subdivision for an exemption identification~~
4 ~~number, the Department of Revenue shall issue such number. The secretary may~~
5 ~~promulgate rules and regulations in accordance with the Administrative Procedure~~
6 ~~Act to carry out the provisions of this Item.~~

7 ~~(d)(i) For purposes of the payment of the state sales and use tax and the sales~~
8 ~~and use tax levied by any political subdivision, the term "person" shall not include~~
9 ~~a church or synagogue that is recognized by the United States Internal Revenue~~
10 ~~Service as entitled to exemption under Section 501(c)(3) of the United States Internal~~
11 ~~Revenue Code.~~

12 ~~(ii) The secretary of the Department of Revenue shall promulgate rules and~~
13 ~~regulations defining the terms "church" and "synagogue" for purposes of this~~
14 ~~exclusion. The definitions shall be consistent with the criteria established by the~~
15 ~~U.S. Internal Revenue Service in identifying organizations that qualify for church~~
16 ~~status for federal income tax purposes.~~

17 ~~(iii) No church or synagogue shall claim exemption or exclusion from the~~
18 ~~state sales and use tax or the sales and use tax levied by any political subdivision~~
19 ~~before having obtained a certificate of authorization from the secretary of the~~
20 ~~Department of Revenue. The secretary shall develop applications for such~~
21 ~~certificates. The certificates shall be issued without charge to the institutions that~~
22 ~~qualify.~~

23 ~~(iv) The exclusion from the sales and use tax authorized by this~~
24 ~~Subparagraph shall apply only to purchases of bibles, song books, or literature used~~
25 ~~for religious instruction classes.~~

26 ~~(e)(i) For purposes of the payment of the state sales and use tax and the sales~~
27 ~~and use tax levied by any political subdivision, the term "person" shall not include~~
28 ~~the Society of the Little Sisters of the Poor.~~

1 ~~such~~ transactions as the secretary, upon investigation, finds to be in lieu of sales;
2 provided that sales for resale ~~or for lease of automobiles in an arm's length~~
3 ~~transaction must~~ shall be made in strict compliance with ~~the~~ rules and regulations.
4 Any dealer making a sale for resale or for the lease of automobiles, which is not in
5 strict compliance with the rules and regulations, shall himself be liable for and pay
6 the tax.

7 (ii) ~~Solely for purposes of the imposition of the sales and use tax levied by~~
8 ~~a political subdivision or school board, "retail sale" or "sale at retail" shall mean a~~
9 ~~sale to a consumer or to any other person for any purpose other than for resale in the~~
10 ~~form of tangible personal property, or resale of those services defined in Paragraph~~
11 ~~(14) of this Section provided the retail sale of the service is subject to sales tax in this~~
12 ~~state, and shall mean and include all such transactions as the collector, upon~~
13 ~~investigation, finds to be in lieu of sales; provided that sales for resale be made in~~
14 ~~strict compliance with the rules and regulations. Any dealer making a sale for resale,~~
15 ~~which is not in strict compliance with the rules and regulations shall himself be liable~~
16 ~~for and pay the tax. A local collector shall accept a resale certificate issued by the~~
17 ~~Department of Revenue, provided the taxpayer includes the parish of its principal~~
18 ~~place of business and local sales tax account number on the state certificate.~~
19 ~~However, in the case of an intra-parish transaction from dealer to dealer, the~~
20 ~~collector may require that the local exemption certificate be used in lieu of the state~~
21 ~~certificate. The department shall accommodate the inclusion of ~~such~~ this information~~
22 ~~on its resale certificate for ~~such~~ these purposes.~~

23 (iii) ~~"Retail sale" or "sale at retail" for purposes of sales and use taxes~~
24 ~~imposed by the state on transactions involving the sale for rental of automobiles~~
25 ~~which take place on or after January 1, 1991, and by political subdivisions on such~~
26 ~~transactions on or after July 1, 1996, and state sales and use taxes imposed on~~
27 ~~transactions involving the lease or rental of tangible personal property other than~~
28 ~~automobiles which take place on or after July 1, 1991, means a sale to a consumer~~
29 ~~or to any other person for any purpose other than for resale as tangible personal~~

1 ~~property, or for lease or rental in an arm's length transaction in the form of tangible~~
2 ~~personal property, and shall mean and include all such transactions as the secretary,~~
3 ~~upon investigation, finds to be in lieu of sales; provided that sales for resale or for~~
4 ~~lease or rental in an arm's length transaction must be made in strict compliance with~~
5 ~~the rules and regulations. Any dealer making a sale for resale or for lease or rental,~~
6 ~~which is not in strict compliance with the rules and regulations, shall himself be~~
7 ~~liable for and pay the tax. For purposes of the imposition of the tax imposed by any~~
8 ~~political subdivision of the state, for the period beginning on July 1, 1999, and~~
9 ~~ending on June 30, 2000, the term "retail sale" or "sale at retail" shall not include~~
10 ~~one-fourth of the sales price of any tangible personal property which is sold in order~~
11 ~~to be leased or rented in an arm's length transaction in the form of tangible personal~~
12 ~~property. For purposes of the imposition of the tax imposed by any political~~
13 ~~subdivision of the state, for the period beginning on July 1, 2000, and ending on June~~
14 ~~30, 2001, the term "retail sale" or "sale at retail" shall not include one-half of the~~
15 ~~sales price of any tangible personal property which is sold in order to be leased or~~
16 ~~rented in an arm's length transaction in the form of tangible personal property. For~~
17 ~~purposes of the imposition of the tax imposed by any political subdivision of the~~
18 ~~state, for the period beginning on July 1, 2001, and ending on June 30, 2002, the~~
19 ~~term "retail sale" or "sale at retail" shall not include three-fourths of the sales price~~
20 ~~of any tangible personal property which is sold in order to be leased or rented in an~~
21 ~~arm's length transaction in the form of tangible personal property. Beginning July~~
22 ~~1, 2002, for the purposes of imposition of the tax levied by any political subdivision~~
23 ~~of the state, the term "retail sale" or "sale at retail" shall not include the sale of any~~
24 ~~tangible personal property which is sold in order to be leased or rented in an arm's~~
25 ~~length transaction in the form of tangible personal property.~~

26 ~~(iv) "Retail sale" or "sale at retail", for purposes of sales and use taxes~~
27 ~~imposed by the state on transactions involving the sale for rental of automobiles~~
28 ~~which take place prior to January 1, 1991, and by political subdivisions on such~~
29 ~~transactions prior to July 1, 1996, and imposed on transactions involving the lease~~

1 or rental of tangible personal property other than autos which take place prior to July
2 1, 1991, and for purposes of local sales and use taxes levied by political subdivisions
3 except for transactions involving the sale for rental of automobiles on or after July
4 1, 1996, means a sale to a consumer or to any other person for any purpose other
5 than for resale in the form of tangible personal property, and shall mean and include
6 all such transactions as the secretary, upon investigation, finds to be in lieu of sales;
7 provided that sales for resale must be made in strict compliance with the rules and
8 regulations. Any dealer making a sale for resale, which is not in strict compliance
9 with the rules and regulations, shall himself be liable for and pay the tax. However,
10 contrary provisions of law notwithstanding, any political subdivision may, by
11 ordinance, adopt the definition of "retail sale" or "sale at retail" provided in Item (iii)
12 of this Subparagraph for purposes of the imposition of its sales and use tax.

13 (vi) ~~Solely for purposes of the payment of state sales and use tax, until~~
14 ~~January 1, 2007, the term "sale at retail" shall not include purchases made in~~
15 ~~connection with the filming or production of a motion picture by a motion picture~~
16 ~~production company which has been relieved from the payment of state sales and use~~
17 ~~tax under the provisions of Chapter 12 of Subtitle II of this Title, also known as the~~
18 ~~"Louisiana Motion Picture Incentive Act". This exclusion shall be retroactively~~
19 ~~revoked if it is determined that a motion picture production company that has been~~
20 ~~relieved from payment of state sales and use tax under Chapter 12 failed to meet the~~
21 ~~conditions of such relief.~~

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

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

1 ~~(c)(i)(aa) The term "sale at retail" does not include sale of materials for~~
2 ~~further processing into articles of tangible personal property for sale at retail when~~
3 ~~all of the criteria in Subsubitem (I) of this Subitem are met.~~

4 ~~(f)(aaa) The raw materials become a recognizable and identifiable~~
5 ~~component of the end product.~~

6 ~~(bbb) The raw materials are beneficial to the end product.~~

7 ~~(ccc) The raw materials are material for further processing, and as such, are~~
8 ~~purchased for the purpose of inclusion into the end product.~~

9 ~~(H) For purposes of this Subitem, the term "sale at retail" shall not include~~
10 ~~the purchase of raw materials for the production of raw or processed agricultural,~~
11 ~~silvicultural, or aquacultural products.~~

12 ~~(H)(aaa) If the materials are further processed into a byproduct for sale,~~
13 ~~such purchases of materials shall not be deemed to be sales for further processing~~
14 ~~and shall be taxable. For purposes of this Subitem, the term "byproduct" shall mean~~
15 ~~any incidental product that is sold for a sales price less than the cost of the materials.~~

16 ~~(bbb) In the event a byproduct is sold at retail in this state for which a sales~~
17 ~~and use tax has been paid by the seller on the cost of the materials, which materials~~
18 ~~are used partially or fully in the manufacturing of the byproduct, a credit against the~~
19 ~~tax paid by the seller shall be allowed in an amount equal to the sales tax collected~~
20 ~~and remitted by the seller on the taxable retail sale of the byproduct.~~

21 ~~(bb) Solely for purposes of the sales and use tax levied by the state, natural~~
22 ~~gas when used in the production of iron in the process known as the "direct reduced~~
23 ~~iron process" is not a catalyst and is recognized by the legislature to be a material for~~
24 ~~further processing into an article of tangible personal property for sale at retail.~~

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

28 ~~(bb) The term "sale at retail" does not include an isolated or occasional sale~~
29 ~~of tangible personal property by a person not engaged in such business.~~

1 ~~(d) The term "sale at retail" does not include the sale of any human tissue~~
2 ~~transplants, which shall be defined to include all human organs, bone, skin, cornea,~~
3 ~~blood, or blood products transplanted from one individual into another recipient~~
4 ~~individual.~~

5 ~~(e) The term "sale at retail" does not include the sale of raw agricultural~~
6 ~~commodities, including but not limited to feed, seed, and fertilizer, to be utilized in~~
7 ~~preparing, finishing, manufacturing, or producing crops or animals for market by a~~
8 ~~commercial farmer as defined in R.S. 47:301(30).~~

9 ~~(f) Notwithstanding any other law to the contrary, for purposes of the~~
10 ~~imposition of the sales and use tax of any political subdivision, the sale of a vehicle~~
11 ~~subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) shall be~~
12 ~~deemed to be a "retail sale" or a "sale at retail".~~

13 ~~(i) In the political subdivision of the principal residence of the purchaser if~~
14 ~~the vehicle is purchased for private use, or~~

15 ~~(ii) In the political subdivision of the principal location of the business if the~~
16 ~~vehicle is purchased for commercial use, unless the vehicle purchased for~~
17 ~~commercial use is assigned, garaged, and used outside of such political subdivision,~~
18 ~~in which case the sale shall be deemed a "retail sale" or a "sale at retail" in the~~
19 ~~political subdivision where the vehicle is assigned, garaged, and used.~~

20 ~~(g) The term "retail sale" does not include a sale of corporeal movable~~
21 ~~property which is intended for future sale to the United States government or its~~
22 ~~agencies, when title to such property is transferred to the United States government~~
23 ~~or its agencies prior to the incorporation of that property into a final product.~~

24 ~~(h) The term "sale at retail" does not include the sale of food items by youth~~
25 ~~serving organizations chartered by congress.~~

26 ~~(i) The term "sale at retail" does not include the purchase of a new school~~
27 ~~bus or a used school bus that is less than five years old when the bus is to be used~~
28 ~~exclusively for public elementary or secondary schools, public elementary or~~
29 ~~secondary laboratory schools that are operated by a public college or university, or~~

1 ~~nonpublic elementary or secondary schools approved by the State Board of~~
2 ~~Elementary and Secondary Education. As used in this Subparagraph, "school bus"~~
3 ~~includes only a bus that meets or exceeds the safety specifications for school buses~~
4 ~~established by the state Department of Education, is painted national school bus~~
5 ~~chrome in the shade designated by the State Board of Elementary and Secondary~~
6 ~~Education, and is purchased from a dealer licensed under the provisions of R.S.~~
7 ~~32:791 or 1254. This exclusion shall apply to all sales and use taxes levied by any~~
8 ~~local political subdivision.~~

9 (j) ~~The term "sale at retail" does not include the sale of tangible personal~~
10 ~~property to food banks, as defined in R.S. 9:2799.~~

11 (k) ~~The term "sale at retail" shall not include the sale of airplanes or airplane~~
12 ~~equipment or parts to a commuter airline domiciled in Louisiana.~~

13 (l) ~~Solely for purposes of the state sales and use tax imposed under R.S.~~
14 ~~47:302, 321, and 331, the term "sale at retail" shall not include the sale of a pollution~~
15 ~~control device or system. Pollution control device or system shall mean any tangible~~
16 ~~personal property approved by the Department of Revenue and the Department of~~
17 ~~Environmental Quality and sold or leased and used or intended for the purpose of~~
18 ~~eliminating, preventing, treating, or reducing the volume or toxicity or potential~~
19 ~~hazards of industrial pollution of air, water, groundwater, noise, solid waste, or~~
20 ~~hazardous waste in the state of Louisiana. For the purposes of any sales and use tax~~
21 ~~levied by a political subdivision, the term "sale at retail" shall include the sale of a~~
22 ~~pollution control device or system. In order to qualify, the pollution control device~~
23 ~~or system must demonstrate either: a net decrease in the volume or toxicity or~~
24 ~~potential hazards of pollution as a result of the installation of the device or system;~~
25 ~~or that installation is necessary to comply with federal or state environmental laws~~
26 ~~or regulations.~~

27 (m) ~~For purposes of sales and use taxes imposed or levied by the state or any~~
28 ~~political subdivision, the term "sale at retail" shall not include the sales of Louisiana-~~
29 ~~manufactured or Louisiana-assembled passenger aircraft with a maximum capacity~~

1 of eight persons, if, after all transportation, including transportation by the purchaser,
2 has been completed, the aircraft is ultimately received by the purchaser outside of
3 Louisiana. The place at which the aircraft is ultimately received shall be considered
4 as the place at which the aircraft is stored after all transportation has been completed.

5 ~~(n) For purposes of the sales and use taxes imposed by the state under R.S.~~
6 ~~47:302, 321, and 331, and the sales and use taxes imposed by any political~~
7 ~~subdivision, the term "sale at retail" shall not include the sales of pelletized paper~~
8 ~~waste when purchased for use as combustible fuel by an electric utility or in an~~
9 ~~industrial manufacturing, processing, compounding, reuse, or production process,~~
10 ~~including the generation of electricity or process steam, at a fixed location in this~~
11 ~~state. However, such sale shall not be excluded unless the purchaser has signed a~~
12 ~~certificate stating that the fuel purchased is for the exclusive use designated herein.~~
13 ~~For purposes of this Subparagraph, "pelletized paper waste" means pellets produced~~
14 ~~from discarded waste paper that has been diverted or removed from solid waste~~
15 ~~which is not marketable for recycling and which is wetted, extruded, shredded, or~~
16 ~~formulated into compact pellets of various sizes for use as a supplemental fuel in a~~
17 ~~permitted boiler.~~

18 ~~(o) For the purposes of sales and use taxes imposed or levied by the state or~~
19 ~~any local government subdivision or school board, the term "sale at retail" shall not~~
20 ~~include the sale or purchase of equipment used in fire fighting by bona fide volunteer~~
21 ~~and public fire departments.~~

22 ~~(p) For purposes of state and political subdivision sales and use tax, the term~~
23 ~~"sale at retail" shall not include the sale of items, including but not limited to~~
24 ~~supplies and equipment, or the sale of services as provided in this Section, which are~~
25 ~~reasonably necessary for the operation of free hospitals.~~

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

28 ~~(i) The sale of tangible personal property by approved parochial and private~~
29 ~~elementary and secondary schools which comply with the court order from the Dodd~~

1 ~~Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,~~
2 ~~administrators, or teachers, or other employees 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 (ii) ~~The sale to approved parochial and private elementary and secondary~~
9 ~~schools which comply with the court order from the Dodd Brumfield decision and~~
10 ~~Section 501(c)(3) of the Internal Revenue Code of educational materials or~~
11 ~~equipment used for classroom instruction limited to books, workbooks, computers,~~
12 ~~computer software, films, videos, and audio tapes.~~

13 (t) ~~For purposes of state and political subdivision sales and use tax, the term~~
14 ~~"sale at retail" shall not include the sale of tangible personal property to Boys State~~
15 ~~of Louisiana, Inc. and Girls State of Louisiana, Inc. which is used by such~~
16 ~~organizations for their educational and public service programs for youth.~~

17 (s) ~~The term "sale at retail" or "retail sale", for purposes of sales and use~~
18 ~~taxes imposed by the state or any political subdivision or other taxing entity, shall~~
19 ~~not include any charge, fee, money, or other consideration received, given, or paid~~
20 ~~for the performance of funeral directing services. For purposes of this Subparagraph,~~
21 ~~"funeral directing services" means the operation of a funeral home, or by way of~~
22 ~~illustration and not limitation, any service whatsoever connected with the~~
23 ~~management of funerals, or the supervision of hearses or funeral cars, the cleaning~~
24 ~~or dressing of dead human bodies for burial, and the performance or supervision of~~
25 ~~any service or act connected with the management of funerals from time of death~~
26 ~~until the body or bodies are delivered to the cemetery, crematorium, or other agent~~
27 ~~for the purpose of disposition. However, such services shall not mean or include the~~
28 ~~sale, lease, rental, or use of any tangible personal property as those terms are defined~~
29 ~~in this Section.~~

1 ~~(t) For purposes of the sales and use taxes imposed by the state under R.S.~~
2 ~~47:302, 321, and 331, and the sales and use taxes imposed by any political~~
3 ~~subdivision, the term "sale at retail" shall not include the transfer of title to or~~
4 ~~possession of telephone directories by an advertising company that is not affiliated~~
5 ~~with a provider of telephone services if the telephone directories will be distributed~~
6 ~~free of charge to the recipients of the telephone directories.~~

7 ~~(u) For purposes of sales and use taxes levied and imposed by local~~
8 ~~governmental subdivisions, school boards, and other political subdivisions whose~~
9 ~~boundaries are not coterminous with those of the state, "sale at retail" by a person~~
10 ~~shall not mean or include the sale of tangible personal property if such sale is made~~
11 ~~under the provisions of Medicare.~~

12 ~~(v) For purposes of the sales and use taxes imposed by the state under R.S.~~
13 ~~47:302, 321, and 331, and the sales and use taxes imposed by any political~~
14 ~~subdivision, in the case of the sale or other disposition by a dealer of any cellular,~~
15 ~~PCS, or wireless telephone, or any electronic accessories that are physically~~
16 ~~connected with such telephones and personal communication devices used in~~
17 ~~connection with the sale or use of mobile telecommunications services, the term~~
18 ~~"retail sale" or "sale at retail" shall mean and include the sale or any other disposition~~
19 ~~of such cellular, PCS, or wireless telephone, any electronic accessories that are~~
20 ~~physically connected with such telephones and personal communication devices by~~
21 ~~the dealer to the purchaser, but shall not mean or include the withdrawal, use,~~
22 ~~distribution, consumption, storage, donation, or any other disposition of any such~~
23 ~~cellular, PCS, or wireless telephone, any electronic accessories that are physically~~
24 ~~connected with such telephones, and personal communication devices by the dealer.~~

25 ~~(w) For purposes of the imposition of sales and use taxes imposed or levied~~
26 ~~by any political subdivision of the state, in the case of the sale or other disposition~~
27 ~~by a dealer of any cellular telephone, PCS telephone, wireless telephone, or other~~
28 ~~wireless personal communication device that is used in connection with the sale or~~
29 ~~use of mobile telecommunications services, or any electronic accessory that is~~

1 ~~physically connected with any such telephone or personal communication device, the~~
2 ~~term "retail sale" or "sale at retail" shall mean and include the sale or any other~~
3 ~~disposition of any such telephone, other personal communication device, or~~
4 ~~electronic accessory.~~

5 ~~(x) For purposes of the sales and use tax imposed by the state or any political~~
6 ~~subdivision whose boundaries are coterminous with those of the state, the terms~~
7 ~~"retail sale" or "sale at retail" shall not include the following:~~

8 ~~(i) The sale or purchase by a consumer of any fuel or gas, including but not~~
9 ~~limited to, butane and propane, for residential use by the consumer.~~

10 ~~(ii) Beginning July 1, 2008, the sale or purchase by any person of butane and~~
11 ~~propane.~~

12 ~~(y)(i) Solely for the purposes of sales and use taxes levied by the state under~~
13 ~~R.S. 47:302, 321, and 331, the term "sale at retail" shall not include the sale of~~
14 ~~manufacturing machinery and equipment used or consumed in this state to~~
15 ~~manufacture, produce, or extract unblended biodiesel.~~

16 ~~(ii) As used in this Subparagraph, the following words and phrases have the~~
17 ~~meaning ascribed to them:~~

18 ~~(aa) "Manufacturing machinery and equipment" means tangible property~~
19 ~~used or consumed, or held for use or consumption, as an integral part of a biodiesel~~
20 ~~manufacturing, production, or extraction facility, process, or item of equipment.~~
21 ~~Property shall be considered to be an integral part of such biodiesel manufacturing,~~
22 ~~production, or extraction facility, process, or item of equipment only if such property~~
23 ~~is used or consumed directly in the manufacturing, production, or extraction process~~
24 ~~or is part of, physically attached to, or otherwise directly associated with such~~
25 ~~property. Property, the installation of which is reasonably necessary for the proper~~
26 ~~installation, operation, maintenance of property which directly results in such~~
27 ~~manufacturing, production, or extraction shall be considered as directly associated~~
28 ~~with such property.~~

1 ~~(bb) "Unblended biodiesel" means a fuel comprised of mono-alkyl esters of~~
2 ~~long chain fatty acids derived from vegetable oils or animal fats, designated B100,~~
3 ~~and meeting the requirements of the definition provided for in D 6751 of the~~
4 ~~American Society of Testing and Materials (ATDM D 6751), before such fuel is~~
5 ~~blended with a petroleum-based diesel fuel.~~

6 ~~(aa)(i) For purposes of sales and use taxes imposed or levied by the state or~~
7 ~~any political subdivision of the state, the term "sale at retail" shall not include the~~
8 ~~sale of toys to a non-profit organization exempt from federal taxation pursuant to~~
9 ~~Section 501(c)(3) of the Internal Revenue Code if the sole purpose of the purchasing~~
10 ~~organization is to donate toys to minors and the toys are, in fact, donated.~~

11 ~~(ii) The exclusion provided in this Subparagraph shall not apply if the~~
12 ~~donation is intended to ultimately yield a profit to a promoter of the organization or~~
13 ~~to any individual contracted to provide services or equipment, or both, to the~~
14 ~~organization.~~

15 ~~(iii) A certificate of exclusion shall be obtained from the secretary or the tax~~
16 ~~collector of the political subdivision, under such regulations as he shall prescribe, in~~
17 ~~order for nonprofit organizations to qualify for the exclusion provided for in this~~
18 ~~Subparagraph.~~

19 ~~(bb) For purposes of sales and use taxes imposed or levied by the state under~~
20 ~~R.S. 47:302, 321, and 331, the terms "retail sale" and "sale at retail" shall not include~~
21 ~~sales of natural gas to be held, used, or consumed in providing natural gas storage~~
22 ~~services or operating natural gas storage facilities.~~

23 ~~(cc) For purposes of the sales and use tax imposed by the state or any~~
24 ~~political subdivision of the state, the terms "retail sale" or "sale at retail" shall not~~
25 ~~mean or include the purchase of textbooks and course-related software by a private~~
26 ~~postsecondary academic degree-granting institution, accredited by a national or~~
27 ~~regional commission that is recognized by the United States Department of~~
28 ~~Education and is licensed by the Board of Regents, which institution has its main~~

1 location within this state and offers only online instruction, when all of the following
2 apply:

3 (i) ~~The textbooks and course-related software are physically outside of this~~
4 ~~state when purchased from a vendor outside of this state and then imported into this~~
5 ~~state.~~

6 (ii) ~~The first student use of the textbooks and course-related software occurs~~
7 ~~outside of this state.~~

8 (iii) ~~The textbooks and course-related software are provided to the student~~
9 ~~free of charge.~~

10 (dd) ~~For purposes of sales and use taxes imposed or levied by the state, the~~
11 ~~terms "retail sale" or "sale at retail" shall not include the purchase of food items for~~
12 ~~school lunch or breakfast programs by nonpublic elementary or secondary schools~~
13 ~~which participate in the National School Lunch and School Breakfast programs or~~
14 ~~the purchase of food items by nonprofit corporations which serve students in~~
15 ~~nonpublic elementary or secondary schools and which participate in the National~~
16 ~~School Lunch and School Breakfast programs.~~

17 (cc)(i) ~~Solely for the purposes of the imposition of the state sales and use tax~~
18 ~~imposed under R.S. 47:302, 321, and 331, the term "retail sale" and "sale at retail"~~
19 ~~shall not include the sale of any storm shutter device.~~

20 (ii) ~~As used in this Subparagraph, "storm shutter device" means materials~~
21 ~~and products manufactured, rated, and marketed specifically for the purpose of~~
22 ~~preventing window damage from storms.~~

23 (iii) ~~The secretary of the Department of Revenue, in consultation with the~~
24 ~~Department of Insurance, shall promulgate such rules and regulations in accordance~~
25 ~~with the Administrative Procedure Act as may be necessary to carry out the~~
26 ~~provisions of this Subparagraph.~~

27 (ff) ~~For purposes of sales taxes imposed by the state or any political~~
28 ~~subdivision of the state, the term "retail sale" or "sale at retail" shall not include sales~~
29 ~~of tangible personal property by the Military Department, state of Louisiana, which~~

1 ~~occur on an installation or other property owned or operated by the Military~~
2 ~~Department.~~

3 ~~(gg) For purposes of sales and use tax imposed by the state under R.S.~~
4 ~~47:302, 321, and 331 or any political subdivision of the state, the term "sale at retail"~~
5 ~~shall not include the sale of anthropogenic carbon dioxide for use in a qualified~~
6 ~~tertiary recovery project approved by the assistant secretary of the office of~~
7 ~~conservation of the Department of Energy and Natural Resources pursuant to R.S.~~
8 ~~47:633.4.~~

9 ~~(hh) For purposes of sales and use tax imposed by the state under R.S.~~
10 ~~47:302, 321, and 331, or any other political subdivision, the term "sale at retail" shall~~
11 ~~not include the sale of tangible personal property at an event providing Louisiana~~
12 ~~heritage, culture, crafts, art, food, and music which is sponsored by a domestic~~
13 ~~nonprofit organization that is exempt from tax under Section 501(c)(3) of the~~
14 ~~Internal Revenue Code. The provisions of this Subparagraph shall apply only to an~~
15 ~~event which transpires over a minimum of seven but not more than twelve days and~~
16 ~~has a five-year annual average attendance of at least three hundred thousand over the~~
17 ~~duration of the event. For purposes of determining the five-year annual average~~
18 ~~attendance, the calculation shall include the total annual attendance for each of the~~
19 ~~five most recent years. The provisions of this Subparagraph shall apply only to sales~~
20 ~~by the sponsor of the event.~~

21 ~~(ii) For purposes of sales and use tax imposed by the state or any political~~
22 ~~subdivision of the state, the term "retail sale" or "sale at retail" shall not include~~
23 ~~marijuana recommended for therapeutic use by patients clinically diagnosed as~~
24 ~~suffering from a debilitating medical condition as defined in R.S. 40:1046.~~

25 * * *

26 (13)(a) "Sales price" means the total amount for which tangible personal
27 property is sold, less the market value of any article traded in including any services,
28 except services for financing which shall not exceed the legal interest rate and a
29 service charge not to exceed six percent of the amount financed, and losses, that are

1 a part of the sale valued in money, whether paid in money or otherwise, and includes
2 the cost of materials used, labor or service costs, including service costs for
3 installation, and transportation charges ~~except costs for financing which shall not~~
4 ~~exceed the legal interest rate and a service charge not to exceed six percent of the~~
5 ~~amount financed, and losses~~; provided that cash discounts allowed and taken on sales
6 shall not be included; ~~nor shall the sales price include the amount charged for labor~~
7 ~~or services rendered in installing, applying, remodeling, or repairing property sold.~~

8 (b) The term "sales price" shall not include any amount designated as a cash
9 discount or a rebate by the vendor or manufacturer of any new vehicle subject to the
10 motor vehicle license tax. For purposes of this Paragraph "rebate" means any
11 amount offered by a vendor or manufacturer as a deduction from the listed retail
12 price of the vehicle.

13 (c) ~~"Sales price" shall not include the first fifty thousand dollars of the sale~~
14 ~~price of new farm equipment used in poultry production.~~

15 (d) Notwithstanding any other provision of law to the contrary, for purposes
16 of state and political subdivision sales and use tax, the "sales price" of refinery gas,
17 except for feedstock, not ultimately consumed as an energy source by the person who
18 owns the facility in which the refinery gas is created as provided for in Subparagraph
19 ~~(18)(d)~~ (18)(c) of this Section, but sold to another person, whether at retail or
20 wholesale, shall be fifty-two cents per thousand cubic feet multiplied by a fraction
21 the numerator of which shall be the posted price for a barrel of West Texas
22 Intermediate Crude Oil on December first of the preceding calendar year and the
23 denominator of which shall be twenty-nine dollars, and provided further that ~~such~~
24 the sales price shall be the maximum value placed upon refinery gas by the state and
25 by any political subdivision under any authority or grant of power to levy and collect
26 sales or use taxes, and ~~such~~ the sale shall be taxable.

27 (e) ~~The term "sales price", solely for purposes of the state sales and use taxes~~
28 ~~imposed under R.S. 47:302, 321, and 331 and those of its political subdivisions, shall~~
29 ~~exclude any amount that a manufacturer pays directly to a dealer of the~~

1 manufacturer's product for the purpose of reducing and that actually results in an
2 equivalent reduction in the retail "sales price" of that product. This exclusion shall
3 not apply to the value of the manufacturer's coupons that dealers accept from
4 purchasers as part payment of the "sales price" and that are redeemable by the
5 dealers through manufacturers or their agents. The value of such coupons is deemed
6 to be part of the "sales price" of the product purchased through the use of the
7 coupons.

8 (f) The term "sales price" shall exclude any charge, fee, money, or other
9 consideration received, given, or paid for the performance of funeral directing
10 services as defined in Subparagraph (10)(s) of this Section.

11 (g) Solely for purposes of the imposition of state sales and use taxes imposed
12 under R.S. 47:302, 321, and 331 and those of all other taxing authorities in the state,
13 in the case of the retail sale by a dealer of any cellular, PCS, or wireless telephone,
14 any electronic accessories that are physically connected with such telephones and
15 personal communications devices used in connection with the sale or use of mobile
16 telecommunications services, as defined in R.S. 47:301(10)(v), the term "sales price"
17 shall mean and include only the amount of money, if any, actually received by the
18 dealer from the purchaser for each such cellular, PCS, or wireless telephone and any
19 electronic accessories that are physically connected with such telephones and
20 personal communication devices, but shall not include (i) any amount received by
21 the dealer from the purchaser for providing mobile telecommunications services, or
22 (ii) any commissions, fees, rebates, or other amounts received by the dealer from any
23 source other than the purchaser as a result of or in connection with the sale of the
24 cellular, PCS, or wireless telephone, any electronic accessories that are physically
25 connected with such telephones and personal communication devices.

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

1 ~~January 1, 2002, the term "sales price" shall mean and include the greater of (i) the~~
2 ~~amount of money actually received by the dealer from the purchaser for each such~~
3 ~~telephone, or (ii) twenty-five percent of the cost of such telephone to the dealer, but~~
4 ~~shall not include any amount received by the dealer from the purchaser for providing~~
5 ~~mobile telecommunications services or any commissions, fees, rebates, or other~~
6 ~~amounts received by the dealer from any source other than the purchaser as a result~~
7 ~~of or in connection with the sale of the telephone.~~

8 ~~(i)(i) For purposes of a publishing business which distributes its news~~
9 ~~publications at no cost to readers and pays unrelated third parties to print such news~~
10 ~~publications, the term "sales price" shall mean only the lesser of the following costs:~~

11 ~~(aa) The printing cost paid to unrelated third parties to print such news~~
12 ~~publications, less any itemized freight charges for shipping the news publications~~
13 ~~from the printer to the publishing business and any itemized charges for paper and~~
14 ~~ink.~~

15 ~~(bb) Payments to a dealer or distributor as consideration for distribution of~~
16 ~~the news publications.~~

17 ~~(ii) The definition of "sales price" provided for in this Subparagraph shall be~~
18 ~~applicable to taxes levied by all tax authorities in the state.~~

19 ~~(j) For the purpose of the imposition of sales and use tax imposed or levied~~
20 ~~by any political subdivision of the state, in the case of any retail sale or sale at retail,~~
21 ~~of any cellular telephone, PCS telephone, or wireless telephone used in connection~~
22 ~~with the sale or use of mobile telecommunications services, as defined in R.S.~~
23 ~~47:301(10)(w), or any electronic accessory that is physically connected with any~~
24 ~~such telephone or personal communication device, the term "sales price" shall mean~~
25 ~~and include the greater of (i) the amount of money, if any, actually received by the~~
26 ~~dealer from the purchaser at the time of the retail sale or sale at retail by the dealer~~
27 ~~to the purchaser for each such telephone, personal communication device, or~~
28 ~~electronic accessory, or (ii) twenty-five percent of the cost of such telephone to the~~
29 ~~dealer, but shall not include any amount received by the dealer from the purchaser~~

1 for providing mobile telecommunications services or any commissions, fees, rebates,
2 activation charges, or other amounts received by the dealer from any source other
3 than the purchaser as a result of or in connection with the sale of the telephone.

4 (k)(i) For purposes of the imposition of the sales tax levied by the state under
5 R.S. 47:302, 321, and 331, the sales price of machinery and equipment purchased by
6 a manufacturer for use in a plant facility predominately and directly in the actual
7 manufacturing for agricultural purposes or the actual manufacturing process of an
8 item of tangible personal property, which is for ultimate sale to another and not for
9 internal use, at one or more fixed locations within Louisiana shall be reduced as
10 follows:

11 (aa) For the period ending on June 30, 2005, the sales price shall be reduced
12 by five percent.

13 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the
14 sales price shall be reduced by nineteen percent.

15 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the
16 sales price shall be reduced by thirty-five percent.

17 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the
18 sales price shall be reduced by fifty-four percent.

19 (ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the
20 sales price shall be reduced by sixty-eight percent.

21 (ff) For all periods beginning on or after July 1, 2009, the sales price shall
22 be reduced by one hundred percent.

23 (ii) For purposes of this Subparagraph, "machinery and equipment",
24 "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant
25 facility", and "used directly" shall have the same meaning as defined in R.S.
26 47:301(3)(i)(ii).

27 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or
28 equipment as defined herein without payment of the tax imposed by R.S. 47:302,

1 ~~321, and 331 before receiving a certificate of exclusion from the secretary of the~~
2 ~~Department of Revenue certifying that he is a manufacturer as defined herein.~~

3 ~~(iv) The secretary of the Department of Revenue is hereby authorized to~~
4 ~~adopt rules and regulations in order to administer the exclusion provided for in this~~
5 ~~Subparagraph.~~

6 ~~(l)(i) Solely for purposes of the payment of the state sales and use tax~~
7 ~~imposed under R.S. 47:302, 321, and 331 and the sales and use tax levied by any~~
8 ~~political subdivision, the term "sales price" shall not include the price of specialty~~
9 ~~items sold to members for fund-raising purposes by nonprofit carnival organizations~~
10 ~~domiciled within Louisiana and participating in a parade sponsored by a carnival~~
11 ~~organization.~~

12 ~~(ii) The secretary of the Department of Revenue shall promulgate rules and~~
13 ~~regulations for purposes of this exclusion.~~

14 ~~(iii) No nonprofit carnival organization domiciled within Louisiana and~~
15 ~~participating in a parade sponsored by a carnival organization shall claim exemption~~
16 ~~or exclusion from the state sales and use tax or the sales and use tax levied by any~~
17 ~~political subdivision before having obtained a certificate of authorization from the~~
18 ~~secretary of the Department of Revenue. The secretary shall develop applications~~
19 ~~for such certificates. The certificates shall be issued without charge to the entities~~
20 ~~which qualify.~~

21 ~~(m) Solely for purposes of the sales and use tax imposed by the state under~~
22 ~~R.S. 47:302, 321, and 331, the "sales price" of electric power or energy, or natural~~
23 ~~gas for the period beginning July 1, 2007, and thereafter, sold for use by paper or~~
24 ~~wood products manufacturing facilities shall not include any of such price.~~

25 ~~(14) "Sales of services" means and includes the following: the furnishing,~~
26 ~~receiving, or sale of one or more of the services provided for in this Chapter for a~~
27 ~~consideration or the amount paid or charged.~~

28 ~~(a) The furnishing of sleeping rooms, cottages or cabins by hotels.~~

1 ~~(b)(i)(aa) The sale of admissions to places of amusement, to athletic~~
2 ~~entertainment other than that of schools, colleges, and universities, and recreational~~
3 ~~events, and the furnishing, for dues, fees, or other consideration of the privilege of~~
4 ~~access to clubs or the privilege of having access to or the use of amusement,~~
5 ~~entertainment, athletic, or recreational facilities. Notwithstanding any provision of~~
6 ~~this Subparagraph to the contrary, the term "sales of services" shall include the sale~~
7 ~~of admissions to any museum that has as its primary purpose the showcasing of~~
8 ~~Louisiana music and which opened to the public on or after January 1, 2026.~~

9 ~~(bb) The term "sales of services" shall not include membership fees or dues~~
10 ~~of nonprofit, civic organizations, including by way of illustration and not of~~
11 ~~limitation the Young Men's Christian Association, the Catholic Youth Organization,~~
12 ~~and the Young Women's Christian Association.~~

13 ~~(ii) Places of amusement shall not include "museums", which are hereby~~
14 ~~defined as public or private nonprofit institutions which are organized on a~~
15 ~~permanent basis for essentially educational or aesthetic purposes and which use~~
16 ~~professional staff to do all of the following:~~

17 ~~(aa) Own or use tangible objects, whether animate or inanimate.~~

18 ~~(bb) Care for those objects.~~

19 ~~(cc) Exhibit them to the public on a regular basis.~~

20 ~~(iii) Museums include but are not limited to the following institutions:~~

21 ~~(aa) Museums relating to art, history, including historic buildings, natural~~
22 ~~history, science, and technology.~~

23 ~~(bb) Aquariums and zoological parks.~~

24 ~~(cc) Botanical gardens and arboretums.~~

25 ~~(dd) Nature centers.~~

26 ~~(ee) Planetariums.~~

27 ~~(iv) For purposes of the sales and use taxes of all tax authorities in the state,~~
28 ~~the term "places of amusement" as used herein shall not include camp and retreat~~
29 ~~facilities owned and operated by nonprofit organizations exempt from federal income~~

1 tax under Section 501(a) of the Internal Revenue Code as an organization described
2 in Section 501(c)(3) of the Internal Revenue Code provided that the net revenue
3 derived from the organization's property is devoted wholly to the nonprofit
4 organization's purposes.

5 (c) ~~The furnishing of storage or parking privileges by auto hotels and parking~~
6 ~~lots.~~

7 (d) ~~The furnishing of printing or overprinting, lithographic, multilith, blue~~
8 ~~printing, photostating or other similar services of reproducing written or graphic~~
9 ~~matter.~~

10 (e) ~~The furnishing of laundry, cleaning, pressing and dyeing services,~~
11 ~~including by way of extension and not of limitation, the cleaning and renovation of~~
12 ~~clothing, furs, furniture, carpets and rugs, and the furnishing of storage space for~~
13 ~~clothing, furs, and rugs. The service shall be taxable at the location where the~~
14 ~~laundered, cleaned, pressed, or dyed article is returned to the customer.~~

15 (f) ~~The furnishing of cold storage space, except that space which is furnished~~
16 ~~pursuant to a bailment arrangement, and the furnishing of the service of preparing~~
17 ~~tangible personal property for cold storage where such service is incidental to the~~
18 ~~operation of storage facilities.~~

19 (g)(i)(aa) ~~The furnishing of repairs to tangible personal property, including~~
20 ~~but not restricted to the repair and servicing of automobiles and other vehicles,~~
21 ~~electrical and mechanical appliances and equipment, watches, jewelry, refrigerators,~~
22 ~~radios, shoes, and office appliances and equipment.~~

23 (bb)(f) ~~For purposes of the sales and use tax levied by the state and by tax~~
24 ~~authorities in East Feliciana Parish, charges for the furnishing of repairs to tangible~~
25 ~~personal property shall be excluded from sales of services, as defined in this~~
26 ~~Subparagraph, when the repaired property is (1) delivered to a common carrier or to~~
27 ~~the United States Postal Service for transportation outside the state, or (2) delivered~~
28 ~~outside the state by use of the repair dealer's own vehicle or by use of an independent~~
29 ~~trucker. However, as to aircraft, delivery may be by the best available means. This~~

1 ~~exclusion shall not apply to sales and use taxes levied by any other parish,~~
2 ~~municipality or school board. However, any other parish, municipality or school~~
3 ~~board may apply the exclusion as defined in this Subparagraph to sales or use taxes~~
4 ~~levied by any such parish, municipality, or school board. Offshore areas shall not~~
5 ~~be considered another state for the purpose of this Subparagraph.~~

6 (H) ~~For purposes of the sales and use tax levied by the tax authorities in~~
7 ~~Calcasieu Parish, charges for the furnishing of repairs to aircraft shall be excluded~~
8 ~~from sales of services, as defined in this Subparagraph, provided that the repairs are~~
9 ~~performed at an airport with a runway that is at least ten thousand feet long, one~~
10 ~~hundred sixty feet wide, and fourteen inches thick.~~

11 (ii) ~~For the purposes of this Subparagraph, tangible personal property shall~~
12 ~~include machinery, appliances, and equipment which have been declared immovable~~
13 ~~by declaration under the provisions of Article 467 of the Louisiana Civil Code, and~~
14 ~~things which have been separated from land, buildings, or other constructions~~
15 ~~permanently attached to the ground or their component parts as defined in Article~~
16 ~~466 of the Civil Code.~~

17 (iii)(aa) ~~For purposes of the sales and use taxes imposed by the state or any~~
18 ~~of its political subdivisions, sale of services shall not include the labor, or sale of~~
19 ~~materials, services, and supplies, used for the repairing, renovating, or converting of~~
20 ~~any drilling rig, or machinery and equipment which are component parts thereof,~~
21 ~~which is used exclusively for the exploration or development of minerals outside the~~
22 ~~territorial limits of the state in Outer Continental Shelf waters.~~

23 (bb) ~~For the purposes of this Subitem, "drilling rig" means any unit or~~
24 ~~structure, along with its component parts, which is used primarily for drilling,~~
25 ~~workover, intervention or remediation of wells used for exploration or development~~
26 ~~of minerals and "component parts" means any machinery or equipment necessary for~~
27 ~~a drilling rig to perform its exclusive function of exploration or development of~~
28 ~~minerals.~~

1 ~~(iv) For purposes of the sales and use tax levied by the state and its political~~
2 ~~subdivisions, "repair to tangible personal property and fabrication" shall not include~~
3 ~~surface preparation, coating, and painting of a fixed or rotary wing military aircraft~~
4 ~~or certified transport category aircraft so long as the Federal Aviation Administration~~
5 ~~registration address of the aircraft is not in this state.~~

6 ~~(h) The term "sale of service" shall not include an action performed pursuant~~
7 ~~to a contract with the United States Department of the Navy for construction or~~
8 ~~overhaul of U.S. Naval vessels.~~

9 ~~(i) Solely for purposes of the sales and use tax levied by the state, the~~
10 ~~furnishing of telecommunications services for compensation, in accordance with the~~
11 ~~provisions of R.S. 47:301.1. Local political subdivisions are prohibited from levying~~
12 ~~a sales and use tax on telecommunications services not in effect on July 1, 1990;~~
13 ~~provided, however, that the provisions of this Subparagraph shall not be construed~~
14 ~~to prohibit the levy or collection of any franchise, excise, gross receipts, or similar~~
15 ~~tax or assessment by any political subdivision of the state as defined in Article VI,~~
16 ~~Section 44(2) of the Constitution of Louisiana.~~

17 ~~(j) Notwithstanding any provision of law to the contrary, for purposes of~~
18 ~~sales or use taxation by the state or any local political subdivision, the term "sales of~~
19 ~~services" shall not mean or include any funeral directing services as defined in~~
20 ~~Subparagraph (10)(s) of this Section. Subject to approval by the House Committee~~
21 ~~on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, the~~
22 ~~state Department of Revenue shall devise a formula for the calculation of the tax.~~

23 ~~(k) Solely for purposes of sales and use tax imposed by the state under R.S.~~
24 ~~47:302, 321, and 331, any political subdivision whose boundaries are coterminous~~
25 ~~with those of the state, or any other political subdivision, the term "sales of services"~~
26 ~~shall not mean or include admission charges for, outside gate admissions to, or~~
27 ~~parking fees associated with an event providing Louisiana heritage, culture, crafts,~~
28 ~~art, food, and music which is sponsored by a domestic nonprofit organization that is~~
29 ~~exempt from tax under Section 501(c)(3) of the Internal Revenue Code. The~~

1 ~~provisions of this Subparagraph shall apply only to an event which transpires over~~
 2 ~~a minimum of seven but not more than twelve days and has a five-year annual~~
 3 ~~average attendance of at least three hundred thousand over the duration of the event.~~
 4 ~~For purposes of determining the five-year annual average attendance, the calculation~~
 5 ~~shall include the total annual attendance for each of the five most recent years. The~~
 6 ~~provisions of this Subparagraph shall apply only to admission charges for, outside~~
 7 ~~gate admissions to, or parking fees associated with an event when the charges and~~
 8 ~~fees are payable to or for the benefit of the sponsor of the event.~~

9 * * *

10 (16)(a) "Tangible personal property" means and includes personal property
 11 which may be seen, weighed, measured, felt or touched, or is in any other manner
 12 perceptible to the senses.

13 (b) The term "tangible personal property" shall not include:

14 (i) Stocks, bonds, notes, or other obligations or securities.

15 (ii)(aa) Platinum, gold, or silver bullion, that is valued solely upon its
 16 precious metal content, whether in coin or ingot form.

17 (bb) Numismatic coins that have a sales price of no more than one thousand
 18 dollars.

19 (cc) Numismatic coins sold at a national, statewide, or multi-parish
 20 numismatic trade show.

21 ~~(iii) Proprietary geophysical survey information or geophysical data analysis~~
 22 ~~furnished under a restricted use agreement even though transferred in the form of~~
 23 ~~tangible personal property.~~

24 ~~(c) The term "tangible personal property" shall not include the repair of a~~
 25 ~~vehicle by a licensed motor vehicle dealer which is performed subsequent to the~~
 26 ~~lapse of the applicable warranty on that vehicle and at no charge to the owner of the~~
 27 ~~vehicle. For the purpose of assessing a sales and use tax on this transaction, no~~
 28 ~~valuation shall be assigned to the services performed or the parts used in the repair.~~

1 ~~(d)~~(i)(c)(i) Notwithstanding any provision of law to the contrary and solely
2 for purposes of ~~state~~ sales and use tax levied by any taxing authority, any sale of a
3 prepaid calling service or prepaid wireless calling service, or both, shall be deemed
4 to be the sale of tangible personal property.

5 (ii) Prepaid calling services and prepaid wireless calling services shall be
6 subject to the tax imposed by this Chapter if the sale takes place in this state. If the
7 customer physically purchases a prepaid calling service or prepaid wireless calling
8 service at the vendor's place of business, the sale is deemed to take place at the
9 vendor's place of business. If the customer does not physically purchase the service
10 at the vendor's place of business, the sale of a prepaid calling service or prepaid
11 wireless calling service is deemed to take place at the first of the following locations
12 that applies to the sale:

13 (aa) The customer's shipping address, if the sale involves a shipment.

14 (bb) The customer's billing address.

15 (cc) Any other address of the customer that is known by the vendor.

16 (dd) The address of the vendor or, alternatively in the case of a prepaid
17 wireless calling service, the location associated with the mobile telephone number.

18 ~~(e)~~(d) The term "tangible personal property" shall not include work products
19 which are written on paper, stored on magnetic or optical media, or transmitted by
20 electronic device, when such work products are created in the normal course of
21 business by any person licensed or regulated by the provisions of Title 37 of the
22 Louisiana Revised Statutes of 1950, unless such work products are duplicated
23 without modification for sale to multiple purchasers. This exclusion shall not apply
24 to work products which consist of the creation, modification, updating, or licensing
25 of computer software.

26 ~~(f)~~ The term "tangible personal property" shall not include pharmaceuticals
27 administered to livestock used for agricultural purposes, except as otherwise
28 provided in this Subparagraph. Only pharmaceuticals not included in the term
29 "tangible personal property" shall be registered with the Louisiana Department of

1 ~~Agriculture and Forestry. Legend drugs administered to livestock used for~~
2 ~~agricultural purposes are not required to be registered, but such legend drugs that are~~
3 ~~not registered shall be "tangible personal property".~~

4 ~~(g)(i) Notwithstanding the provisions of R.S. 9:1149.1 et seq., except as~~
5 ~~otherwise provided in this Subparagraph, the term "tangible personal property" shall~~
6 ~~not include factory built homes.~~

7 ~~(ii) For purposes of this Subparagraph, "factory built home" means a~~
8 ~~residential structure which is built in a factory in one or more sections and has a~~
9 ~~chassis or integrated wheel delivery system, which is either:~~

10 ~~(aa) A structure built to federal construction standards as defined in Section~~
11 ~~5402 of Title 42 of the United States Code.~~

12 ~~(bb) A residential structure built to the Louisiana State Uniform Construction~~
13 ~~Code.~~

14 ~~(cc) A manufactured home, modular home, mobile home, or residential~~
15 ~~mobile home with or without a permanent foundation, which includes plumbing,~~
16 ~~heating, and electrical systems.~~

17 ~~(iii) "Factory built home" shall not include any self-propelled recreational~~
18 ~~vehicle or travel trailer.~~

19 ~~(iv) The term "tangible personal property" as applied to sales and use taxes~~
20 ~~levied by the state or any other taxing authority in the state shall include a new~~
21 ~~factory built home, for the initial sale from a dealer to a consumer, but only to the~~
22 ~~extent that forty-six percent of the retail sales price shall be so considered as~~
23 ~~"tangible personal property". Thereafter, each subsequent resale of a factory built~~
24 ~~home shall not be considered as "tangible personal property".~~

25 ~~(v) The sales and use taxes due on these transactions shall be paid to the~~
26 ~~Louisiana Department of Public Safety and Corrections, office of motor vehicles, by~~
27 ~~the twentieth day of the month following the month of delivery of the factory built~~
28 ~~home to the consumer, along with any other information requested by the office of~~
29 ~~motor vehicles.~~

1 ~~(h)(i) Solely for purposes of the imposition of the sales and use tax levied by~~
2 ~~the state or any political subdivision whose boundaries are coterminous with those~~
3 ~~of the state, for the period beginning July 1, 2002, and ending on June 30, 2003, the~~
4 ~~term "tangible personal property" shall not include one-quarter of the cost price of~~
5 ~~custom computer software.~~

6 ~~(ii) Solely for purposes of the imposition of the sales and use tax levied by~~
7 ~~the state or any political subdivision whose boundaries are coterminous with those~~
8 ~~of the state, for the period beginning July 1, 2003, and ending on June 30, 2004, the~~
9 ~~term "tangible personal property" shall not include one-half of the cost price of~~
10 ~~custom computer software.~~

11 ~~(iii) Solely for purposes of the imposition of the sales and use tax levied by~~
12 ~~the state or any political subdivision whose boundaries are coterminous with those~~
13 ~~of the state, for the period beginning July 1, 2004, and ending on June 30, 2005, the~~
14 ~~term "tangible personal property" shall not include three-quarters of the cost price~~
15 ~~of custom computer software.~~

16 ~~(iv) Solely for purposes of the imposition of the sales and use tax levied by~~
17 ~~the state under R.S. 47:302, 321, and 331 or any political subdivision whose~~
18 ~~boundaries are coterminous with those of the state, for all taxable periods beginning~~
19 ~~on or after July 1, 2005, the term "tangible personal property" shall not include~~
20 ~~custom computer software.~~

21 ~~(i) Solely for purposes of the imposition of the state sales and use tax~~
22 ~~imposed under R.S. 47:302, 321, and 331, the term "tangible personal property" shall~~
23 ~~not include digital television conversion equipment and digital radio conversion~~
24 ~~equipment as defined in this Section.~~

25 ~~(i) "Digital television conversion equipment" shall include the following:~~

26 ~~(aa) DTV transmitter and RF system.~~

27 ~~(bb) Transmission line.~~

28 ~~(cc) DTV antenna.~~

29 ~~(dd) Tower.~~

- 1 ~~(cc) Existing tower structural upgrade.~~
- 2 ~~(ff) Advanced TV receiver (STL receiver).~~
- 3 ~~(gg) Decoder (digital to analog converter for NTSC).~~
- 4 ~~(hh) DTV transmission system test and monitoring.~~
- 5 ~~(ii) Digital video/audio master control switcher.~~
- 6 ~~(jj) Analog to digital conversion.~~
- 7 ~~(kk) High definition up-converters.~~
- 8 ~~(ll) High definition bypass switcher.~~
- 9 ~~(mm) Down converters for standard definition.~~
- 10 ~~(nn) Advanced TV transmitter (STL transmitter).~~
- 11 ~~(oo) Advanced TV signal encoder.~~
- 12 ~~(pp) DTV transmission monitoring.~~
- 13 ~~(qq) High definition digital video switcher and DVE.~~
- 14 ~~(rr) High definition studio cameras.~~
- 15 ~~(ss) High definition graphics/graphic generator.~~
- 16 ~~(tt) High definition video monitoring.~~
- 17 ~~(uu) Conversion gear.~~
- 18 ~~(vv) High definition recorder/players, including tape, disk, etc.~~
- 19 ~~(ww) High definition video/audio signal router.~~
- 20 ~~(xx) High definition video/audio media server.~~
- 21 ~~(yy) MPEG or HDTV digital receivers for program content.~~
- 22 ~~(zz) High definition recorder/players, including tape, disk, etc.~~
- 23 ~~(aaa) High definition video/audio media server and workstations.~~
- 24 ~~(bbb) Digital EAS encoder/decoder.~~
- 25 ~~(ccc) High definition camcorder, including tape, disk, etc.~~
- 26 ~~(ddd) Advanced TV transmitters, including microwave.~~
- 27 (ii) "Digital radio conversion equipment" shall include the following:
- 28 (aa) IBOC transmitter.
- 29 (bb) IBOC main channel and IBOC combiner.

1 ~~(cc) IBOC compatible antenna.~~

2 ~~(dd) Tower.~~

3 ~~(ee) IBOC coaxial bypass switcher.~~

4 ~~(ff) Digital STL.~~

5 ~~(gg) STL heliack transmission line.~~

6 ~~(hh) STL antenna.~~

7 ~~(ii) Digital console.~~

8 ~~(jj) EAS insertion.~~

9 ~~(kk) AES EBU conversion equipment.~~

10 ~~(ll) IBOC transmission testing and monitoring equipment.~~

11 ~~(mm) Digital processor.~~

12 ~~(iii) The exclusion from state sales and use tax authorized by this~~
13 ~~Subparagraph shall apply only to the first purchase of each enumerated item by an~~
14 ~~individual taxpayer who holds a Federal Communications Commission license~~
15 ~~issued pursuant to 47 CFR Part 73. Individual taxpayers operating under several~~
16 ~~broadcaster licenses shall be allowed one purchase of each enumerated item per~~
17 ~~license. Each subsequent purchase of any of the enumerated items by the same~~
18 ~~taxpayer or license holder shall be subject to sales and use tax.~~

19 ~~(v) Any eligible taxpayer who has purchased any item enumerated in Item~~
20 ~~(i) or (ii) of this Subparagraph subsequent to January 1, 1999, but prior to the~~
21 ~~effective date of this Act, shall be entitled to a credit against the state sales and use~~
22 ~~tax due in any year for an amount equal to state sales and use tax paid on the~~
23 ~~purchase of the item.~~

24 ~~(vi) Local taxing authorities are hereby authorized to provide an exemption~~
25 ~~from any local sales and use tax liability to any taxpayers holding a Federal~~
26 ~~Communications Commission license issued pursuant to 47 CFR Part 73 which has~~
27 ~~purchased any of the equipment listed in Item (i) or (ii) of this Subparagraph. Local~~
28 ~~taxing authorities are further authorized to provide a credit against any tax liability~~
29 ~~for the amount of local sales tax paid by taxpayers holding Federal Communications~~

1 Commission licenses issued pursuant to 47 CFR Part 73 on any equipment listed in
2 Item (i) or (ii) of the Subparagraph purchased subsequent to January 1, 1999, but
3 prior to June 25, 2002.

4 ~~(vii) No exclusion from state sales and use tax as authorized in this~~
5 ~~Subsection shall be allowed after the Federal Communications Commission has~~
6 ~~issued an order mandating license holders, issued pursuant to 47 CFR Part 73, to~~
7 ~~discontinue broadcasting their analog signal.~~

8 ~~(viii) The Department of Revenue shall adopt rules and regulations necessary~~
9 ~~for the implementation of this Act no later than August 1, 2002.~~

10 ~~(j) The term "tangible personal property", for purposes of the payment of~~
11 ~~sales and use taxes levied by all tax authorities in the state, shall not include~~
12 ~~materials used directly in the collection, separation, treatment, testing, and storage~~
13 ~~of blood by nonprofit blood banks and nonprofit blood collection centers.~~

14 ~~(k) The term "tangible personal property" for purposes of the sales and use~~
15 ~~taxes imposed by all tax authorities in this state shall not include apheresis kits and~~
16 ~~leuko-reduction filters used by nonprofit blood banks and nonprofit blood collection~~
17 ~~centers.~~

18 ~~(f)(e)~~ For purposes of the sales and use tax imposed by the state of Louisiana,
19 by a political subdivision whose boundaries are coterminous with those of the state,
20 or by all political subdivisions of the state and without regard to the nature of the
21 ownership of the ground, tangible personal property shall not include other
22 constructions permanently attached to the ground which shall be treated as
23 immovable property.

24 ~~(m)(i) Notwithstanding any other provision of law to the contrary, solely for~~
25 ~~purposes of the sales and use tax levied by the state under R.S. 47:302, 321, and 331,~~
26 ~~the term "tangible personal property" shall not include machinery and equipment~~
27 ~~used by a motor vehicle manufacturer with a North American Industry Classification~~
28 ~~System (NAICS) Code beginning with 3361, or by a glass container manufacturer~~

1 with a NAICS Code of 327213. This exclusion shall be subject to the definitions and
2 requirements of Item (3)(i)(ii) of this Section.

3 (ii) A political subdivision may provide for a sales and use tax exemption for
4 the sales, cost, or lease or rental price of manufacturing machinery and equipment
5 as provided for in this Section, either effective upon adoption or enactment or phased
6 in over a period of time, or effective for a certain period of time or duration, all as
7 set forth in the instrument, resolution, vote, or other affirmative action providing the
8 exemption.

9 (iii) ~~Notwithstanding any other provision of this Section, tooling in a~~
10 ~~compression mold process shall be considered manufacturing machinery and~~
11 ~~equipment for purposes of this Section.~~

12 (n)(i) ~~For purposes of the imposition of the sales and use tax levied by the~~
13 ~~state, the term "tangible personal property" shall not include machinery and~~
14 ~~equipment purchased by the owner of a radio station located within the state that is~~
15 ~~licensed by the Federal Communications Commission for radio broadcasting, if the~~
16 ~~owner is either of the following:~~

17 (aa) ~~An individual domiciled in the state who owns a business with~~
18 ~~substantially all of its assets located in the state and substantially all of its payroll~~
19 ~~paid in the state.~~

20 (bb) ~~A business entity with substantially all of its assets located in the state~~
21 ~~and substantially all of its payroll paid in the state; provided that the business entity~~
22 ~~is not owned or controlled or is otherwise an affiliate of a multi-state business entity~~
23 ~~and is not owned or controlled by an individual who is not domiciled in the state.~~

24 (ii) ~~"Radio broadcasting" means the sound transmission made via~~
25 ~~electromagnetic waves for direct sound reception by the general public.~~

26 (o)(i) ~~For purposes of the imposition of the sales and use tax levied by the~~
27 ~~state and any political subdivision whose boundaries are coterminous with those of~~
28 ~~the state, the term "tangible personal property" shall not include machinery and~~
29 ~~equipment as defined in and subject to the requirements of Item (3)(i)(ii) of this~~

1 course of a business. The term "use" shall not include the purchase, the importation,
2 the consumption, the distribution, or the storage of automobiles to be leased in an
3 arm's length transaction, nor shall the term "use" include the donation of food items
4 to a food bank as defined in R.S. 9:2799(B).

5 (ii) ~~For purposes of the imposition of the sales and use tax levied by a~~
6 ~~political subdivision or school board, "use" shall mean and include the exercise of~~
7 ~~any right or power over tangible personal property incident to the ownership thereof,~~
8 ~~except that it shall not include the sale at retail of that property in the regular course~~
9 ~~of business or the donation to a school in the state which meets the definition~~
10 ~~provided in R.S. 17:236 or to a public or recognized independent institution of higher~~
11 ~~education in the state of property previously purchased for resale in the regular~~
12 ~~course of a business. The term "use" shall not include the donation of food items to~~
13 ~~a food bank as defined in R.S. 9:2799(B).~~

14 (iii) ~~The term "use", for purposes of sales and use taxes imposed by the state~~
15 ~~on the use for rental of automobiles which take place on or after January 1, 1991, and~~
16 ~~by political subdivisions on such use on or after July 1, 1996, and state sales and use~~
17 ~~taxes imposed on the use for lease or rental of tangible personal property other than~~
18 ~~automobiles which take place on or after July 1, 1991, shall not include the purchase,~~
19 ~~the importation, the consumption, the distribution, or the storage of tangible personal~~
20 ~~property to be leased or rented in an arm's length transaction as tangible personal~~
21 ~~property. For purposes of the imposition of the tax levied by any political~~
22 ~~subdivision of the state, for the period beginning July 1, 1999, and ending on June~~
23 ~~30, 2000, the term "use" shall not include one-fourth of the cost price of any tangible~~
24 ~~personal property which is purchased, imported, consumed, distributed, or stored and~~
25 ~~which is to be leased or rented in an arm's length transaction in the form of tangible~~
26 ~~personal property. For purposes of the imposition of the tax levied by any political~~
27 ~~subdivision of the state, for the period beginning July 1, 2000, and ending on June~~
28 ~~30, 2001, the term "use" shall not include one-half of the cost price of any tangible~~
29 ~~personal property which is purchased, imported, consumed, distributed, or stored and~~

1 which is to be leased or rented in an arm's length transaction in the form of tangible
2 personal property. For purposes of the imposition of the tax levied by any political
3 subdivision of the state, for the period beginning July 1, 2001, and ending on June
4 30, 2002, the term "use" shall not include three-fourths of the cost price of any
5 tangible personal property which is purchased, imported, consumed, distributed, or
6 stored and which is to be leased or rented in an arm's length transaction in the form
7 of tangible personal property. Beginning July 1, 2002, for purposes of the imposition
8 of the tax levied by any political subdivision of the state, the term "use" shall not
9 include the purchase, the importation, the consumption, the distribution, or the
10 storage of any tangible personal property which is to be leased or rented in an arm's
11 length transaction in the form of tangible personal property.

12 (iv) ~~The term "use", for purposes of sales and use taxes imposed by the state~~
13 ~~on the use for rental automobiles which take place prior to January 1, 1991, and by~~
14 ~~political subdivisions on such use prior to July 1, 1996, and imposed on the use for~~
15 ~~lease or rental of tangible personal property other than automobiles which take place~~
16 ~~prior to July 1, 1991, and for purposes of local sales and use taxes levied by political~~
17 ~~subdivisions, except for any use for rental automobiles on or after July 1, 1996, shall~~
18 ~~include the purchase, the importation, the consumption, the distribution, or the~~
19 ~~storage of tangible personal property to be leased or rented in an arm's length~~
20 ~~transaction as tangible personal property.~~

21 (b) Notwithstanding any other law to the contrary, for purposes of the
22 imposition of the sales and use tax of any political subdivision, the use of a vehicle
23 subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) shall be
24 deemed to be a "use":

25 (i) In the political subdivision of the principal residence of the purchaser if
26 the vehicle is purchased for private use, or

27 (ii) In the political subdivision of the principal location of the business if the
28 vehicle is purchased for commercial use, unless the vehicle purchased for
29 commercial use is assigned, garaged, and used outside of such political subdivision,

1 in which case the use shall be deemed a use in the political subdivision where the
2 vehicle is assigned, garaged, and used.

3 ~~(c) For purposes of state and political subdivision sales and use tax, "use"~~
4 ~~shall not include the exercise of any right or power by a free hospital over items,~~
5 ~~including but not limited to supplies and equipment, which are reasonably necessary~~
6 ~~for the operation of the free hospital.~~

7 ~~(d)(i)(c)(i)~~ Notwithstanding any other provision of law to the contrary, and
8 except as provided in Item ~~(iii)(ii)~~ of this Subparagraph, for purposes of state and
9 political subdivision sales and use tax, "use" means and includes the exercise of any
10 right or power over tangible personal property incident to the ownership thereof;
11 except that it shall not include ~~the further processing of tangible personal property~~
12 ~~into articles of tangible personal property for sale.~~

13 (ii) Except as provided in Item (iii) of this Subparagraph for refinery gas,
14 solely for purposes of state sales and use taxes imposed under R.S. 47:302, 321, and
15 331 and political subdivision use tax, "use" shall not include the storage,
16 consumption, or the exercise of any other right of ownership over tangible personal
17 property which is created or derived as a residue or byproduct of such processing.
18 Such residue or byproduct shall include but shall not be limited to catalyst cracker
19 coke derived from crude oil, wood chips, bark, and liquor derived from the
20 processing of sawlogs or pulpwood timber, or bagasse derived from sugarcane.

21 ~~(iii)~~ Notwithstanding any other provision of law to the contrary, and
22 notwithstanding the provisions of this Subparagraph, "use" shall include the exercise
23 of any right of ownership over the consumption, the distribution, and the storage for
24 use or consumption in this state of refinery gas, except the sale to another person,
25 whether at retail or wholesale, only if the refinery gas is ultimately consumed as an
26 energy source by the person who owns the facility in which it is created and is not
27 sold. Notwithstanding any other law to the contrary, the use of refinery gas shall be
28 taxed at the cost price value provided in Subparagraph ~~(3)(f)~~ (3)(c) of this Section.
29 If refinery gas, except for feedstock, is sold to another person, whether at retail, or

1 wholesale, such sale shall be taxable and the sales price value shall be as provided
2 for in Subparagraph ~~(13)(d)~~ (13)(c) of this Section. The provisions of this Item shall
3 not apply to feedstocks.

4 ~~(e) For purposes of state and political subdivision sales and use tax, "use"~~
5 ~~shall not include the purchase of or the exercise of any right or power over:~~

6 ~~(i) Tangible personal property sold by approved parochial and private~~
7 ~~elementary and secondary schools which comply with the court order from the Dodd~~
8 ~~Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,~~
9 ~~administrators, or teachers, or other employees of the school, if the money from such~~
10 ~~sales, less reasonable and necessary expenses associated with the sale, is used solely~~
11 ~~and exclusively to support the school or its program or curricula:~~

12 ~~(ii) Educational materials or equipment used for classroom instruction by~~
13 ~~approved parochial and private elementary and secondary schools which comply~~
14 ~~with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the~~
15 ~~Internal Revenue Code, limited to books, workbooks, computers, computer software,~~
16 ~~films, videos, and audio tapes.~~

17 ~~(f) For purposes of state and political subdivision sales and use tax, "use"~~
18 ~~shall not include the purchase of or the exercise of any right or power over tangible~~
19 ~~personal property used by Boys State of Louisiana, Inc. and Girls State of Louisiana,~~
20 ~~Inc. for their educational and public service programs for youth.~~

21 ~~(g) Notwithstanding any provision of law to the contrary, for purposes of~~
22 ~~sales or use taxation by the state or any local political subdivision, the term "use"~~
23 ~~shall not mean or include any funeral directing services as defined in Subparagraph~~
24 ~~(10)(s) of this Section.~~

25 ~~(h) Solely for purposes of sales and use taxes levied by the state under R.S.~~
26 ~~47:302, 321, and 331 or any political subdivision of the state, the term "use" shall not~~
27 ~~include the exercise of any right of ownership in or the distribution of telephone~~
28 ~~directories acquired by an advertising company that is not affiliated with a provider~~

1 of telephone services if the telephone directories will be distributed free of charge
2 to the recipients of the telephone directories.

3 (i) Solely for purposes of the imposition of sales and use taxes imposed by
4 the state under R.S. 47:302, 321, and 331 or by any other taxing authorities in the
5 state, in the case of the sale or any other disposition by a dealer of any cellular, PCS,
6 or wireless telephone, any electronic accessories that are physically connected with
7 such telephones and personal communications devices used in connection with the
8 sale or use of mobile telecommunications services, as defined in R.S. 47:301(10)(v),
9 the term "use" shall not include the withdrawal, use, distribution, consumption,
10 storage, donation, or any other disposition of any such cellular, PCS, or wireless
11 telephone, any electronic accessories that are physically connected with such
12 telephones and personal communications devices by the dealer.

13 (j) For purposes of the imposition of sales and use taxes imposed or levied
14 by any political subdivision of the state, in the case of the sale or any other
15 disposition by a dealer of any cellular telephone, PCS telephone, wireless telephone,
16 or other wireless personal communication device that is used in connection with the
17 sale or use of mobile telecommunications services, as defined in R.S. 47:301(10)(w),
18 or any electronic accessory that is physically connected with any such telephone or
19 personal communications device, the term "use" shall not include the withdrawal,
20 use, distribution, consumption, storage, donation, or any other disposition of any
21 such telephone or electronic accessory by the dealer.

22 (k) Solely for purposes of the sales and use tax levied by the state under R.S.
23 47:302, 321, and 331, the term "use" shall not include the purchase, the use, the
24 consumption, the distribution, the storage for use or consumption, or the exercise of
25 any right or power over manufacturing machinery and equipment used or consumed
26 in this state to manufacture, produce or extract unblended biodiesel.

27 (m)(i) For the purposes of sales and use taxes imposed or levied by the state
28 or any political subdivision of the state, the term "use" shall not include the purchase
29 of or the exercise of any right or power over toys by a non-profit organization

1 exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue
2 Code if the sole purpose of the purchasing organization is to donate toys to minors
3 and the toys are, in fact, donated.

4 (ii) ~~The exclusion provided for in this Subparagraph shall be subject to the~~
5 ~~same conditions as are provided for in Items (10)(aa)(ii) and (iii) of this Section.~~

6 (n) ~~For purposes of sales and use tax imposed by the state or any political~~
7 ~~subdivision of the state, the term "use" shall not mean or include the purchase,~~
8 ~~importation, storage, distribution, or exportation of, or exercise of any right or power~~
9 ~~over, textbooks and course-related software by a private postsecondary academic~~
10 ~~degree-granting institution, accredited by a national or regional commission that is~~
11 ~~recognized by the United States Department of Education and is licensed by the~~
12 ~~Board of Regents, which institution has its main location within this state and offers~~
13 ~~only online instruction, when all of the following apply:~~

14 (i) ~~The textbooks and course-related software are physically outside of this~~
15 ~~state when purchased from a vendor outside of this state and then imported into this~~
16 ~~state.~~

17 (ii) ~~The first student use of the textbooks and course-related software occurs~~
18 ~~outside of this state.~~

19 (iii) ~~The textbooks and course-related software are provided to the student~~
20 ~~free of charge.~~

21 (o) ~~Solely for purposes of the imposition of the state sales and use tax under~~
22 ~~R.S. 47:302, 321, and 331, the term "use" shall not include the purchase or use of any~~
23 ~~storm shutter device as defined and provided for in Subparagraph (10)(ee) of this~~
24 ~~Section.~~

25 (p) ~~Solely for purposes of sales and use tax imposed by the state under R.S.~~
26 ~~47:302, 321, and 331 or any political subdivision of the state, the term "use" shall not~~
27 ~~mean or include the purchase, importation, storage, distribution, or exercise of any~~
28 ~~right or power over anthropogenic carbon dioxide used in a qualified tertiary~~

1 recovery project approved by the assistant secretary of the office of conservation of
2 the Department of Energy and Natural Resources pursuant to R.S. 47:633.4.

3 * * *

4 (23)(a) ~~The term "custom computer software" means computer software~~
5 ~~prepared, created, adapted, or modified to the special order of a particular purchaser,~~
6 ~~licensee, or user; or to meet the specific needs or requirements of a particular~~
7 ~~purchaser, licensee, or user, regardless of the means by or through which such~~
8 ~~computer software is furnished, delivered, or transmitted, and regardless of whether~~
9 ~~such software incorporates or consists of preexisting routines, utilities, or other~~
10 ~~computer software components.~~

11 (b) ~~In order to be considered "custom computer software", the computer~~
12 ~~software must require preparation, creation, adaption, or modification by the vendor~~
13 ~~in order to be used in a specific work environment or to perform a specific function~~
14 ~~for the user.~~

15 (c) ~~Updates, upgrades, and new versions of custom computer software shall~~
16 ~~be considered custom computer software, provided such upgrades, updates, and new~~
17 ~~versions meet the definition of custom computer software contained in this Chapter.~~

18 (24) The term "news publication" shall mean any printed periodical that:

19 (a) Appears at regular intervals.

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

22 (c) Contains not more than seventy-five percent advertising.

23 (d) Is not owned or published as an auxiliary to another nonpublishing
24 business, organization, or entity.

25 ~~(25)~~(24) "Taxing authority" shall mean and include both the state and a
26 statewide political subdivision and any political subdivision of the state authorized
27 under the Constitution or laws of the state of Louisiana to levy and collect a sales and
28 use tax, unless the context indicates otherwise. For purposes of the Uniform Local
29 Sales Tax Code provided for in Chapter 2D of this Subtitle, "taxing authority" shall

1 mean any political subdivision of the state authorized under the Constitution or laws
2 of the state of Louisiana to levy and collect a sales and use tax, except a statewide
3 political subdivision.

4 ~~(26)~~(25) "Taxing jurisdiction" shall mean the area within the physical
5 boundaries of the taxing authority.

6 ~~(27)~~(26) "Tax", "sales and use tax", and "sales tax" shall mean the sales and
7 use tax imposed by the state pursuant to the provisions of this Chapter and Chapter
8 2-A and 2-B of this Subtitle and the tax imposed by political subdivisions under the
9 constitution or laws of this state authorizing the imposition of a sales and use tax.

10 ~~(28)(a)~~ For purposes of the imposition of the lease or rental tax levied by the
11 state under R.S. 47:302, 321, and 331, the "gross proceeds", "monthly lease or rental
12 price paid", and "monthly lease or rental price contracted or agreed to be paid" for
13 machinery and equipment used by a manufacturer in a plant facility predominately
14 and directly in the actual manufacturing for agricultural purposes or the actual
15 manufacturing process of an item of tangible personal property, including, but not
16 limited to rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers,
17 combines, haybalers, attachments and sprayers, clippers, cultivators, discs, plows,
18 and spreaders, which is for ultimate sale to another and not for internal use, at one
19 or more fixed locations within Louisiana shall be reduced as follows:

20 ~~(i)~~ For the period ending on June 30, 2005, by five percent.

21 ~~(ii)~~ For the period beginning July 1, 2005, and ending on June 30, 2006, by
22 nineteen percent.

23 ~~(iii)~~ For the period beginning July 1, 2006, and ending on June 30, 2007, by
24 thirty-five percent.

25 ~~(iv)~~ For the period beginning July 1, 2007, and ending on June 30, 2008, by
26 fifty-four percent.

27 ~~(v)~~ For the period beginning July 1, 2008, and ending on June 30, 2009, by
28 sixty-eight percent.

1 ~~(vi) For all periods beginning on or after July 1, 2009, the sales price shall~~
2 ~~be reduced by one hundred percent.~~

3 ~~(b) For purposes of this Paragraph, "machinery and equipment",~~
4 ~~"manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant~~
5 ~~facility", and "used directly" shall have the same meaning as defined in R.S.~~
6 ~~47:301(3)(i)(ii).~~

7 ~~(c) No person shall be entitled to purchase, use, lease, or rent machinery or~~
8 ~~equipment as defined herein without payment of the tax imposed by R.S. 47:302,~~
9 ~~321, and 331 before receiving a certificate of exclusion from the secretary of the~~
10 ~~Department of Revenue certifying that he is a manufacturer as defined herein.~~

11 ~~(d) The secretary of the Department of Revenue is hereby authorized to~~
12 ~~adopt rules and regulations in order to administer the exclusion provided for in this~~
13 ~~Subparagraph.~~

14 ~~(e) The manufacturer's exemption certificate granted by the Department of~~
15 ~~Revenue shall serve as a substitute for the sales tax exemption for certain farm~~
16 ~~equipment.~~

17 ~~(29)(27)~~ With respect to the furnishing of telecommunications and ancillary
18 services, as used in this Chapter the following words, terms, and phrases have the
19 meaning ascribed to them in this Paragraph, unless the context clearly indicates a
20 different meaning:

21 (a) "Air-to-Ground Radiotelephone service" means a radio service, as that
22 term is defined in 47 CFR 22.99, in which common carriers are authorized to offer
23 and provide radio telecommunications service for hire to subscribers in aircraft.

24 (b) "Ancillary service" means a service that is associated with or incidental
25 to the provision of one or more telecommunications services, including but not
26 limited to conference bridging services, detailed telecommunications billing services,
27 directory assistance services, vertical services, and voice mail services.

28 (c) "Call-by-call basis" means any method of charging for
29 telecommunications services where the price is measured by individual calls.

1 (d) "Call center" means one or more locations that utilize
2 telecommunications services in one or more of the following activities: customer
3 services, soliciting sales, reactivating dormant accounts, conducting surveys or
4 research, fundraising, collection of receivables, receiving reservations, receiving
5 orders, or taking orders.

6 (e) "Communications channel" means a physical or virtual path of
7 communications over which signals are transmitted between or among customer
8 channel termination points.

9 (f) "Conference bridging service" means a service that links two or more
10 participants of an audio or video conference call and may include the provision of
11 a telephone number. "Conference bridging service" does not include any
12 telecommunications services used to reach the conference bridge.

13 (g) "Customer" means the person or entity that contracts with the seller of
14 telecommunications services. If the end user of the telecommunications service is
15 not the contracting party, the end user of the telecommunications service is the
16 customer of the telecommunications service, but only for the purpose of sourcing
17 sales of telecommunications services under R.S. 47:301.1(A). "Customer" does not
18 include a reseller of telecommunications service or for mobile telecommunications
19 service of a serving carrier under an agreement to serve the customer outside the
20 home service provider's licensed service area.

21 (h) "Customer channel termination point" means, in the context of a private
22 communications service, the location where the customer either inputs or receives
23 communications.

24 (i) "Detailed telecommunications billing service" means a service of
25 separately stating information pertaining to individual calls on a customer's billing
26 statement.

27 (j) "Directory assistance" means a service of providing telephone number or
28 address information, or both.

1 (k) "End user" means the person who utilizes the telecommunications
2 service. In the case of an entity, "end user" means the individual who utilizes the
3 service on behalf of the entity.

4 (l) "Home service provider" has the same meaning given to such term in
5 Section 124(5) of the Mobile Telecommunications Sourcing Act, P.L. 106-252, 4
6 U.S.C. 124(5).

7 (m) "International telecommunications service" means a telecommunications
8 service that originates or terminates in the United States and terminates or originates
9 outside the ~~United States~~, states, respectively. The United States includes each of the
10 fifty United States, the District of Columbia, and each United States territory, or
11 possession.

12 (n) "Interstate telecommunications service" means a telecommunications
13 service that originates in one U.S. state, territory, or possession, and terminates in a
14 different U.S. state, territory, or possession.

15 (o) "Intrastate telecommunications service" means a telecommunications
16 service that originates in one U.S. state, territory or possession, and terminates in the
17 same U.S. state, territory, or possession.

18 (p) "Mobile telecommunications service" has the same meaning given to
19 such term in Section 124(7) of the Mobile Telecommunications Sourcing Act, P.L.
20 106-252, 4 U.S.C. 124(7).

21 (q) "Mobile wireless service" means a telecommunications service,
22 regardless of the technology used, whereby the origination or termination points, or
23 both, of the transmission, conveyance or routing are not fixed, including but not
24 limited to telecommunications services that are provided by a commercial mobile
25 radio service provider.

26 (r) "Place of primary use" means the street address representative of where
27 the customer's use of the telecommunications service primarily occurs, which must
28 be the residential street address or the primary business street address of the

1 customer. In the case of mobile telecommunications services, the place of primary
2 use must be within the licensed service area of the home service provider.

3 (s) "Postpaid calling service" means a telecommunications service obtained
4 by making a payment on a call-by-call basis either through the use of a credit card
5 or payment mechanism such as a bank card, travel card, credit card, or debit card, or
6 by charge made to a telephone number which is not associated with the origination
7 or termination of the telecommunications service. A postpaid calling service
8 includes a telecommunications service, except a prepaid wireless calling service, that
9 would be a prepaid calling service, except that the right provided is not exclusively
10 to access telecommunications services.

11 (t) "Prepaid calling service" means the right to access exclusively
12 telecommunications services, which must be paid for in advance and which enables
13 the origination of calls using an access number or authorization code, whether
14 manually or electronically dialed, and that is sold in predetermined units or dollars
15 of which the number declines with use in a known amount.

16 (u) "Prepaid wireless calling service" means a telecommunications service
17 that provides the right to utilize mobile wireless service as well as non-
18 telecommunications services, including the download of digital products delivered
19 electronically, content, and ancillary services, which must be paid for in advance and
20 which is sold in predetermined units or dollars of which the number declines with
21 use in a known amount.

22 (v) "Private communication service" means a telecommunications service
23 that entitles the customer to exclusive or priority use of a communications channel
24 or group of channels between or among termination points, regardless of the manner
25 in which such channel or channels are connected, and includes switching capacity,
26 extension lines, stations, and any other associated services that are provided in
27 connection with the use of such channel or channels.

28 (w) "Service address" means:

1 (i) The location of the telecommunications equipment to which a customer's
2 call is charged and from which the call originates or terminates, regardless of where
3 the call is billed or paid.

4 (ii) If the location in Item (i) of this Subparagraph is not known, "service
5 address" means the origination point of the signal of the telecommunications service
6 first identified by either the seller's telecommunications system or, in information
7 received by the seller from its service provider, where the system used to transport
8 such signals is not that of the seller.

9 (iii) If the location in both Items (i) and (ii) of this Subparagraph are not
10 known, "service address" means the location of the customer's place of primary use.

11 (x) "Telecommunications service" means the electronic transmission,
12 conveyance, or routing of voice, data, audio, video, or any other information or
13 signals to a point, or between or among points. "Telecommunications service"
14 includes such transmission, conveyance, or routing in which computer processing
15 applications are used to act on the form, code, or protocol of the content for purposes
16 of transmission, conveyance, or routing without regard to whether such service is
17 referred to as voice over Internet protocol service or is classified by the Federal
18 Communications Commission as an enhanced or value-added service.
19 "Telecommunications service" does not include any of the following:

20 (i) Data processing or information services which allow data to be generated,
21 acquired, stored, processed, or retrieved and delivered by an electronic transmission
22 to a purchaser where such purchaser's primary purpose for the underlying transaction
23 is the processed data or information.

24 (ii) Installation or maintenance of wiring or equipment on a customer's
25 premises.

26 (iii) Tangible personal property.

27 (iv) Advertising, including but not limited to directory advertising.

28 (v) Billing and collection services provided to third parties.

29 (vi) Internet access service.

1 (vii) Radio and television audio and video programming services, regardless
2 of the medium, including the furnishing of transmission, conveyance, and routing of
3 such services by the programming service provider. Radio and television audio and
4 video programming services shall include but not be limited to cable service as
5 defined in 47 U.S.C. 522(6) and audio and video programming services delivered by
6 commercial mobile radio service providers, as defined in 47 CFR 20.3.

7 (viii) Ancillary services.

8 (ix) Digital products delivered electronically, including but not limited to
9 software, music, video, reading materials, or ring tones.

10 (x) Prepaid calling service and prepaid wireless calling service.

11 (y) "Vertical service" means a service that is offered in connection with one
12 or more telecommunications services which offers advanced calling features that
13 allow customers to identify callers and to manage multiple calls and call connections.

14 (z) "Voice mail service" means a service that enables the customer to store,
15 send, or receive recorded messages services. The term "voice mail service" does not
16 include any telecommunications or vertical services that the customer may be
17 required to have in order to utilize the voice mail service.

18 ~~(30)(a)~~(28)(a) The term "commercial farmer" means either of the following:

19 (i) A person regularly and occupationally engaged in the commercial
20 production of food, agricultural commodities, or agricultural products for sale.

21 (ii) A lessor landowner who leases an immovable for agricultural use to a
22 person described in Item (i) of this Subparagraph and maintains a joint venture
23 contractual relationship with the person.

24 (b) The secretary of the Department of Revenue, in consultation with the
25 Department of Agriculture and Forestry, shall promulgate rules in accordance with
26 the Administrative Procedure Act as are necessary for the administration of
27 exemptions available to commercial farmers and the registration of commercial
28 farmers.

1 (c) No state sales and use tax exemption available to a commercial farmer
2 shall be allowed or claimed for or related to an "activity not engaged in for profit"
3 as that term is defined by 26 U.S.C 183, as amended.

4 ~~(31)~~(29) "Small refinery" means a refinery for which the average aggregate
5 daily crude oil throughput for a calendar year, as determined by dividing the
6 aggregate throughput for the calendar year by the number of days in the calendar
7 year, does not exceed seventy-five thousand barrels.

8 (30) "Medical device" means any instrument, apparatus, machine, implant,
9 or other similar or related article intended to be used alone or in combination in the
10 treatment of a medical disease.

11 §301.1. Telecommunications and ancillary services

12 A. The sales and use tax levied by ~~this Chapter~~ any taxing authority shall
13 apply to the sales price of telecommunications services in accordance with the
14 following sourcing rules:

15 * * *

16 B.

17 * * *

18 (2) The sales price of telecommunications services shall not include charges
19 for any of the following:

20 * * *

21 ~~(b) Ancillary services, except those specified in Paragraph (1) of this~~
22 ~~Subsection, if the nontaxable ancillary service charges are stated separately from the~~
23 ~~charges for telecommunications services.~~

24 ~~(c)~~ Any excise, franchise, or similar tax or like fee or assessment levied by
25 the United States, by the state of Louisiana, or by any political subdivision as defined
26 in Article VI, Section 44(2) of the Constitution of Louisiana, upon the purchase, sale,
27 use, or consumption of any telecommunications service, which tax, fee, or
28 assessment is collected by the seller from the purchaser.

1 ~~(2) The limitation set forth in this Subsection shall apply only to holders of~~
 2 ~~a direct payment number issued by the department pursuant to R.S. 47:303.1. In~~
 3 ~~order to obtain such direct payment number, the applicant must establish that he~~
 4 ~~satisfies the criteria set forth in this Subsection. The provisions of R.S. 47:303.1(B)~~
 5 ~~shall not apply to any application for a direct payment number under this Subsection.~~

6 ~~(3) The department shall not issue any refunds of taxes paid prior to~~
 7 ~~receiving a direct payment number.~~

8 ~~(4) All entities wholly owned by the same person or entity shall be~~
 9 ~~considered a single person.~~

10 E.D. To prevent actual multistate taxation of an interstate
 11 telecommunications service subject to the tax imposed by this Chapter and Chapters
 12 2-A and 2-B of this Subtitle, any taxpayer, upon proof that ~~such~~ the taxpayer has
 13 paid a tax in another state on ~~such~~ the service, shall be allowed a credit against the
 14 tax imposed by this Chapter and Chapters 2-A and 2-B of this Subtitle to the extent
 15 of the amount of ~~such~~ the tax paid in ~~such~~ the other state.

16 F.E. Notwithstanding any provision of law to the contrary, after allocation
 17 of monies to the Bond Security and Redemption Fund as required by Article VII,
 18 Section 9(B) of the Constitution of Louisiana, from the avails of the sales tax on
 19 telecommunication services there shall be an annual dedication of one million dollars
 20 to be deposited into the Telecommunications for the Deaf Fund for use as provided
 21 in R.S. 47:1061(B).

22 §301.3. Services

23 The sales and use tax levied by any taxing authority shall apply to the
 24 following services:

25 (1) The furnishing of sleeping rooms, cottages, or cabins by hotels.

26 (2) The sale of admissions to places of amusement, to athletic entertainment
 27 and recreational events, and the furnishing, for dues, fees, or other consideration of
 28 the privilege of access to clubs or the privilege of having access to or the use of
 29 amusement, entertainment, athletic, or recreational facilities.

1 (3) The furnishing of storage or parking privileges by auto hotels and
2 parking lots.

3 (4) The furnishing of printing or overprinting, lithographic, multilith, blue
4 printing, photostating or other similar services of reproducing written or graphic
5 matter.

6 (5) The furnishing of laundry, cleaning, pressing, and dyeing services,
7 including but not limited to the cleaning and renovation of clothing, furs, furniture,
8 carpets and rugs, and the furnishing of storage space for clothing, furs, and rugs. The
9 service shall be taxable at the location where the laundered, cleaned, pressed, or dyed
10 article is returned to the customer.

11 (6) The furnishing of cold storage space, except space which is furnished
12 pursuant to a bailment arrangement, and the furnishing of the service of preparing
13 tangible personal property for cold storage where the service is incidental to the
14 operation of storage facilities.

15 (7)(a) The furnishing of repairs to tangible personal property, including but
16 not limited to the repair and servicing of automobiles and other vehicles, electrical
17 and mechanical appliances and equipment, watches, jewelry, refrigerators, radios,
18 shoes, and office appliances and equipment.

19 (b) For purposes of this Paragraph, tangible personal property shall include
20 machinery, appliances, and equipment which have been declared immovable by
21 declaration under the provisions of Article 467 of the Louisiana Civil Code, and
22 things which have been separated from land, buildings, or other constructions
23 permanently attached to the ground or their component parts as defined in Article
24 466 of the Civil Code.

25 (8) The furnishing of telecommunications services for compensation, in
26 accordance with the provisions of R.S. 47:301.1.

27 §301.4. Sales transaction sourcing rules

28 A. Applicability. The provisions of this Section shall apply regardless of the
29 characterization of a transaction as a sale of tangible personal property, a digital

1 product, or a service. These provisions do not affect the obligation of a purchaser
2 to remit use tax.

3 B.(1) Definitions. For purposes of this Section, the following terms have the
4 meanings ascribed to them unless the context indicates otherwise:

5 (a) "Receive" or "receipt" means taking possession of tangible personal
6 property, making first use of services, or taking possession or making first use of
7 digital products by the purchaser or purchaser's designee.

8 (b) "Use of digital products" means the location of the first act within this
9 state by which the taxpayer, as a consumer, views, accesses, downloads, possesses,
10 stores, opens, manipulates, or otherwise uses or enjoys a digital product.

11 (c) "Use of a service" means the location of the first act within the state by
12 which the taxpayer, as a consumer, uses, enjoys, or otherwise receives the benefit of
13 the service.

14 (2) General Sourcing Rules. Except as provided in Subsection (C) of this
15 Section, for purposes of collecting or remitting sales or use taxes to the appropriate
16 taxing jurisdictions, otherwise known as sourcing, on sales of tangible personal
17 property, digital products, and services, the following rules shall apply:

18 (a) If the sale of tangible personal property, digital products, or services is
19 received by the purchaser, or the purchaser's designee, at a business location of the
20 seller, the sale is sourced to that business location.

21 (b) If the sale of tangible personal property, digital products, or services is
22 not received by the purchaser at a business location of the seller, the sale is sourced
23 to the location where receipt by the purchaser or the purchaser's designee occurs,
24 including the location indicated by instructions for delivery to the purchaser or
25 designee, if that location is known to the seller.

26 (c) If Subparagraphs (a) and (b) of this Paragraph do not apply, the sale is
27 sourced to the location indicated by an address for the purchaser that is available
28 from the business records of the seller that are maintained in the ordinary course of
29 the seller's business, when use of this address does not constitute bad faith.

1 (d) If Subparagraphs (a), (b), or (c) of this Paragraph do not apply, the sale
2 is sourced to the location indicated by an address for the purchaser obtained during
3 the sale, including, if no other address is available, the address of a purchaser's
4 payment instrument, when use of this address does not constitute bad faith.

5 (e) If Subparagraphs (a), (b), (c), or (d) of this Paragraph do not apply, or if
6 the seller is without sufficient information to apply the rules set forth in
7 Subparagraphs (a), (b), (c) or (d) of this Paragraph, the sale is sourced to the location:

8 (i) Indicated by the address from which the tangible personal property was
9 shipped.

10 (ii) From which the digital product was first available for transmission by the
11 seller.

12 (iii) From which the service was provided.

13 (3) Sourcing for lease or rental of tangible personal property. The lease or
14 rental of tangible personal property, excluding motor vehicles, is sourced as follows:

15 (a) For a lease or rental that requires recurring periodic payments, payments
16 are sourced to the primary location of the property leased or rented for each period
17 covered by the payment. The primary location of the property is as indicated by an
18 address for the property provided by the lessee that is available to the lessor from its
19 records maintained in the ordinary course of business, when use of this address does
20 not constitute bad faith. The primary location of the property is not altered by
21 intermittent use at different locations, such as use of business property that
22 accompanies employees on business trips and service calls.

23 (b) For a lease or rental that does not require periodic payments, the payment
24 is sourced the same as a retail sale in accordance with Paragraph (2) of this
25 Subsection.

26 (c) The provisions of this Paragraph do not affect the imposition or
27 computation of sales or use tax on leases or rentals based on a lump-sum or
28 accelerated basis, or on the acquisition of property for lease.

1 C. Exceptions to the general sourcing rules. The following sales are sourced
2 as follows:

3 (1) Vehicles. Sales and leases of vehicles subject to the Vehicle Registration
4 License Tax Law pursuant to the provisions of R.S. 47:451 et seq. shall be sourced
5 as provided for in R.S. 47:303(B)(3)(b)(ii)(bb).

6 (2) Telecommunications services. Sales of telecommunications services
7 shall be sourced as provided in R.S. 47:301.1.

8 (3) Repairs to tangible personal property. Repairs to tangible personal
9 property shall be sourced where performed.

10 §301.5. Bundled Transactions

11 A. Bundled transactions. Except as otherwise provided for in this Section
12 or federal law, sales tax shall be collected on the sales price of a bundled transaction
13 if any product included in the bundled transaction would be taxable if sold
14 separately.

15 B. Definitions. For purposes of this Section, the following terms shall have
16 the following meanings:

17 (1) "Products" mean and include tangible personal property, services,
18 intangibles, and digital products but shall not include immovable property.

19 (2)(a) "Bundled transaction" shall mean the retail sale of two or more
20 products where the products are otherwise distinct and identifiable and the products
21 are sold for one non-itemized price. In order to show whether a retail sale consisted
22 of one or more distinct and identifiable products and whether the products were sold
23 for one non-itemized price, a seller shall maintain copies of invoices, service
24 agreements, contracts, catalogs, price lists, rate cards, and other sales-related
25 documents given to, or made available to, the purchaser.

26 (b) "Bundled transaction" shall not include either of the following:

27 (i) The sale of any products in which the sales price varies or is negotiable
28 based on the selection by the purchaser of the products included in the transaction.

29 (ii) Any of the exceptions provided for in Subsection C of this Section.

1 (3) "Distinct and identifiable products" do not include any of the following:

2 (a) Packaging such as containers, boxes, sacks, bags and bottles, or other
3 materials such as wrapping, labels, tags and instruction guides that accompany the
4 retail sale of the products and are incidental or immaterial to the retail sale thereof.
5 Examples of packaging that are incidental or immaterial include, but are not limited
6 to grocery sacks, shoeboxes, dry cleaning garment bags, and express delivery
7 envelopes and boxes.

8 (b) A product provided free of charge with the required purchase of another
9 product. A product is provided free of charge if the sales price of the product
10 purchased does not vary depending on the inclusion of the product provided free of
11 charge.

12 (c) Items included in the definition of sales price pursuant to R.S.
13 47:301(13).

14 (4) "One non-itemized price" does not include a price that is separately
15 identified by product on binding sales or other supporting sales-related
16 documentation made available to the customer in paper or electronic form including,
17 but not limited to an invoice, bill of sale, receipt, contract, service agreement, lease
18 agreement, periodic notice of rates and services, rate card or price list.

19 C. Exceptions. A transaction that otherwise meets the definition of bundled
20 transaction is not considered a bundled transaction if it meets any of the following:

21 (1)(a) True object exception. The true object exception applies to either of
22 the following transactions:

23 (i) The retail sale of tangible personal property or a digital product and a
24 service where the true object of the transaction is the service and the tangible
25 personal property or digital product is essential to the use of the service, and is
26 provided exclusively in connection with the service. If the transaction is not a
27 bundled transaction as a result of this exception, then the true object of the
28 transaction will be the retail sale of the service and should be taxed accordingly.

1 (ii) The retail sale of multiple services where one service is essential to the
2 use or receipt of a second service and the first service is provided exclusively in
3 connection with the second service, and the true object of the transaction is the
4 second nontaxable service. If the transaction is not a bundled transaction as a result
5 of this exception, then the true object of the transaction will be the retail sale of the
6 second service and should be taxed accordingly.

7 (b) For purposes of this Paragraph, factors that should be considered to
8 determine the true object of a transaction include the seller's line of business; the
9 purchaser's object of the transaction; whether the tangible personal property or
10 service that is essential to the second service is available for sale separately without
11 the second service; and how the tangible personal property or service is essential to
12 the second service.

13 (c) The true object exception only applies to transactions that include a
14 service and shall not apply to transactions that only include tangible personal
15 property or digital products.

16 (d) When the true object of the transaction is a nontaxable service, the
17 service provider shall be considered the consumer of any taxable products provided
18 to the customer as part of the transaction.

19 (2)(a) De minimis exception. The de minimis exception applies to a
20 transaction that includes taxable products and nontaxable products and the sales price
21 of the taxable products is de minimis. Sellers shall use the full term of a service
22 contract to determine if the taxable products are de minimis.

23 (b) As used in this Paragraph, de minimis means the sales price of the
24 taxable products is ten percent or less of the total sales price of the bundled products.

25 (3) Food, drugs and medical items exception. The food, drugs, and medical
26 items exception applies to the retail sale of exempt tangible personal property and
27 taxable tangible personal property where the transaction includes food and food
28 ingredients, drugs, durable medical equipment, mobility enhancing equipment,
29 over-the-counter drugs, prosthetic devices or medical supplies and the sales price of

1 the taxable tangible personal property is fifty percent or less of the total sales price
2 of the bundled products.

3 D.(1) Notwithstanding Subsections B and C of this Section, if a bundled
4 transaction includes the sale of a digital code that provides a purchaser with the right
5 to obtain more than one digital product, and which may also include the right to
6 obtain other products or services, and all of the products and services, digital or
7 otherwise, to be obtained through the use of the code do not have the same sales and
8 use tax treatment, both of the following shall apply:

9 (a) The transaction shall be deemed to be the sale of the products and
10 services to be obtained through the use of the code.

11 (b) The sales and use tax applies to the entire selling price of the code,
12 except as provided in Paragraph (2) of this Subsection.

13 (2) If the seller can identify by reasonable and verifiable standards the
14 portion of the selling price attributable to the products and services that are not
15 subject to state sales and use tax from its books and records that are kept in the
16 regular course of business for other purposes including, but not limited to nontax
17 purposes, sales and use tax does not apply to that portion of the selling price of the
18 code attributable to the products and services that are not subject to sales and use tax.

19 E. The secretary of the Department of Revenue may promulgate rules in
20 accordance with the Administrative Procedure Act as are necessary to implement the
21 provisions of this Section.

22 §302. Imposition of tax

23 * * *

24 D.(1) Notwithstanding any other provision of law to the contrary, ~~no sales~~
25 ~~or use tax of any taxing authority shall be levied on any advertising service rendered~~
26 ~~by an advertising business, including but not limited to advertising agencies, design~~
27 ~~firms, and print and broadcast media, or any member, agent, or employee thereof, to~~
28 ~~any client whether or not such service also involves a transfer to the client of tangible~~
29 ~~personal property. However, a transfer of mass-produced advertising items by an~~

1 ~~advertising business which manufactures the items itself to a client for the client's~~
 2 ~~use, which transfer involves the furnishing of minimal services other than~~
 3 ~~manufacturing services by the advertising business shall be a taxable sale or use of~~
 4 ~~tangible personal property; provided that in no event shall tax be levied on charges~~
 5 ~~for creative services which are separately invoiced~~ the state and local use taxes
 6 levied on motor vehicles brought into this state by a new resident, shall not exceed
 7 ninety dollars after application of the credits provided for in R.S. 47:303(A)(3) and
 8 337.86, provided all of the following conditions are met:

- 9 (a) The vehicle is primarily used for personal purposes.
- 10 (b) The vehicle was previously registered in the name of the new resident in
 11 any other state or was previously leased to the new resident in another state.
- 12 (c) The vehicle is registered within ninety days of being brought into this
 13 state.

14 (2) The taxes collected on motor vehicles of new residents in accordance
 15 with this Subsection shall be paid to the local tax authorities in equal portions.

16 * * *

17 §303. Collection

18 * * *

19 B. Collection of tax on vehicles. The tax imposed by R.S. 47:302(A) and
 20 (D) on the sale or use of any motor vehicle, automobile, motorcycle, truck,
 21 truck-tractor, trailer, semi-trailer, motor bus, house trailer, or any other vehicle
 22 subject to the vehicle registration license tax shall be collected as provided in this
 23 Subsection.

24 (1) The tax levied by R.S. 47:302(A) and (D) on any such vehicle shall be
 25 paid to the vehicle commissioner as the agent of the collector of revenue at the time
 26 of application for a certificate of title or vehicle registration license and such tax
 27 shall be administered and collected by the vehicle commissioner in compliance with
 28 rules and regulations issued by the collector of revenue and in compliance with the
 29 law as construed by the collector of revenue. No certificate of title or vehicle

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

1 registration license shall be issued until this tax has been paid. The collector of
2 revenue shall be the only proper party to defend or to institute any legal action
3 involving the tax imposed by R.S. 47:302(A) and (D) on the sale or use of any motor
4 vehicle, automobile, motorcycle, truck, truck-tractor, trailer, semi-trailer, motor bus,
5 house trailer or any other vehicle subject to the vehicle registration license tax. (R.S.
6 47:451 et seq.).

7 * * *

8 (b) The tax levied by R.S. 47:302(A)(2) and (D) on the use of any such
9 vehicle in this state shall be due at the time first registration in this state is required
10 by the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) subject to the
11 following:

12 * * *

13 (3)

14 * * *

15 (b)

16 * * *

17 (ii)(aa) The tax imposed by the political subdivisions on the sale or use of
18 vehicles subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.)
19 shall be collected by the vehicle commissioner and distributed to the political
20 subdivisions as provided for in ~~R.S. 47:301(10)(f) and (18)(b)~~ Subitem (bb) of this
21 Item. The vehicle commissioner shall withhold from any ~~such~~ taxes collected for the
22 political subdivisions one percent of the proceeds of the tax ~~so~~ collected, which shall
23 be used by the commissioner to pay the cost of collecting and remitting the tax to the
24 political subdivisions.

25 (bb) Notwithstanding any other law to the contrary, for purposes of the
26 imposition of the sales and use tax of any political subdivision, the sale of a vehicle
27 subject to the Vehicle Registration License Tax Law pursuant to R.S. 47:451 et seq.
28 shall be deemed to be a "retail sale" or a "sale at retail" in either of the following
29 circumstances:

1 §303.1. Direct Payment Numbers

2 * * *

3 B.

4 * * *

5 (5) A DP Number shall be issued to a taxpayer who has entered into an
6 agreement with the state pursuant to the provisions of R.S. 47:305.73 and who
7 obtains the required approvals and meets all of the qualifications provided in
8 ~~Paragraph (1) of this Section except Subparagraphs (1)(a) and (c) of this Subsection.~~
9 The taxpayer may possess the DP Number for the entire term of the agreement that
10 the taxpayer enters into pursuant to R.S. 47:305.73.

11 * * *

12 §304. Treatment of tax by dealer

13 A. The tax levied in this Chapter shall be collected by the dealer from the
14 purchaser or consumer, except as provided for the collection of tax on motor vehicles
15 in R.S. 47:303 and the collection of tax on property leased or rented for use offshore
16 in R.S. 47:301(4)(d)(ii). The dealer shall collect the sales tax on off-road vehicles
17 and remit them directly to the Department of Public Safety and Corrections upon
18 application for certificate of title and registration as required for the registration and
19 licensing of other vehicles ~~under~~ pursuant to the provisions of Subsection B of this
20 Section. The dealer shall collect the sales taxes on off-road vehicles from
21 out-of-state residents who purchase off-road vehicles in this state and remit the sales
22 taxes due directly to the Department of Revenue, ~~unless the requirements of the sales~~
23 ~~and use tax exemption provided for in R.S. 47:305.56 are met.~~

24 * * *

25 §305. ~~Exclusions and exemptions~~ Exemptions from the tax

26 A.(1) ~~The gross proceeds derived from the sale in this state of livestock,~~
27 ~~poultry, and other farm products direct from the farm are exempted from the tax~~
28 ~~levied by taxing authorities, provided that such sales are made directly by the~~
29 ~~producers. When sales of livestock, poultry, and other farm products are made to~~

1 consumers by any person other than the producer, they are not exempted from the
2 tax imposed by taxing authorities. Isolated or occasional sales of tangible personal
3 property or services by a person not engaged in such business shall be exempt from
4 the sales and use tax levied by all taxing authorities.

5 (2) ~~The gross proceeds derived from the sale in this state of livestock at~~
6 ~~public sales sponsored by breeders' or registry associations or livestock auction~~
7 ~~markets are exempted from the sales and use tax levied by the state only. When~~
8 ~~public sales of livestock are made to consumers by any person other than through a~~
9 ~~public sale sponsored by a breeders' or registry association or a livestock auction~~
10 ~~market, they are not exempted from the sales and use tax imposed by the state. This~~
11 ~~Section shall be construed as exempting race horses entered in races and claimed at~~
12 ~~any racing meet held in Louisiana, whether the horse claimed was owned by the~~
13 ~~original breeder or not.~~

14 (3) ~~Every agricultural commodity sold by any person, other than a producer,~~
15 ~~to any other person who purchases not for direct consumption but for the purpose of~~
16 ~~acquiring raw product for use or for sale in the process of preparing, finishing, or~~
17 ~~manufacturing such agricultural commodity for the ultimate retail consumer trade,~~
18 ~~shall be exempted from any and all provisions of the sales and use tax imposed by~~
19 ~~a taxing authority, including payment of the tax applicable to the sale, storage, use,~~
20 ~~transfer, or any other utilization of or handling thereof, except when such agricultural~~
21 ~~commodity is actually sold as a marketable or finished product to the ultimate~~
22 ~~consumer, and in no case shall more than one tax be exacted. For the purposes of~~
23 ~~this Section, "agricultural commodity" means horticultural, viticultural, poultry, farm~~
24 ~~and range products, and livestock and livestock products.~~

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

28 (b) ~~For purposes of this Subsection:~~

1 ~~(i) "Commercial use" means the purchasing, producing, or maintaining of~~
2 ~~animals, including breeding stock, for resale;~~

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

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

11 ~~(c) This exemption shall not apply to the purchase of feed or feed additives~~
12 ~~for animals kept primarily for personal, sporting, or other purposes, including but not~~
13 ~~limited to purchases for pets of any kind or hunting dogs.~~

14 ~~(5)(a) Solely for purposes of the sales and use tax levied by the state, such~~
15 ~~tax shall not apply to the sale or use of materials, supplies, equipment, fuel, and~~
16 ~~related items other than vessels used in the production or harvesting of crawfish. The~~
17 ~~person who purchases the exempt items shall claim the exemption by executing a~~
18 ~~certificate at the time of purchase. The Department of Revenue shall provide the~~
19 ~~certificates to retail merchants. Any merchant who in good faith, and after~~
20 ~~examination of the applicability of the certificate to that purchase with due care,~~
21 ~~neglects or fails to collect the tax herein provided, due to the presentation by the~~
22 ~~purchaser of a tax exemption certificate issued by the Department of Revenue,~~
23 ~~including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment~~
24 ~~of the tax.~~

25 ~~(b) Solely for purposes of the sales and use tax levied by the state, such tax~~
26 ~~shall not apply to the sale or use of bait and feed used in the production or harvesting~~
27 ~~of crawfish. The person who purchases the exempt items shall claim the exemption~~
28 ~~by executing a certificate at the time of purchase. The Department of Revenue shall~~
29 ~~provide the certificates to retail merchants. Any merchant who in good faith, and~~

1 after examination of the applicability of the certificate to that purchase with due care,
2 neglects or fails to collect the tax herein provided, due to the presentation by the
3 purchaser of a tax exemption certificate issued by the Department of Revenue,
4 including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment
5 of the tax.

6 (6) ~~Solely for purposes of the sales and use tax levied by the state, such tax
7 shall not apply to the sale or use of materials, supplies, equipment, fuel, bait, and
8 related items other than vessels used in the production or harvesting of catfish. The
9 person who purchases the exempt items shall claim the exemption by executing a
10 certificate at the time of purchase. The Department of Revenue shall provide the
11 certificates to retail merchants. Any merchant who in good faith, and after
12 examination of the applicability of the certificate to that purchase with due care,
13 neglects or fails to collect the tax herein provided, due to the presentation by the
14 purchaser of a tax exemption certificate issued by the Department of Revenue, shall
15 not be liable for the payment of the tax.~~

16 B. ~~For purposes of the sales and use tax of all taxing authorities, the "use
17 tax," as defined herein, shall not apply to livestock and livestock products, to poultry
18 and poultry products, to farm, range and agricultural products when produced by the
19 farmer and used by him and members of his family.~~

20 ~~€. For purposes of the sales and use tax of all taxing authorities, where a part
21 of the cost price of a motor vehicle is represented by a motor vehicle returned to the
22 dealer's inventory, the use tax is payable on the total cost price less the wholesale
23 value of the article returned.~~

24 C. (1) The sales and use tax imposed by the state or by a political subdivision
25 whose boundaries are coterminous with those of the state shall not apply to sales or
26 purchases of any of the following:

27 (a) Food sold for preparation and consumption in the home including, but not
28 limited to bakery products.

29 (b) Dairy products.

1 (c) Soft drinks.

2 (d) Fresh fruits and vegetables.

3 (e) Package foods requiring further preparation by the purchaser.

4 (2) Food sales by restaurants, drive-ins, snack bars, candy and nut counters,
5 private clubs, and sales made by an establishment not otherwise exempted by law
6 shall not be exempt from the taxes imposed by taxing authorities.

7 (3)(a) Except as provided for in Subparagraph (b) of this Paragraph, the sales
8 and use tax imposed by R.S. 47:321, 321.1, and 331, or by a political subdivision
9 shall not apply to the sale or use, for non-residential purposes, of steam, water,
10 electric power or energy, natural gas, any materials or energy sources used to fuel the
11 generation of electric power for resale or used by an industrial manufacturing plant
12 for self-consumption or cogeneration, or energy sources used for boiler fuel except
13 refinery gas.

14 (b) The exemption from the sales and use tax imposed by R.S. 47:321, 321.1,
15 and 331 provided for in Subparagraph (a) of this Paragraph shall not apply to sales
16 and use, for non-residential purposes, of mineral water or carbonated water or any
17 water put in bottles, jugs, or containers.

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

22 (a) Gasoline.

23 (b) ~~Steam.~~ Natural gas, electricity, and water sold directly to the consumer
24 for residential use as provided for in Article VII, Section 2.2 of the Constitution of
25 Louisiana. The exemption provided for in this Subparagraph shall not apply to sales
26 and use of mineral water or carbonated water or any water put in bottles, jugs, or
27 containers sold directly to the consumer for residential use.

1 (c) ~~Water (not including mineral water or carbonated water or any water put~~
2 ~~in bottles, jugs, or containers, all of which are not exempted).~~ Tangible personal
3 property and donation of food items to food banks, as defined in R.S. 9:2799(B).

4 (d) ~~Electric power or energy and any materials or energy sources used to fuel~~
5 ~~the generation of electric power for resale or used by an industrial manufacturing~~
6 ~~plant for self-consumption or cogeneration.~~ Food items sold by youth organizations
7 chartered by Congress.

8 (e) ~~Repealed by Acts 2007, No. 480, §2.~~

9 (f) ~~Fertilizer and containers used for farm products when sold directly to the~~
10 ~~farmer.~~

11 (g) ~~Natural gas.~~

12 (h) ~~All energy sources when used for boiler fuel except refinery gas.~~

13 (i)(i)(e)(i) New trucks, new automobiles, new motorcycles, and new aircraft;
14 ~~and new boats, vessels, or other water craft~~ withdrawn from stock or kept in a
15 dealer's inventory by factory authorized new truck, new automobile, new motorcycle,
16 and new aircraft dealers, and factory authorized dealers of new boats, vessels, or
17 ~~other water craft,~~ for use as demonstrators.

18 (ii) ~~Used trucks and used automobiles withdrawn from stock or kept in a~~
19 ~~dealer's inventory by new or used motor vehicle dealers for use as demonstrators.~~

20 (j) ~~Solely for purposes of the state sales and use tax, drugs prescribed by a~~
21 ~~physician or dentist.~~

22 (k)(i) ~~Solely for purposes of the state sales and use tax, orthotic, including~~
23 ~~prescription eyeglasses and contact lenses, and prosthetic devices and wheelchairs~~
24 ~~and wheelchair lifts prescribed by physicians, optometrists or licensed chiropractors~~
25 ~~for personal consumption or use.~~

26 (ii) ~~Solely for purposes of the sales and use tax of political subdivisions, the~~
27 ~~sale to, or the purchase by, an individual or by a medical service provider such as a~~
28 ~~physician, clinic, surgical center, or other healthcare facility of a prosthetic device~~
29 ~~which is sold or purchased with the intention of being personally used or consumed~~

1 by individuals pursuant to a prescription by a physician when the individual is
2 covered by the state of Louisiana Medicaid insurance program or a Medicaid
3 insurance program administered by a third party on behalf of the state of Louisiana.

4 (l) ~~Solely for purposes of the state sales and use tax, the sale or purchase of~~
5 ~~any ostomy, ileostomy or colostomy device or any other appliance including~~
6 ~~catheters or any related item which is required as the result of any surgical procedure~~
7 ~~by which an artificial opening is created in the human body for the elimination of~~
8 ~~natural waste.~~

9 (m) ~~Solely for purposes of the state sales and use tax, patient aids prescribed~~
10 ~~by a physician or a licensed chiropractor for home use.~~

11 (n) ~~Solely for purposes of the state sales and use tax, food sold for~~
12 ~~preparation and consumption in the home including by way of extension and not of~~
13 ~~limitation bakery products.~~

14 (o) ~~Solely for purposes of the state sales and use tax, dairy products.~~

15 (p) ~~Solely for purposes of the state sales and use tax, soft drinks.~~

16 (q) ~~Solely for purposes of the state sales and use tax, fresh fruits and~~
17 ~~vegetables.~~

18 (r) ~~Solely for purposes of the state sales and use tax, package foods requiring~~
19 ~~further preparation by the purchaser.~~

20 (s) ~~Solely for purposes of the state sales and use tax, any and all medical~~
21 ~~devices used exclusively by the patient in the medical treatment of various diseases~~
22 ~~or administered exclusively to the patient by a physician, nurse, or other health care~~
23 ~~professional or health care facility in the medical treatment of various diseases under~~
24 ~~the supervision of and prescribed by a licensed physician.~~

25 (t) ~~Orthotic devices, prosthetic devices, prostheses and restorative materials~~
26 ~~utilized by or prescribed by dentists in connection with health care treatment or for~~
27 ~~personal consumption or use and any and all dental devices used exclusively by the~~
28 ~~patient or administered exclusively to the patient by a dentist or dental hygienist in~~
29 ~~connection with dental or health care treatment. Notwithstanding any other~~

1 ~~provision of law to the contrary, the exemptions from the state sales and use tax~~
2 ~~provided in this Subparagraph shall be applicable to any sales and use tax levied by~~
3 ~~any local governmental subdivision or school board.~~

4 ~~(u) Solely for purposes of the state sales and use tax, adaptive driving~~
5 ~~equipment and motor vehicle modifications prescribed for personal use by a~~
6 ~~physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the~~
7 ~~state.~~

8 * * *

9 E. The sale of the following services shall be exempt from the sales and use
10 tax imposed by any taxing authority:

11 (1) Rooms furnished by a temporary lodging facility which is operated by
12 a nonprofit organization described in Section 501(c)(3) of the Internal Revenue
13 Code, provided that the facility is devoted exclusively to the temporary housing, for
14 periods no longer than thirty days' duration, of homeless transient persons whom the
15 organization determines to be financially incapable of engaging lodging at a facility
16 defined by R.S. 47:301(6)(a), and further provided that the lodging charge to these
17 persons is no greater than twenty dollars per day.

18 (2) Membership fees or dues of nonprofit, civic organizations including, but
19 not limited to the Young Men's Christian Association, the Catholic Youth
20 Organization, and the Young Women's Christian Association.

21 (3) Surface preparation, coating, and painting of a fixed or rotary wing
22 military aircraft or certified transport category aircraft as long as the Federal
23 Aviation Administration registration address of the aircraft is not in this state.

24 E.F. It is not the intention of any taxing authority to levy a tax upon articles
25 of tangible personal property imported into this state, or produced or manufactured
26 in this state, for export; nor is it the intention of any taxing authority to levy a tax on
27 bona fide interstate commerce; however, nothing herein shall prevent the collection
28 of the taxes due on sales of tangible personal property into this state which are
29 promoted through the use of catalogs and other means of sales promotion and for

1 which federal legislation or federal jurisprudence enables the enforcement of the
2 sales tax of a taxing authority upon the conduct of such business. It is, however, the
3 intention of the taxing authorities to levy a tax on the sale at retail, the use, the
4 consumption, the distribution, and the storage to be used or consumed in this state,
5 of tangible personal property after it has come to rest in this state and has become a
6 part of the mass of property in this state. ~~At such time as~~ When federal legislation
7 or federal jurisprudence as to sales in interstate commerce promoted through the use
8 of catalogs and other means of sales promotions enables the enforcement of this
9 Chapter or any other law or local ordinance imposing a sales tax against vendors that
10 have no other nexus with the taxing jurisdiction, the following provisions shall apply
11 to ~~such~~ the sales on which sales and use tax would not otherwise be collected.

12 F. ~~The sales, use and lease taxes imposed by taxing authorities shall not~~
13 ~~apply to the amounts paid by radio and television broadcasters for the right to exhibit~~
14 ~~or broadcast copyrighted material and the use of film, video or audio tapes, records~~
15 ~~or any other means supplied by licensors thereof in connection with such exhibition~~
16 ~~or broadcast and the sales and use tax shall not apply to licensors or distributors~~
17 ~~thereof.~~

18 G. ~~The sales, use, and lease taxes imposed by taxing authorities shall not~~
19 ~~apply to the purchase or rental by private individuals of machines, parts therefor, and~~
20 ~~materials and supplies which a physician has prescribed for home renal dialysis.~~

21 H. "Demonstrators" as used in Subsection D of this Section for purposes of
22 the sales and use tax levied by all taxing authorities shall mean ~~all of the following:~~

23 (1) ~~New~~ new and used trucks and automobiles for which dealer inventory
24 plates may be obtained pursuant to R.S. 47:473, and new aircraft titled in the dealer's
25 name for use as demonstrators which are kept primarily on the dealer's premises
26 during normal business hours and which are available for demonstration purposes.
27 However, the occasional use of a demonstrator by authorized ~~personnel~~ employee
28 of the dealer shall not disqualify such demonstrator from the exemption herein
29 designated.

1 ~~(2) New boats, vessels, or other water craft, hereafter, "boats," which comply~~
2 ~~with all the following:~~

3 ~~(a) They are registered in a boat, vessel, or water craft dealer's name with the~~
4 ~~appropriate agency.~~

5 ~~(b) They are reported by the dealer to the department as demonstrators and~~
6 ~~are clearly identified as demonstrators in the manner required by the department.~~

7 ~~(c) They are used by those designated by such dealer for any activity which~~
8 ~~results in the advertisement, promotion of sales, or demonstration of the qualities of~~
9 ~~the boat for the purpose of increasing sales of such boats; provided that such use~~
10 ~~does not occur on more than six consecutive days and does not occur on more than~~
11 ~~twelve days in any calendar month. The dealer shall keep such logs or other records~~
12 ~~of such use as shall be required by the department.~~

13 ~~(d) They are ultimately sold at retail.~~

14 †H. The sales and use taxes imposed by the state of Louisiana or any of its
15 political subdivisions shall not apply to the labor, or sale of materials, services, and
16 supplies, used for repairing, renovating or converting of any drilling rig, or
17 machinery and equipment which are component parts thereof, which is used
18 exclusively for the exploration or development of minerals outside the territorial
19 limits of the state in Outer Continental Shelf waters. For the purposes of this
20 Subsection, "drilling rig" means any unit or structure, along with its component
21 parts, which is used primarily for drilling, workover, intervention or remediation of
22 wells used for exploration or development of minerals. For purposes of this
23 Subsection, "component parts" means any machinery or equipment necessary for a
24 drilling rig to perform its exclusive function of exploration or development of
25 minerals.

26 I. Notwithstanding any other provision of law to the contrary, no sales or use
27 tax of any taxing authority shall be levied on any advertising service rendered by an
28 advertising business, including but not limited to advertising agencies, design firms,
29 and print and broadcast media, or any member, agent, or employee thereof, to any

1 client whether or not the service also involves a transfer to the client of tangible
2 personal property. However, a transfer of mass-produced advertising items by an
3 advertising business which manufactures the items to a client for the client's use,
4 which transfer involves the furnishing of minimal services other than manufacturing
5 services by the advertising business, shall be a taxable sale or use of tangible
6 personal property; provided, that in no event shall tax be levied on charges for
7 creative services which are separately invoiced.

8 J.(1) Notwithstanding the provisions of R.S. 9:1149.1 et seq., factory built
9 homes shall be exempt from sales and use tax imposed by any taxing authority
10 except as provided in this Subsection.

11 (2) Forty-six percent of the retail sales price for the initial sale of a new
12 factory built home from a dealer to a consumer shall be subject to sales and use tax.

13 (3) Each subsequent resale of a factory built home shall be exempt from
14 sales and use tax.

15 (4) For purposes of this Subsection, "factory built home" means a residential
16 structure which is built in a factory in one or more sections and has a chassis or
17 integrated wheel delivery system, which is either:

18 (a) A structure built to federal construction standards as defined in 42 U.S.C.
19 5402 et seq.

20 (b) A residential structure built to the Louisiana State Uniform Construction
21 Code.

22 (c) A manufactured home, modular home, mobile home, or residential
23 mobile home with or without a permanent foundation, which includes plumbing,
24 heating, and electrical systems.

25 (5) "Factory built home" shall not include any self-propelled recreational
26 vehicle or travel trailer.

27 (6) The sales and use taxes due pursuant to this Subsection shall be paid to
28 the Department of Public Safety and Corrections, office of motor vehicles, by the
29 twentieth day of the month following the month of delivery of the factory built home

1 (5) The sale or purchase of any ostomy, ileostomy, or colostomy device or
2 any other appliance including catheters or any related item which is required as the
3 result of any surgical procedure by which an artificial opening is created in the
4 human body for the elimination of natural waste.

5 (6) Any and all medical devices used exclusively by the patient in the
6 medical treatment of various diseases or administered exclusively to the patient by
7 a physician, nurse, or other health care professional or health care facility in the
8 medical treatment of various diseases prescribed by a person with prescriptive
9 authority.

10 (7) The procurement and administration of cancer and related chemotherapy
11 prescription drugs used exclusively by the patient in his medical treatment when
12 administered exclusively to the patient by a physician, nurse, or other health care
13 professional in a physician's office where patients are not regularly kept as bed
14 patients for twenty-four hours or more.

15 (8) The sales, use, and lease taxes imposed by taxing authorities shall not
16 apply to the purchase or rental by a patient of machines, parts therefor, and materials
17 and supplies which any person with prescriptive authority has prescribed for home
18 renal dialysis.

19 B. Except as provided for in Subsection C of this Section, the following
20 items shall be exempt from the sales and use tax imposed by any taxing authority:

21 (1) Pharmaceutical samples approved by the United States Food and Drug
22 Administration which are manufactured in the state or imported into the state for
23 distribution without charge to any person with prescriptive authority, clinics, or
24 hospitals.

25 (2) The tax imposed by R.S. 47:302(A) and R.S. 47:321 shall not apply to
26 the sale at retail, the use, the consumption, the distribution, and the storage of insulin
27 Insulin, both prescription and nonprescription to be used or consumed in this state,
28 for personal use or consumption; provided, however, that this exemption shall apply
29 only to sales taxes imposed by the State of Louisiana and shall not apply to such

1 ~~taxes authorized and imposed by any school board, municipality, or other local~~
2 ~~taxing authority notwithstanding any other provision of law to the contrary,~~
3 ~~specifically but not exclusively R.S. 33:2716.1.1.~~

4 (3) The sale, lease, or rental of tangible personal property if the sale, lease,
5 or rental is made under the provisions of Medicare.

6 (4) The sale of any human tissue transplants, which shall be defined to
7 include all human organs, bone, skin, cornea, blood, or blood products transplanted
8 from one individual into another recipient individual.

9 (5) Adaptive driving equipment and motor vehicle modifications prescribed
10 for personal use by a physician, a licensed chiropractor, or a driver rehabilitation
11 specialist licensed by the state.

12 (6) The sale, lease, or rental of items, including but not limited to supplies
13 and equipment, or the sale of services that are reasonably necessary for the operation
14 of free hospitals.

15 (7)(a) The purchase, lease, or repair of capital equipment and the purchase,
16 lease, or repair of software used to operate capital equipment by qualifying radiation
17 therapy treatment centers.

18 (b) For purposes of this Paragraph, the following words shall have the
19 following meanings unless the context clearly indicates otherwise:

20 (i) "Capital equipment" shall mean tangible personal property eligible for
21 depreciation for federal income tax purposes that is used in the diagnosis or
22 treatment of cancer patients. Capital equipment shall include, but shall not be
23 limited to, linear accelerators, PET/CT scanners, imaging devices, and software
24 necessary to operate capital equipment. In the case of the Biomedical Research
25 Foundation in Shreveport, "capital equipment" shall mean a PET/CT scanner and
26 related equipment for medical diagnosis and installation of the same.

27 (ii) "Qualifying radiation therapy center" shall mean all of the following:

28 (aa) A radiation therapy center which is also a nonprofit organization that
29 maintains a joint accreditation with a state university by the Commission on

1 Accreditation of Medical Physics Education Programs, Inc. (CAMPEP) for a
2 graduate medical physics program and which provides facilities and personnel for
3 use for a joint CAMPEP-accredited graduate medical physics program for research,
4 teaching, and clinical training for graduate students.

5 (bb) The Biomedical Research Foundation in Shreveport, Louisiana.

6 (cc) A radiation therapy facility which employs six or more medical
7 physicists to provide radiation therapy treatment services.

8 (dd) The Willis-Knighton Health System in Shreveport, Louisiana.

9 (c) An exemption certificate shall be obtained from the secretary of the
10 Department of Revenue in order for a radiation therapy center to qualify for the
11 exemption provided for in this Section.

12 C.(1) The exemptions provided for in this Section shall be applicable to sales
13 and use taxes levied by the state.

14 (2)(a) Notwithstanding the provisions of Subsections A and B of this
15 Section, if any of the purchases subject to the exemptions provided for in this Section
16 are subject to sales and use taxes levied by local political subdivisions on November
17 1, 2024, those purchases shall continue to be taxable for purposes of sales and use
18 taxes levied by local political subdivisions until June 30, 2025. However, if any
19 purchases subject to the exemptions provided for in this Section are exempt from
20 sales and use taxes levied by local political subdivisions on November 1, 2024, those
21 purchases shall continue to be exempt pursuant to the provisions of this Section.

22 (b) Beginning on and after July 1, 2025, the exemptions provided for in this
23 Section shall be applicable to sales and use taxes levied by any political subdivision.

24 ~~§305.3. Exclusions and exemptions; seeds used in planting of crops~~ Exemptions;
25 agricultural

26 ~~The tax imposed by taxing authorities shall not apply to the sale at retail of~~
27 ~~seeds to a commercial farmer as defined in R.S. 47:301(30) for use in the planting~~
28 ~~of any kind of crops.~~

1 A. The sales and use tax imposed by taxing authorities shall not apply to
2 sales at retail of agricultural inputs, agricultural machinery and equipment, and other
3 agricultural tangible personal property, provided that the purchase is directly related
4 to the business activities of the purchaser.

5 B. For purposes of this Section the following terms shall have the following
6 meanings:

7 (1) "Agricultural commodity" means horticultural, viticultural, poultry, farm
8 and range products, and livestock and livestock products.

9 (2) "Agricultural inputs" means all of the following:

10 (a) Raw agricultural commodities, including but not limited to feed, seed,
11 and fertilizer, to be utilized in preparing, finishing, manufacturing, or producing
12 crops or animals for market by a commercial farmer.

13 (b) Raw materials for the production of raw or processed agricultural,
14 silvicultural, or aquacultural products.

15 (c) Pharmaceuticals administered to livestock used for agricultural purposes.

16 (d) Every agricultural commodity sold by any person, other than a producer,
17 to any other person who purchases not for direct consumption but for the purpose of
18 acquiring raw product for use or for sale in the process of preparing, finishing, or
19 manufacturing the agricultural commodity for the ultimate retail consumer trade,
20 including payment of the tax applicable to the sale, storage, use, transfer, or any
21 other utilization of or handling thereof, except when such agricultural commodity is
22 actually sold as a marketable or finished product to the ultimate consumer, and in no
23 case shall more than one tax be exacted.

24 (e) Seeds sold to a commercial farmer for use in the planting of any kind of
25 crops.

26 (f) Diesel fuel, butane, propane, or other liquefied petroleum gases used or
27 consumed for farm purposes by a commercial farmer.

28 (3) "Agricultural machinery and equipment" means all of the following:

29

1 (a) The first one hundred fifty thousand dollars of the sale price of farm
2 equipment. The purchaser or his representative shall provide on any exemption
3 certificate required for this exemption a certification that the purchaser is a
4 commercial farmer or is purchasing for an agricultural facility. The department shall
5 hold the purchaser responsible for any taxes due.

6 (b) Agricultural fencing materials, including gates, hog wire fencing, barbed
7 wire fencing, lumber or steel used as posts or rails, nails, screws, hinges, and
8 concrete consisting of premixed dry mortar used for the purpose of fencing
9 agricultural livestock. Agricultural fencing materials shall also include electric
10 fence wire, insulated posts, power sources, grounding systems, warning signs, and
11 other components of electric agricultural fencing.

12 (4) "Farm equipment" means and includes all of the following:

13 (a) Rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers,
14 combines, haybalers, and attachments and sprayers.

15 (b) Clippers, cultivators, discs, plows, and spreaders.

16 (c) Irrigation wells, drives, motors, and equipment.

17 (d) Other farm implements and equipment used for agricultural purposes in
18 the production of food and fiber.

19 (e) On the farm facilities used to dry or store grain or any materials used to
20 construct such on the farm facilities.

21 (f) Polyroll tubing sold to a commercial farmer or used for commercial farm
22 irrigation.

23 (5) "Other agricultural tangible personal property" means all of the
24 following:

25 (a) The gross proceeds derived from the sale in this state of livestock,
26 poultry, and other farm products direct from the farm, provided that the sales are
27 made directly by the producers. When sales of livestock, poultry, and other farm
28 products are made to consumers by any person other than the producer, they are not
29 exempted from the tax imposed by taxing authorities.

1 (b) The gross proceeds derived from the sale in this state of livestock at
2 public sales sponsored by breeders' or registry associations or livestock auction
3 markets. When public sales of livestock are made to consumers by any person other
4 than through a public sale sponsored by a breeders' or registry association or a
5 livestock auction market, they are not exempted. This Section shall be construed as
6 exempting race horses entered in races and claimed at any racing meet held in
7 Louisiana, whether the horse claimed was owned by the original breeder or not.

8 (c) Feed and feed additives for the purpose of sustaining animals which are
9 held primarily for commercial, business, or agricultural use. The exemption
10 provided for in this Paragraph shall not apply to the purchase of feed or feed
11 additives for animals kept primarily for personal, sporting, or other purposes,
12 including but not limited to purchases for pets of any kind or hunting dogs. For
13 purposes of this Subparagraph:

14 (i) "Commercial use" means the purchasing, producing, or maintaining of
15 animals, including breeding stock, for resale.

16 (ii) "Business use" means the keeping and maintaining of animals which are
17 used in performing services in conjunction with a business enterprise, such as sentry
18 dogs and rental horses.

19 (iii) "Agricultural use" means the maintaining of work animals and beasts
20 of burden which are utilized in the activity of producing crops or animals for market,
21 in the production of food for human consumption, in the production of animal hides
22 or other animal products for market, or in the maintaining of breeding stock for the
23 propagation of such agricultural use animals.

24 (d) Bait, feed, materials, supplies, equipment, fuel, and related items other
25 than vessels used in the production or harvesting of crawfish. A person who
26 purchases an exempt item shall claim the exemption by providing an exemption
27 certificate at the time of purchase. Any merchant who in good faith, and after
28 examination of the applicability of the exemption certificate to that purchase with
29 due care, neglects or fails to collect the tax herein provided, due to the presentation

1 by the purchaser of a tax exemption certificate issued by the Department of Revenue,
2 including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment
3 of the tax.

4 (e) Materials, supplies, equipment, fuel, bait, and related items other than
5 vessels used in the production or harvesting of catfish. A person who purchases an
6 exempt item shall claim the exemption by providing an exemption certificate at the
7 time of purchase. Any merchant who in good faith, and after examination of the
8 applicability of the exemption certificate to that purchase with due care, neglects or
9 fails to collect the tax herein provided, due to the presentation by the purchaser of
10 a tax exemption certificate issued by the Department of Revenue, shall not be liable
11 for the payment of the tax.

12 (f) For purposes of the sales and use tax of all taxing authorities, the "use
13 tax," as defined herein, shall not apply to livestock and livestock products, to poultry
14 and poultry products, to farm, range and agricultural products when produced by the
15 farmer and used by him and members of his family.

16 (g) Utilities used by commercial farmers for on-farm storage, provided that
17 the on-farm storage facilities or containers are located in Louisiana, separately
18 metered for utilities, and contain raw agricultural commodities, including but not
19 limited to feed, seed, and fertilizer, to be utilized in preparing, finishing,
20 manufacturing, or producing crops or animals prior to the first point of sale.

21 (h) Pesticides used for agricultural purposes, including particularly but not
22 by way of limitation, insecticides, herbicides and fungicides.

23 (i) Purchases of feed, feed additives, seed, plants, or fertilizer by a student
24 farmer while engaged in the scope and course of an approved agricultural project.

25 A "student farmer" is an individual who is under the age of twenty-three and who is
26 enrolled in any of the following:

27 (aa) A Future Farmers of America chapter or a program established by the
28 National Future Farmers of America organization.

29 (bb) A 4-H Club or other program established by 4-H.

1 (cc) Any student agriculture program that is under the direction or guidance
2 of an agricultural educator, advisor, or club leader.

3 C. The secretary may promulgate rules and regulations designed to carry out
4 the provisions of this Section, and any transaction not strictly in compliance with
5 such rules and regulations shall lose the exemption provided in this Section.

6 ~~§305.4. Exclusions and exemptions; utilities used by commercial farmers for on-~~
7 ~~farm storage~~ Exemptions; raw materials for further processing

8 ~~A.~~ Beginning October 1, 2021, the sales and use tax imposed by the state of
9 Louisiana shall not apply to the sale or use of utilities used by commercial farmers
10 ~~for on-farm storage.~~

11 ~~B.~~ For purposes of this Section:

12 ~~(1) "Commercial farmer" shall have the same meaning as defined in R.S.~~
13 ~~47:301(30).~~

14 ~~(2) "On-farm storage" means facilities or containers located in Louisiana that~~
15 ~~are separately metered for utilities and that contain raw agricultural commodities,~~
16 ~~including but not limited to feed, seed, and fertilizer, to be utilized in preparing,~~
17 ~~finishing, manufacturing, or producing crops or animals prior to the first point of~~
18 ~~sale.~~

19 ~~(3) "Utilities" means steam, water, electric power or energy, natural gas, or~~
20 ~~energy sources as provided for in R.S. 47:305(D)(1)(b), (c), (d), (g), and (h).~~

21 A. Materials for further processing into articles of tangible personal property
22 for sale at retail shall be exempt from sales and use taxes imposed by all taxing
23 authorities when all of the following criteria are met:

24 (1)(a) The raw materials become a recognizable and identifiable component
25 of the end product.

26 (b) The raw materials are beneficial to the end product.

27 (c) The raw materials are material for further processing, and as such, are
28 purchased for the purpose of inclusion into the end product.

1 (2)(a) If the materials are further processed into a byproduct for sale, the
2 purchases of materials shall not be deemed to be sales for further processing and
3 shall be taxable. For purposes of this Paragraph, the term "byproduct" shall mean
4 any incidental product that is sold for a sales price less than the cost of the materials.

5 (b) In the event a byproduct is sold at retail in this state for which a sales and
6 use tax has been paid by the seller on the cost of the materials, which materials are
7 used partially or fully in the manufacturing of the byproduct, a credit against the tax
8 paid by the seller shall be allowed in an amount equal to the sales tax collected and
9 remitted by the seller on the taxable retail sale of the byproduct.

10 B. Natural gas used in the production of iron in the process known as the
11 "direct reduced iron process" is recognized by the legislature to be a material for
12 further processing into an article of tangible personal property for sale at retail.

13 C. The secretary of the Department of Revenue may promulgate rules and
14 regulations necessary to implement the provisions of this Section.

15 §305.5. Exemptions; manufacturing machinery and equipment

16 A. For purposes of this Section, the following words shall have the following
17 meanings unless the context indicates otherwise:

18 (1)(a) "Machinery and equipment" means tangible personal property or other
19 property that is capitalized for federal income tax purposes and that is used as an
20 integral part in the manufacturing of tangible personal property for sale or the
21 production, processing, and storing of food and fiber or of timber. Machinery and
22 equipment shall also include, but is not limited to the following:

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

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

27 (iii) Machinery and equipment, including related computers and software,
28 used to test or measure raw materials, the property undergoing manufacturing or the

1 finished product, when the test or measurement is a necessary part of the
2 manufacturing process.

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

5 (v) Machinery and equipment used primarily to produce a news publication
6 whether it is ultimately sold at retail or for resale or at no cost including, but not
7 limited to all machinery and equipment used primarily in composing, creating, and
8 other prepress operations, electronic transmission of pages from prepress to press,
9 pressroom operations, and mailroom operations and assembly activities. The term
10 "news publication" shall mean any publication issued daily or regularly at average
11 intervals not exceeding three months, which contains reports of varied character,
12 such as political, social, cultural, sports, moral, religious, or subjects of general
13 public interest, and advertising supplements and any other printed matter ultimately
14 distributed with or a part of the publications.

15 (b) Machinery and equipment shall not include any of the following:

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

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

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

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

1 (2) "Manufacturer" means any of the following:

2 (a) A person whose principal activity is manufacturing, as defined in
3 Paragraph (3) of this Subsection, and who is assigned by the Louisiana Workforce
4 Commission a North American Industrial Classification System code within the
5 agricultural, forestry, fishing, and hunting Sector 11, the manufacturing Sectors
6 31-33, the information Sector 511110 as they existed in 2002, or industry code
7 423930 as a recyclable material merchant wholesaler engaged in manufacturing
8 activities, which must include shredding facilities, as determined by the secretary of
9 the Department of Revenue.

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

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

27 (a) Repackaging or redistributing.

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

1 (c) The storage of tangible personal property.

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

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

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

7 (4) "Manufacturing for agricultural purposes" means the production,
8 processing, and storing of food and fiber and the production, processing, and storing
9 of timber.

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

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

16 B. The following items shall be exempt from the sales and use tax imposed
17 by the state or a political subdivision whose boundaries are coterminous with the
18 state:

19 (1) Machinery and equipment used by a manufacturer in a plant facility
20 predominately and directly in the actual manufacturing for agricultural purposes or
21 the actual manufacturing process of an item of tangible personal property, which is
22 for ultimate sale to another and not for internal use, at one or more fixed locations
23 within Louisiana.

24 (2) Machinery and equipment purchased by a utility regulated by the Public
25 Service Commission or the council of the city of New Orleans. For the purposes of
26 this Paragraph, the term "utility" shall mean a person regulated by the Public Service
27 Commission or the council of the city of New Orleans who is assigned a North
28 American Industry Classification System Code 22111, Electric Power Generation,

1 as it existed in 2002 and shall be considered a "manufacturer" for purposes of this
2 Section.

3 (3) Sales of electricity for chlor-alkali manufacturing processes.

4 C. The following items purchased by a person whose principal activity is
5 manufacturing and who is assigned an industry group designation by the United
6 States Census of 3211 through 3222 or 113310 pursuant to the North American
7 Industry Classification System of 2007 shall be exempt from sales and use taxes
8 imposed by any taxing authority:

9 (1) Tangible personal property consumed in the manufacturing process, such
10 as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils.

11 (2) Repairs and maintenance of manufacturing machinery and equipment.

12 D. The lease or rental of machinery and equipment used by a manufacturer
13 in a plant facility predominately and directly in either of the following shall be
14 exempt from the lease or rental tax imposed by any taxing authority:

15 (1) The actual manufacturing process of an item of tangible personal
16 property.

17 (2) The actual manufacturing for agricultural purposes, including but not
18 limited to rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers,
19 combines, haybalers, attachments and sprayers, clippers, cultivators, discs, plows,
20 and spreaders, which is for ultimate sale to another and not for internal use, at one
21 or more fixed locations within Louisiana.

22 E. A political subdivision may by ordinance or resolution provide for the
23 exemptions established in this Section. The ordinance or resolution adopted or
24 approved by the political subdivision shall provide for the adoption of all of the
25 definitions, exemptions, and limitations provided for in this Section.

26 F.(1) No person shall be entitled to purchase, use, lease, or rent machinery
27 or equipment as defined herein without payment of the sales and use tax before
28 receiving a certificate of exemption from the secretary of the Department of Revenue
29 certifying that he is a manufacturer as defined herein.

1 (2) The manufacturer's exemption certificate granted by the Department of
2 Revenue shall serve as a substitute for the sales tax exemption for certain farm
3 equipment.

4 G. The secretary of the Department of Revenue may promulgate rules and
5 regulations in accordance with the Administrative Procedure Act as are necessary to
6 administer the exemptions provided for in this Section.

7 ~~§305.6. Exclusions and exemptions; Little Theater tickets~~ Exemptions; schools and
8 educational materials

9 ~~The sales tax imposed by taxing authorities shall not apply to the sale of~~
10 ~~admission tickets by Little Theater organizations.~~ The sales and use tax imposed by
11 taxing authorities shall not apply to:

12 (1) Educational materials or equipment used for classroom instruction by
13 approved parochial and private elementary and secondary schools which comply
14 with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the
15 Internal Revenue Code, limited to books, workbooks, computers, computer software,
16 films, videos, and audio tapes.

17 (2) Tangible personal property sold 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,
20 administrators, or teachers, or other employees of the school, if the money from the
21 sales, less reasonable and necessary expenses associated with the sale, is used solely
22 and exclusively to support the school or its program or curricula. This exemption
23 shall not be construed to allow tax-free sales to students or their families by
24 promoters or regular commercial dealers through the use of schools, school faculty,
25 or school facilities.

26 (3) The purchase of food items for school lunch or breakfast programs by
27 nonpublic elementary or secondary schools which participate in the National School
28 Lunch and School Breakfast programs or the purchase of food items by nonprofit

1 corporations which serve students in nonpublic elementary or secondary schools and
2 which participate in the National School Lunch and School Breakfast programs.

3 (4) The sale at retail of property in the regular course of business or the
4 donation to a school in the state which meets the definition provided in R.S. 17:236
5 or to a public or recognized independent institution of higher education in the state
6 of property previously purchased for resale in the regular course of a business.

7 (5) The sale of admissions to athletic and entertainment events held for or
8 by parochial and private elementary and secondary schools.

9 (6) The purchase, lease, or rental of items of tangible personal property or
10 services by a regionally accredited independent institution of higher education which
11 is a member of the Louisiana Association of Independent Colleges and Universities
12 if the purchase, lease, or rental is directly related to the educational mission of the
13 institution.

14 ~~§305.7. Exclusions and exemptions; tickets to musical performances of nonprofit~~
15 ~~musical organizations~~ intergovernmental; government

16 ~~The sales tax imposed by taxing authorities shall not apply to the sale of~~
17 ~~admission tickets by domestic nonprofit corporations or by any other domestic~~
18 ~~nonprofit organization known as a symphony organization or as a society or~~
19 ~~organization engaged in the presentation of musical performances; provided that this~~
20 ~~Section shall not apply to performances given by out-of-state or nonresident~~
21 ~~symphony companies, nor shall this Section apply to any performance intended to~~
22 ~~yield a profit to the promoters thereof.~~

23 A. This state, any parish, city and parish, municipality, district, or other
24 political subdivision thereof, or any agency, board, commission, or instrumentality
25 of this state or its political subdivisions shall be exempt from sales and use taxes
26 imposed by any taxing authority. Upon request by any political subdivision for an
27 exemption identification number, the Department of Revenue shall issue such
28 number.

1 B. The following items shall be excluded from the sales and use tax imposed
2 by any taxing authority:

3 (1) Sales of tangible personal property by the Military Department which
4 occur on an installation or other property owned or operated by the Military
5 Department, including thrift shops located on military installations.

6 (2) The lease or rental of property to be used in performance of a contract
7 with the United States Department of the Navy for construction or overhaul of U.S.
8 Naval vessels.

9 (3) For purposes of the sales of services, an action performed pursuant to a
10 contract with the United States Department of the Navy for construction or overhaul
11 of U.S. Naval vessels.

12 (4) The sale of corporeal movable property which is intended for future sale
13 to the United States government or its agencies, when title to the property is
14 transferred to the United States government or its agencies prior to the incorporation
15 of that property into a final product.

16 (5) The sale or purchase of equipment used in firefighting by bona fide
17 volunteer and public fire departments.

18 C. The following items shall be exempt from the sales and use tax imposed
19 by any taxing authority:

20 (1) Eligible food items, as defined by the United States Department of
21 Agriculture regulations for the Supplemental Nutrition Assistance Program (SNAP),
22 when the food items are purchased with SNAP benefits.

23 (2) Eligible food items authorized for purchase under the Women, Infants,
24 and Children's (WIC) Program as administered by the Department of Children and
25 Family Services when the items are purchased with WIC Program benefits.

1 (3) The exemptions granted pursuant to this Subsection shall remain in effect
2 as to each program only until applicable federal law, rules, or regulations permit the
3 levy and collection of sales and use taxes on those exempted items without
4 jeopardizing the contribution of funds by the federal government to the program.

5 ~~§305.8. Exclusions and exemptions; pesticides used for agricultural purposes~~
6 Exclusion; funeral directing services

7 A. The tax imposed sales and use tax levied by taxing authorities shall not
8 apply to sale at retail to a commercial farmer as defined in R.S. 47:301(30) of
9 ~~pesticides used for agricultural purposes, including particularly but not by way of~~
10 ~~limitation, insecticides, herbicides and fungicides~~ funeral directing services.

11 B. For purposes of this Section, "funeral directing services" means the
12 operation of a funeral home including, but not limited to any service whatsoever
13 connected with the management of funerals, or the supervision of hearses or funeral
14 cars, the cleaning or dressing of dead human bodies for burial, and the performance
15 or supervision of any service or act connected with the management of funerals from
16 time of death until the body or bodies are delivered to the cemetery, crematorium,
17 or other agent for the purpose of disposition. Funeral directing services shall not
18 mean or include the sale, lease, rental, or use of any tangible personal property as
19 those terms are defined in R.S. 47:301.

20 * * *

21 ~~§305.10. Exclusions and exemptions;~~ Exemptions; property purchase for first use
22 outside the state

23 * * *

24 F. "Use for a taxable purpose" shall not include, for purposes of this Section,
25 transportation beyond the territorial limits of the state; transportation back into the
26 state; and repairing, modifying, further fabrication, and storing for first use offshore
27 beyond the territorial limits of any state. Storage and withdrawal from storage for
28 first use offshore beyond the territorial limits of any state is not a taxable use for
29 purposes of this Section. Charges for repairs in Louisiana to tangible personal

1 property for use in offshore areas are taxable, except those described in ~~R.S.~~
2 ~~47:305(F)~~ R.S. 47:305(H).

3 * * *

4 §305.12. Prohibition on levy of taxes on nongaming incentives or inducements

5 A.(1) Except as expressly provided in R.S. 33:4574.11 or by express written
6 agreement duly signed and consented by the state or a local governing authority and
7 the holder of a license as defined in R.S. 27:44 and provided for in Chapter 4 of Title
8 27 of the Louisiana Revised Statutes of 1950, no fee or tax shall be levied on
9 nongaming incentives or inducements granted by such licensee to a patron on a
10 complimentary basis, or solely through the redemption of rewards from a loyalty
11 rewards program, including room stays. If nongaming incentives or inducements are
12 granted to a patron by a licensee on a discounted basis, or partially through the
13 redemption of rewards from a loyalty rewards program, any fee or taxes levied shall
14 be limited to the actual cash portion, if any, paid by the patron and no tax shall be
15 applied to the extent of the discount or rewards.

16 (2) Except as expressly provided in R.S. 33:4574.11 or by express written
17 agreement duly signed and consented to by the state or a local governing authority
18 and the holder of a license as defined in R.S. 27:353 and provided for in Chapter 7
19 of Title 27 of the Louisiana Revised Statutes of 1950, no fee or tax shall be levied
20 on nongaming incentives or inducements granted by such licensee to a patron on a
21 complimentary basis, or solely through the redemption of rewards from a loyalty
22 rewards program, including room stays. If nongaming incentives or inducements are
23 granted to a patron by a licensee on a discounted basis, or partially through the
24 redemption of rewards from a loyalty rewards program, any fee or taxes levied shall
25 be limited to the actual cash portion, if any, paid by the patron and no tax shall be
26 applied to the extent of the discount or rewards.

27 B. No provision of this Section shall be construed to change the definition
28 of net gaming proceeds for the purpose of the taxes provided for pursuant to Title 27

1 of the Louisiana Revised Statutes of 1950, nor shall it increase any allowance for
2 promotional play provided for by law.

3 C. Notwithstanding any other provision of this Section to the contrary,
4 nothing in this Section shall be interpreted to restrict the imposition of sales or use
5 tax on the following:

6 (1) Any sales tax levied upon the purchase by a licensee of tangible personal
7 property, including meals and beverages, used as a complimentary incentive or
8 inducement.

9 (2) Any use tax levied upon the use by a licensee of tangible personal
10 property, including meals and beverages, used as a complimentary incentive or
11 inducement.

12 (3) Any sales or use tax due on parking, admissions, or entertainment
13 provided on a complimentary or discounted basis if that tax is otherwise due under
14 applicable law.

15 ~~§305.13. Exclusions and exemptions; admissions to entertainments furnished by~~
16 ~~certain domestic nonprofit corporations~~ Exemption; purchases by certain
17 religious institutions

18 ~~The sales tax imposed by taxing authorities shall not apply to the sale of~~
19 ~~admissions to entertainment events furnished by recognized domestic nonprofit~~
20 ~~charitable, educational and religious organizations when the entire proceeds from~~
21 ~~such sales, except for necessary expenses connected with the entertainment events,~~
22 ~~are used for the purposes for which the organizations furnishing the events were~~
23 ~~organized.~~

24 A. The sales and use tax levied by any taxing authority shall not apply to
25 purchases of bibles, song books, or literature used for religious instruction classes
26 by a church or synagogue that is recognized by the United States Internal Revenue
27 Service as entitled to exemption under Section 501(c)(3) of the United States Internal
28 Revenue Code.

1 C. An owner who has obtained a certificate of exemption shall, with respect
2 to the vessel identified in the certificate for the harvesting or production of fish and
3 other aquatic life, including shrimp, oysters, and clams, ~~and certain seafood~~
4 ~~processing facilities described in Subsection A~~, be exempt from the taxes described
5 in Subsection A, as follows:

6 (1) Taxes applied to the materials and supplies necessary for repairs to the
7 vessel or facility if they are purchased by the owner and later become a component
8 part of the vessel ~~or facility~~.

9 (2) Taxes applied to materials and supplies purchased by the owner of the
10 vessel ~~or facility~~ where ~~such~~ the materials and supplies are loaded upon the vessel
11 ~~or delivered to the facility~~ for use or consumption in the maintenance and operation
12 thereof for commercial fishing ~~and processing~~ ventures. For purposes of this
13 Paragraph, it shall make no difference whether the vessel is engaged in interstate,
14 foreign, or intrastate commerce.

15 (3) Taxes applied to repair services performed upon the vessel ~~or facility~~.
16 For the purposes of this Paragraph, it shall make no difference whether the vessel is
17 engaged in intrastate, interstate, or foreign commerce.

18 (4) Taxes applied to the purchase of gasoline, diesel fuel, and lubricants for
19 the vessel ~~and to sources of energy and fuels for the facility~~.

20 D. Any person who would otherwise be entitled to a certificate of exemption,
21 shall be exempt from all taxes applied to the purchase of any vessel which the
22 Department of Revenue determines, ~~under its~~ in accordance with rules and
23 regulations, will be used principally and predominantly for commercial fishing
24 ventures. This determination may be made prior to the sale by the department at
25 which time it shall issue to the applicant a certificate of exemption. Where
26 application is made prior to the purchase, the burden shall be on the applicant to
27 demonstrate that the vessel will be used principally and predominantly for
28 commercial fishing ventures. If application for a certificate of exemption is made
29 after purchase, a certificate of exemption shall issue and the Department of Revenue

1 shall give a rebate, out of funds made available therefor, for all taxes paid; but this
2 shall take place only where the applicant has demonstrated his and the vessel's
3 qualifications under this Section. ~~This Subsection shall be made applicable only to~~
4 ~~purchases made subsequent to September 12, 1975.~~

5 * * *

6 §305.39. Exclusions and exemptions; butane, propane, or other liquefied petroleum
7 gases purchased for private residential consumption

8 Solely for purposes of the sales and use taxes levied by the state, such taxes
9 imposed by R.S. 47:302(A), R.S. 47:321(A), ~~and R.S. 47:331(A)~~ 321(A), 321.1(A),
10 and 331(A) shall not apply to direct consumer purchases of butane, propane, or other
11 liquefied petroleum gases for the private residential purposes of cooking and heating.

12 * * *

13 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;
14 railroad ties

15 * * *

16 B. ~~The sales and use tax imposed by the state of Louisiana or any of its local~~
17 ~~political subdivisions shall not apply to contract carrier buses if such buses are used~~
18 ~~at least eighty percent of the time in interstate commerce.~~

19 C.(1) ~~For purposes of this Section, the term "bus" shall mean a commercial~~
20 ~~vehicle with a minimum passenger capacity of thirty-five persons and a minimum~~
21 ~~gross vehicle weight of twenty-six thousand pounds.~~

22 (2) ~~For purposes of this Section, the term "contract carrier" shall mean any~~
23 ~~person transporting, other than as a common carrier, persons for hire, charge, or~~
24 ~~compensation, over any highway of this state, or however utilizing said public~~
25 ~~facilities for private gain to be realized chiefly out of such transportation service.~~

26 D. The deputy secretary of public safety services of the Department of Public
27 Safety and Corrections ~~is hereby authorized to~~ may promulgate such forms and rules
28 ~~as may be~~ in accordance with the Administrative Procedure Act necessary to
29 implement the provisions of this Section.

1 ~~shall equal fifty percent of the sales and use tax paid by the winning bidder on~~
2 ~~fiber-optic cable equipment.~~

3 ~~(2) Each item of fiber-optic cable equipment shall be eligible for only a~~
4 ~~single rebate pursuant to this Section. Subsequent transactions involving the sale or~~
5 ~~resale of the same item of fiber-optic cable equipment shall not be eligible for any~~
6 ~~rebate authorized pursuant to this Section.~~

7 ~~(3) The rebate authorized pursuant to this Section shall not be allowed for~~
8 ~~the purchases of fiber-optic cable equipment that are paid for with state or federal~~
9 ~~funds, unless the state or federal funds are reported as taxable income or are~~
10 ~~structured as repayable loans.~~

11 ~~€.(1)(a)~~ Subject to the limitation provided in Subparagraph (b) of this
12 Paragraph, ~~an approved data center facility shall be eligible for a rebate, to be paid~~
13 ~~annually, of Louisiana state and local sales and use taxes paid for the purchase of~~
14 ~~shall not apply to eligible data center equipment purchased by and for sales tax paid~~
15 ~~on expenditures of an approved data center facility~~ for the development, acquisition,
16 construction, lease, repair, refurbishment, expansion, and renovation of a qualified
17 data center, including but not limited to costs of construction and building materials,
18 site characterization and assessment, engineering, design, and labor and installation
19 services used directly and exclusively in a qualified data center.

20 (b) Only purchases made on or after July 1, 2024, shall be eligible for the
21 ~~rebate exemption~~ authorized in this Subsection.

22 (2) To be certified as an approved data center by Louisiana Economic
23 Development, the data center facility operator shall provide a sworn attestation that
24 the project will create a minimum of fifty new direct, permanent jobs in Louisiana
25 and intends to expend at least two hundred million dollars in new capital investment
26 in Louisiana on or after July 1, 2024, and before July 1, 2029. An approved data
27 center shall be issued a Direct Payment Number in accordance with the applicable
28 provisions of R.S. 47:303.1.

1 (3)(a) A facility that has been certified as an approved data center facility
 2 shall enter into an agreement with Louisiana Economic Development that comports
 3 with the requirements of this Paragraph.

4 (b) The agreement shall provide a term of ~~rebate~~ exemption eligibility, an
 5 initial term of twenty years, a list of all eligible recipients of the ~~rebate~~ exemption,
 6 ~~and~~ language that authorizes the state to terminate the agreement and ~~recapture any~~
 7 ~~rebates~~ language that authorizes the state and local taxing authority to assess and
 8 collect any sales and use taxes due if the data center facility fails to fulfill, or
 9 Louisiana Economic Development determines that the facility will be unable to
 10 fulfill, its statutory and contractual obligations.

11 (c) Upon the expiration of the initial term of the agreement, Louisiana
 12 Economic Development may renew the agreement for an additional ten years.

13 (d) Louisiana Economic Development may include in the agreement any
 14 additional conditions that it deems appropriate.

15 (4) The department may utilize any collection remedy authorized by ~~R.S.~~
 16 ~~47:1561.2 for any rebates subject to recapture~~ Chapter 18 of this Subtitle based on
 17 termination of the agreement with Louisiana Economic Development or a
 18 determination that ~~the~~ a purchase did not qualify for the ~~rebate~~ exemption. ~~If a~~
 19 ~~rebate is subject to recapture, the approved data center facility shall reimburse the~~
 20 ~~department or its agent for any costs incurred.~~

21 C. Any overpayment resulting from an approved data center's payment of
 22 sales and use tax on exempt purchases or expenditures shall not be entitled to interest
 23 on refunds provided for in R.S. 47:337.80 or 1624.

24 ~~D.(1) Requests for the rebates of state sales and use taxes pursuant to the~~
 25 ~~provisions of this Section shall be processed by the department. A taxpayer shall~~
 26 ~~request a state rebate using the form and in the manner prescribed by the department.~~

27 ~~(2) A taxpayer who requests a rebate pursuant to Subsection B of this~~
 28 ~~Section shall submit documentation to the department evidencing the purchase of~~
 29 ~~fiber-optic cable equipment and that the purchaser is a winning bidder that was~~

1 ~~awarded a census block by the Federal Communications Commission in the Rural~~
2 ~~Digital Opportunity Fund Auction.~~

3 ~~(3) A taxpayer who requests a rebate pursuant to Subsection C of this~~
4 ~~Section shall do all of the following:~~

5 ~~(a) Obtain certification from Louisiana Economic Development that the data~~
6 ~~center is an approved data center facility eligible to receive a rebate provided for in~~
7 ~~Subsection C of this Section, in accordance with administrative rules. A copy of the~~
8 ~~certification shall be submitted to the department with the request for rebate.~~

9 ~~(b) Submit documentation to the department evidencing the purchases~~
10 ~~eligible for the rebate.~~

11 ~~E.(1) Requests for the rebate of local sales and use taxes pursuant to the~~
12 ~~provisions of this Section shall be processed by the appropriate local taxing~~
13 ~~authority. A taxpayer shall claim a local rebate using the form and in the manner~~
14 ~~required by the local taxing authority.~~

15 ~~(2) A taxpayer who requests a rebate pursuant to Subsection B of this~~
16 ~~Section shall submit documentation to the local taxing authority evidencing the~~
17 ~~purchase of fiber-optic cable equipment and documentation evidencing that the~~
18 ~~purchaser is a winning bidder that was awarded a census block by the Federal~~
19 ~~Communications Commission in the Rural Digital Opportunity Fund Auction.~~

20 ~~(3) A taxpayer who requests a rebate pursuant to Subsection C of this~~
21 ~~Section shall submit documentation to the applicable local taxing authority~~
22 ~~evidencing the purchases eligible for the rebate.~~

23 F.(1)D. The department and the Louisiana Uniform Local Sales Tax Board,
24 respectively, may promulgate rules and regulations in accordance with the
25 Administrative Procedure Act as necessary for the implementation of this Section.

26 ~~(2) The rules of the department may include, without limitation, the method~~
27 ~~for processing and paying rebates of state sales and use taxes authorized by this~~
28 ~~Section. The method may comprise a first come, first-served system, or any other~~

1 ~~procedure which the department, in its discretion, may find beneficial for~~
2 ~~administration of the rebate.~~

3 * * *

4 §305.75. Exemptions; ~~feminine hygiene products and~~ diapers

5 A. The sales and use tax imposed by ~~the state of Louisiana or any political~~
6 ~~subdivision whose boundaries are coterminous with those of the state~~ any taxing
7 authority shall not apply to the purchase of ~~feminine hygiene products; diapers; or~~
8 ~~both~~ for individual personal use.

9 B. For ~~the~~ purposes of this Section: the term "diaper"

10 (1) ~~"Diaper"~~ means any absorbent diaper or undergarment used for
11 incontinence in adults and any absorbent diaper or undergarment designed to be
12 worn by a child who cannot yet control bladder or bowel movements.

13 (2) ~~"Feminine hygiene product"~~ means ~~tampons, menstrual pads, sanitary~~
14 ~~napkins, panty liners, menstrual sponges, and menstrual cups, including disposable~~
15 ~~and washable versions of these items.~~

16 * * *

17 §306.5. Annual reporting requirement

18 * * *

19 B. The transactions listed in this Subsection shall be subject to the annual
20 reporting requirement.

21 (1) ~~Sales of room rentals by a camp or retreat facility owned by a nonprofit~~
22 ~~organization as provided in R.S. 47:301(6)(b).~~

23 (2) Sales of room rentals by a homeless shelter as provided in ~~R.S.~~
24 ~~47:301(6)(c)~~ R.S. 47:305(E)(1).

25 (3) ~~Sales by a nonprofit entity which sells donated goods as provided in R.S.~~
26 ~~47:301(8)(f).~~

27 (4)(2) Sales of food items by a youth-serving organization chartered by the
28 United States Congress as provided in ~~R.S. 47:301(10)(h)~~ R.S. 47:305(D)(1)(d).

1 under this Chapter, and Chapters 2-A and 2-B of this Subtitle, ~~and R.S. 51:1286~~ shall
2 be used as provided in this Section. The dedication of revenues provided for in this
3 Subsection shall in no way be interpreted to include any monies collected pursuant
4 to the taxes imposed under R.S. 47:321.1.

5 * * *

6 §321. Imposition of tax

7 A. In addition to the tax levied by R.S. 47:302(A) and 331(A) and collected
8 under the provisions of Chapter 2 of Subtitle II of this Title, there is hereby levied
9 an additional tax upon the sale at retail, the use, the consumption, the distribution,
10 and the storage for use or consumption in this state of each item or article of tangible
11 personal property, as defined in Chapter 2 of Subtitle II of this Title. The levy of
12 said tax shall be as follows:

13 (1) At the rate of one percent of the sales price of each item or article of
14 tangible personal property when sold at retail in this state ~~except for prepaid calling~~
15 ~~service and prepaid wireless calling service~~, the tax to be computed on gross sales
16 for the purpose of remitting the amount of tax to the state, and to include each and
17 every retail sale.

18 (2) At the rate of one percent of the cost price of each item or article of
19 tangible personal property ~~except for prepaid calling service and prepaid wireless~~
20 ~~calling service~~ when the same is not sold but is used, consumed, distributed, or
21 stored for use or consumption in this state, provided that there shall be no duplication
22 of the tax.

23 * * *

24 C. In addition to the tax levied on sales of services by R.S. 47:302(C) and
25 331(C) and collected under the provisions of Chapter 2 of Subtitle II of this Title,
26 there is hereby levied a tax upon all sales of services, as defined by said Chapter 2
27 of Subtitle II of this Title, in this state, at the rate of one percent of the amounts paid
28 or charged for such services; ~~however, the tax levied by this Section shall not apply~~

1 (1) At the rate of ~~ninety-seven one hundredths of one percentum~~ one percent
2 of the sales price of each item or article of tangible personal property when sold at
3 retail in this state, the tax to be computed on gross sales for the purpose of remitting
4 the amount of tax to the state, and to include each and every retail sale.

5 (2) At the rate of ~~ninety-seven one hundredths of one percentum~~ one percent
6 of the cost price of each item or article of tangible personal property when the same
7 is not sold but is used, consumed, distributed, or stored for use or consumption in this
8 state, provided that there shall be no duplication of the tax.

9 B. In addition to the tax levied by R.S. 47:302(B) and 321(B) and collected
10 under the provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised
11 Statutes of 1950, there is hereby levied a tax upon the lease or rental within this state
12 of each item or article of tangible personal property, as defined by said Chapter 2 of
13 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950; the levy of said tax
14 to be as follows:

15 (1) At the rate of ~~ninety-seven one hundredths of one percentum~~ one percent
16 of the gross proceeds derived from the lease or rental of tangible personal property,
17 as defined in Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes
18 of 1950, where the lease or rental of such property is in an established business, or
19 part of an established business, or the same is incidental or germane to the business.

20 (2) At the rate of ~~ninety-seven one hundredths of one percentum~~ one percent
21 of the monthly lease or rental price paid by a lessee or rentee, or contracted or agreed
22 to be paid by a lessee or rentee to the owner of the tangible personal property.

23 C. In addition to the tax levied on sales of services by R.S. 47:302(C) and
24 321(C) and collected under the provisions of Chapter 2 of Subtitle II of this Title,
25 there is hereby levied a tax upon all sales of services in this state, as defined by
26 Chapter 2 of Subtitle II of this Title, at the rate of ~~ninety-seven one hundredths of~~
27 ~~one percent of the amounts paid or charged for such services. The tax levied by this~~
28 ~~Section shall not apply to the furnishing of interstate telecommunications services~~

1 ~~regulation has been received by the secretary by January 1, 2004, then that regulation~~
 2 Regulations of the Department of Revenue in effect on January 1, 2025, concerning
 3 a common sales tax law shall be applicable to all local tax authorities. If the
 4 regulation is amended, then that regulation as amended shall be applicable to both
 5 the state and to local taxing authorities notwithstanding any prior construction of
 6 ~~such~~ the law.

7 * * *

8 (4)(a) No regulatory action of the Department of Revenue concerning a
 9 common sales tax law shall be applicable to local tax authorities unless ~~such~~ the
 10 regulatory action is proposed and adopted in accordance with the provisions of this
 11 Paragraph. The procedure provided for in this Paragraph shall be specifically
 12 applicable to the following regulatory actions:

13 (i) ~~Regulations in effect on July 1, 2003, for which a written request for an~~
 14 ~~amendment has been received as provided for in Paragraph (2) of this Subsection.~~

15 (ii) Written requests by a collector for the adoption of a regulation as
 16 provided for in Paragraph (3) of this Subsection.

17 (iii)(ii) Adoption, amendment, or repeal of regulations proposed after July
 18 1, 2003, by the secretary.

19 (b)(i) Any regulatory action concerning the regulations provided for in this
 20 Section shall be the same as is provided for in the Administrative Procedure Act,
 21 except as follows:

22 (aa)

23 * * *

24 (II) The secretary shall also make the same request of the board when a
 25 request has been received for ~~an amendment of a regulation as provided for in~~
 26 ~~Paragraph (2) of this Subsection~~ or for the adoption of a regulation as provided for
 27 in Paragraph (3) of this Subsection.

28 (bb)

29 * * *

1 (II) In the same manner, the secretary shall provide for the receipt of input
 2 from a representative of any collector who has made a written request for the
 3 ~~amendment of a regulation as provided for in Paragraph (2) of this Subsection or for~~
 4 ~~the~~ adoption of a regulation as provided for in Paragraph (3) of this Subsection. In
 5 that case, if the collector also requests a meeting, the secretary shall convene ~~such~~
 6 a meeting to receive ~~such~~ input from the collector within fifteen days of the request,
 7 unless another time is agreed to by the collector, at a time and place of the secretary's
 8 choosing; however, if more than two collectors have made a request for ~~such~~ a
 9 meeting, they shall select not more than two representatives to participate in ~~such the~~
 10 meeting on their behalf.

11 * * *

12 §337.4. Levy of sales and use taxes

13 * * *

14 B. The local ordinance shall contain the following:

15 * * *

16 (6) ~~Optional exclusions or exemptions allowed by state sales and use tax law,~~
 17 ~~adopted by the local ordinance pursuant to state law.~~

18 (7) Exclusions and exemptions adopted pursuant to legislation enacted ~~under~~
 19 pursuant to Article VI, Section 29(D)(1) of the Constitution of Louisiana, but not
 20 allowed as an exclusion or exemption from state sales and use tax.

21 (8)(7) Penalty, interest, or attorney fees due on the sales and use tax. The
 22 amount of ~~such the~~ penalty, interest, and attorney fees shall be limited as provided
 23 by law, including relevant jurisprudence, until ~~such the~~ statute or jurisprudence is
 24 changed.

25 * * *

26 §337.6. Definitions

27 * * *

28 B. The words, terms, and phrases used in this Chapter shall have the same
 29 meaning ascribed to them as provided for in ~~R.S. 47:301~~ Chapter 2 of this Subtitle,

1 unless the context clearly indicates a different meaning, except to the extent
2 expressly limited in that Section.

3 * * *

4 §337.8. Prohibited exemptions; specific application required

5 * * *

6 B.(1) No exemption from state sales and use tax enacted or granted after July
7 1, 2003, and before January 1, 2025, shall be applicable to the sales and use tax
8 imposed by local taxing authorities unless the exemption expressly states within its
9 statutory language that it applies to sales and use taxes imposed by local taxing
10 authorities.

11 (2) Any exemption enacted after July 1, 2003, that ~~expressly states within~~
12 ~~its statutory language that it applies to sales and use taxes imposed by local taxing~~
13 ~~authorities~~ or any taxing authority shall be effective as provided in the Act, and shall
14 be added to this Chapter by the Law Institute pursuant to R.S. 47:337.87.

15 * * *

16 §337.10. Optional ~~exclusions and~~ exemptions

17 A. ~~As provided for in R.S. 47:305(D)(5)(c), for the time after July 1, 1999,~~
18 ~~a taxing authority may by ordinance or resolution provide for the following:~~

19 (1) ~~Except as provided for in R.S. 47:305.76 and 337.9(D)(34), an exemption~~
20 ~~for the sale of prescription drugs used in the treatment of various diseases or injuries,~~
21 ~~or an exemption for the procurement and administration of chemotherapy drugs, if~~
22 ~~such drugs are used exclusively by the patient in his medical treatment if~~
23 ~~administered exclusively to the patient by a physician, nurse, or other health care~~
24 ~~professional in a physician's office where patients are not regularly kept as bed~~
25 ~~patients for twenty-four hours or more.~~

26 (2) ~~An amnesty for any person who may have been responsible to impose,~~
27 ~~collect, and/or remit the tax previously imposed on the transactions provided for in~~
28 ~~Paragraph (1) this Subsection prior to the time such exemption and/or amnesty is~~

1 granted according to such reasonable terms and conditions as the respective taxing
2 authorities may adopt.

3 B. As provided for in R.S. 47:305.25(B) and (C):

4 (1) In the parish of West Carroll, the parish school board may exempt the
5 farm equipment as provided in R.S. 47:305.25(A) from additional sales and use taxes
6 after approval by a majority of the qualified electors of the parish and the police jury
7 may exempt the equipment as provided in that Section from all sales and use taxes
8 which it is presently levying and collecting and shall exempt such equipment from
9 any additional sales and use tax or taxes which it may hereafter levy and collect.

10 (2) Except as provided in Paragraph (1) of this Subsection:

11 (a) A city or parish school board may by resolution adopted by the board
12 provide an exemption for farm equipment as defined in R.S. 47:305.25(A).

13 (b) The governing authority of a municipality may by resolution or ordinance
14 provide an exemption for farm equipment as defined in R.S. 47:305.25(A) from all
15 of its sales and use taxes.

16 (c) The governing authority of a parish may by resolution or ordinance
17 provide an exemption for farm equipment as defined in R.S. 47:305.25(A) from all
18 of its sales and use taxes and all sales and use taxes of political subdivisions levied
19 solely within the territory of the parish, except municipal and school board taxes.

20 C. As provided for in R.S. 47:305.30, notwithstanding the provisions of any
21 other law to the contrary, the governing authority of any political subdivision in the
22 parish of Plaquemines may exclude and exempt from any sales and use tax levied by
23 such governing authority any item excluded and exempted from the sales and use
24 taxes imposed by the state of Louisiana under Chapter 2 and Chapter 2-A of Subtitle
25 H of this Title. It is expressly provided that the provisions of this Subsection shall
26 also be applicable to any sales and use taxes being imposed by such governing
27 authority as of July 6, 1981; provided, that no bonds or other obligations payable
28 from the proceeds of such taxes have been issued and are outstanding.

1 ~~D. As provided for in R.S. 47:305.37(B) with regard to diesel fuel, propane,~~
2 ~~or other liquefied petroleum gases used or consumed for farm purposes, in Rapides~~
3 ~~Parish:~~

4 ~~(1) The parish school board may by resolution adopted by the board provide~~
5 ~~an exemption from its sales and use tax as is provided for state sales tax in R.S.~~
6 ~~47:305.37(A).~~

7 ~~(2) The governing authority of a municipality may by resolution or ordinance~~
8 ~~provide an exemption as is provided for state sales tax in R.S. 47:305.37(A) from its~~
9 ~~sales and use tax and all sales and use taxes of political subdivisions levied solely~~
10 ~~within the territory of the municipality, except school board taxes.~~

11 ~~(3) The governing authority of a parish may by resolution or ordinance~~
12 ~~provide an exemption as is provided for state sales tax in R.S. 47:305.37(A) from its~~
13 ~~sales and use tax and all sales and use taxes of political subdivisions levied within~~
14 ~~the territory of the parish and all sales taxes levied both within and without the~~
15 ~~municipality, except school board taxes.~~

16 ~~E. As provided for in R.S. 47:305.52, a political subdivision may, by~~
17 ~~ordinance, provide for a sales and use tax exemption within the entire area of the~~
18 ~~political subdivision for sales of custom computer software.~~

19 ~~F. As provided for in R.S. 47:301(14)(g)(i)(bb), any political subdivision,~~
20 ~~other than a tax authority in East Feliciana Parish to which the exclusion already~~
21 ~~applies, may apply the exclusion as defined in R.S. 47:301(14)(g)(i)(bb) to sales or~~
22 ~~use taxes levied by any such political subdivision, so that a charge for the furnishing~~
23 ~~of repairs to tangible personal property shall be excluded from sales of services, as~~
24 ~~defined in R.S. 47:301(14)(g)(i), when the repaired property is (1) delivered to a~~
25 ~~common carrier or to the United States Post Office for transportation outside the~~
26 ~~state, or (2) delivered outside the state by use of the repair dealer's own vehicle or by~~
27 ~~use of an independent trucker. However, as to aircraft, delivery may be by the best~~
28 ~~available means. Offshore areas shall not be considered another state for the purpose~~
29 ~~of this Subsection and R.S. 47:301(14)(g)(i).~~

1 ~~G. As provided for in R.S. 47:301(16)(i)(vi), taxing authorities are hereby~~
2 ~~authorized to provide an exemption from any local sales and use tax liability to any~~
3 ~~taxpayers holding a Federal Communications Commission license issued pursuant~~
4 ~~to 47 CFR Part 73 which have purchased any of the digital television conversion~~
5 ~~equipment and/or digital radio conversion equipment listed in R.S. 47:301(16)(i)(i)~~
6 ~~and (i)(ii). Local taxing authorities are further authorized to provide a credit against~~
7 ~~any tax liability for the amount of local sales tax paid by taxpayers holding Federal~~
8 ~~Communications Commission licenses issued pursuant to 47 CFR Part 73 on any~~
9 ~~equipment listed in Item (i) or (ii) of 47:301(16)(f) purchased subsequent to January~~
10 ~~1, 1999, but prior to June 25, 2002.~~

11 ~~H.(1) Political subdivisions are prohibited from levying a sales and use tax~~
12 ~~on telecommunication services as defined in Chapter 2 of Subtitle H of this Title not~~
13 ~~in effect on July 1, 1990.~~

14 ~~(2) The provisions of this Paragraph shall not be construed to prohibit the~~
15 ~~levy or collection of any franchise, excise, gross receipts, or similar tax or~~
16 ~~assessment by any political subdivision of the state as defined in Article VI, Section~~
17 ~~44(2) of the Constitution of Louisiana.~~

18 ~~I.(1) A political subdivision may provide for a sales and use tax exclusion~~
19 ~~exemption as provided for in R.S. 47:301(3)(f), (13)(k), or (28) R.S. 47:305(A)~~
20 ~~through (E), or any combination of these or all of them, for the sales, cost, or lease~~
21 ~~and rental price of manufacturing machinery and equipment, either effective upon~~
22 ~~adoption or enactment or phased in over a period of time, or effective for a certain~~
23 ~~period of time or duration, all as set forth in the instrument, resolution, vote, or other~~
24 ~~affirmative action providing for the exclusion exemption.~~

25 ~~(2) B. Pursuant to the authority provided for in Paragraph (1) of this~~
26 ~~Subsection Subsection A of this Section, a political subdivision may provide an~~
27 ~~exclusion exemption from its tax for any class or classes of manufacturers, including~~
28 ~~a glass container manufacturer with a NAICS Code of 327213.~~

1 ~~(3)(a) Pursuant to the authority provided for in Paragraph (1) of this~~
2 ~~Subsection, a political subdivision may provide an exclusion from its tax for any~~
3 ~~other machinery, equipment, supplies, materials, or services used or consumed in the~~
4 ~~business of farming.~~

5 ~~(b) The authority provided to political subdivisions in this Paragraph shall~~
6 ~~be in addition to the authority provided to political subdivisions in Paragraph (1) of~~
7 ~~this Subsection to exclude from their tax machinery and equipment that is eligible~~
8 ~~for depreciation for federal income tax purposes and that is used as an integral part~~
9 ~~of the production, processing, and storing of food and fiber or of timber by an~~
10 ~~individual or entity which is assigned by the Louisiana Workforce Commission a~~
11 ~~North American Industrial Classification System code within the agricultural,~~
12 ~~forestry, fishing, and hunting Sector 11, all as defined in and provided for in R.S.~~
13 ~~47:301(3)(i)(ii), and the authorization in Subsections B, C, and D of this Section for~~
14 ~~certain political subdivisions to exempt that portion of the sales price of farm~~
15 ~~machinery and equipment provided for in R.S. 47:305.25(A) in excess of fifty~~
16 ~~thousand dollars, or any other exclusion or exemption that may be provided by law.~~

17 ~~J. A political subdivision may by ordinance or resolution provide that sales~~
18 ~~and use tax imposed by the political subdivision shall not apply to parts or services~~
19 ~~used in the fabrication, modification, or repair of rail rolling stock.~~

20 ~~K.(1) Except as provided in Paragraph (2) of this Subsection, the following~~
21 ~~medications shall be exempt from the sales and use tax of any political subdivision~~
22 ~~in Caddo Parish:~~

23 ~~(a) Vaso-endothelial growth factor, known as VEGF inhibitors, including but~~
24 ~~not limited to Visudyne and Macugen.~~

25 ~~(b) Complex biologics such as monoclonal antibodies, including but not~~
26 ~~limited to Infliximab.~~

27 ~~(2) The provisions of Paragraph (1) of this Subsection shall not apply to sales~~
28 ~~and use taxes levied by the parish governing authority, the school board, or the~~
29 ~~sheriff of any such parish until after July 1, 2006.~~

1 ~~L. A political subdivision located in St. Charles Parish may by ordinance or~~
 2 ~~resolution provide that sales and use tax imposed by the political subdivision shall~~
 3 ~~not apply to the same purchases, at the same time, according to the same definitions~~
 4 ~~and procedures, under the same conditions, and exempting the same amount of sales~~
 5 ~~price or cost price of tangible personal property as provided for in Act No. 244 of the~~
 6 ~~2007 Regular Session of the Legislature or in any other act enacted in that session~~
 7 ~~or in any other session which provides for annual sales tax holidays.~~

8 ~~M. A political subdivision may by ordinance or resolution provide that sales~~
 9 ~~and use tax imposed by the political subdivision shall not apply to storm shutter~~
 10 ~~devices as defined in R.S. 47:301(10)(cc).~~

11 ~~O. As provided for in R.S. 47:305.64, political subdivisions, including~~
 12 ~~municipalities and parishes, may elect to provide for a sales and use tax exemption~~
 13 ~~for the amount paid by qualifying radiation therapy treatment centers for the~~
 14 ~~purchase, lease, or repair of capital equipment and the purchase, lease, or repair of~~
 15 ~~software used to operate capital equipment.~~

16 ~~P. As provided for in R.S. 47:337.10.2, a political subdivision may by~~
 17 ~~ordinance or resolution exempt purchases of feminine hygiene products, diapers, or~~
 18 ~~both for personal use from all or part of the sales and use tax levied by the political~~
 19 ~~subdivision.~~

* * *

§337.13. Collection of sales and use taxes by political subdivisions

22 A. Any sales and use tax levied by taxing authorities located within a single
 23 parish ~~may~~ shall be collected by a single tax collector for that parish or a central
 24 collection commission in accordance with R.S. 47:337.14.

* * *

§463.8. Antique license plates and license plates for antique motor vehicles and
motorcycles

* * *

1 B.(1)

2 * * *

3 (b)(i) ~~Except as provided in Item (ii) of this Subparagraph, after~~ From
4 August 15, 1999, through June 30, 2019, and beginning January 1, 2025, and
5 thereafter, the fee for issuing such special plates for antique motor vehicles or
6 motorcycles shall be a one-time fee of twenty-five dollars and a one-time fee of fifty
7 dollars for the personalized prestige plates.

8 (ii) ~~After June 30, 2019,~~ Beginning July 1, 2019, through December 30,
9 2024, the fee for issuing special plates for antique motor vehicles which qualify for
10 the sales and use tax exemption in R.S. 47:6040 shall be one thousand dollars.

11 * * *

12 (3) The fee for transferring a special license plate for an antique motor
13 vehicle or an antique license plate to a subsequent owner of the vehicle shall be three
14 dollars. ~~Beginning July 1, 2019, the fee for transferring a license plate for an antique~~
15 ~~motor vehicle or an antique license plate to a subsequent owner of the vehicle for a~~
16 ~~motor vehicle that qualifies for the sales and use tax exemption in R.S. 47:6040 shall~~
17 ~~be one thousand dollars.~~

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

29 * * *

1 Section 5. R.S. 51:1286 is hereby amended and reenacted to read as follows:

2 §1286. Sales and use tax

3 A. In order to provide funds for the purpose of assisting the state in the
4 promotion of tourism, ~~the district is hereby authorized, to levy and collect a sales and~~
5 ~~use tax not to exceed three one hundredths of one percent, said tax to be effective on~~
6 ~~or after July 1, 1990~~ after allocation of money to the bond Security and Redemption
7 Fund as provided in Article VII, Section 9(B) of the Constitution, the treasurer shall
8 deposit in and credit to the district, three one hundredths of one percent of the avails
9 of the tax imposed by R.S. 47:331.

10 ~~B. The tax so authorized shall be imposed by ordinance adopted by the~~
11 ~~district without the need of an election and shall be levied upon the sale at retail, the~~
12 ~~use, the lease or rental, the distribution, the consumption, and the storage for use or~~
13 ~~consumption of tangible personal property, and on sales of services in the state of~~
14 ~~Louisiana, as now or hereafter defined in and as provided by Chapter 2 of Subtitle~~
15 ~~H of Title 47 of the Louisiana Revised Statutes of 1950, subject to the exemptions~~
16 ~~and suspensions of exemptions to the same extent that such exemptions and~~
17 ~~suspensions of exemptions now or hereafter apply to the tax levied in R.S. 47:331.~~

18 ~~C.(1)~~B.(1) The proceeds of the tax herein authorized shall be irrevocably
19 pledged and dedicated for the purposes and in the order of priority as provided in
20 Paragraph (2) of this Subsection.

21 (2)(a) For paying costs annually incurred that are associated with the levy
22 and collection of the sales tax authorized by this Subpart.

23 (b) To transfer such amounts as may be determined by the district to the
24 Department of Culture, Recreation and Tourism for the promotion of the state's
25 tourism industry through the purchase of media advertisement, including but not
26 limited to newspaper, magazine, billboard, radio, and television advertisement.

27 (c) To transfer such amounts as may be determined by the district to the
28 Department of Culture, Recreation and Tourism to assist the state in the promotion
29 of tourism. Provided that any funds used by the department for the purchase of in-

1 state media advertisement shall not exceed ten percent of all funds used for the
 2 purchase of media advertisement, and that such expenditures are consistent with the
 3 office of tourism's strategic plan for marketing.

4 ~~(4)~~ (3) Any expenditure of funds by the Department of Culture, Recreation
 5 and Tourism from amounts transferred by the district in accordance with Paragraphs
 6 (1) and (2) of this Subsection shall be by annual appropriation by the legislature and
 7 shall be consistent with the tourism strategic plan.

8 ~~D.C.~~ The district may contract with the state for the collection of said sales
 9 and use taxes under such terms and conditions as it may deem appropriate, and may
 10 adopt such rules and regulations pursuant thereto regarding the enforcement and
 11 collection of the tax authorized by this Section.

12 Section 6. Part V of Chapter 3 of Title 40, comprised of R.S. 40:582.1 through
 13 582.7, R.S. 47:9, 301(4)(m) and (n) and (31), 301.1(B)(2)(e) and (f) and (F), 301.2, 302(F)
 14 through (J), (L) through (T), and (X) through (CC), 305(D)(3) through (6), 305.9, 305.14
 15 through 305.18, 305.24 through 305.26, 305.28, 305.30, 305.33, 305.36, 305.37, 305.40
 16 through 305.44, 305.46, 305.47, 305.49, 305.50(E) and (F), 305.52 through 305.54, 305.56
 17 through 305.65, 305.67, 305.68, 305.70, 305.71, 305.73(A)(5) and (6), (E), and (F), 305.74,
 18 305.75, 305.76, 305.77 through 305.80, 306(A)(3), (6), and (7), and (D), 315.1 through
 19 315.3, 315.5, 321(E) through (Q), 321.1(E), (F), (I), and (J), 331(F) through (W),
 20 337.2(A)(2) and (B)(3)(e) through (h), 337.4(B)(4) and (8), 337.5(A)(1)(e), 337.10.1 through
 21 337.10.2, 337.11.1, 337.11.2, 337.11.4, 337.18(A)(3), 337.23(C)(1)(a)(ii), 338.1(B),
 22 340(G)(6)(d), 6003, and 6040, and Chapter 10 of Title 51 of the Louisiana Revised Statutes
 23 of 1950, comprised of R.S. 51:1301 through 1316, are hereby repealed in their entirety.

24 Section 7. R.S. 47:305.76 is hereby repealed in its entirety.

25 Section 8. The Louisiana State Law Institute is hereby authorized and directed to
 26 review all statutes modified or repealed by this Act and make the necessary changes to the
 27 Uniform Local Sales Tax Code in accordance with R.S. 47:337.87.

1 Section 9. The provisions of Sections 1 through 6 of this Act shall be applicable to
 2 taxable periods beginning on and after January 1, 2025. The provisions of Section 7 of this
 3 Act shall be applicable to taxable periods beginning on and after July 1, 2025.

4 Section 10. The provisions of Section 7 of this Act shall become effective on July
 5 1, 2025 if the Act which originated as House Bill No. 1 of this 2024 Third Extraordinary
 6 Session of the Legislature is enacted and becomes effective.

7 Section 11. The provisions of this Section and Sections 1 through 6 and 8 through
 8 10 of this Act shall become effective if and when the Act which originated as House Bill No.
 9 1 of this 2024 Third Extraordinary Session of the Legislature is enacted and becomes
 10 effective.

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 10 Reengrossed

2024 Third Extraordinary Session

Wright

Abstract: Continues the levy of the .45% state sales tax rate but reduces the rate from .45% to .40%; makes suspension of the 2% sales tax exemption for business utilities permanent; repeals various sales and use tax exclusions in favor of establishing exemptions for these same items; repeals certain suspended sales tax exemptions and exclusions; exempts prescription drugs from local sales and use taxes; and provides for an optional local sales tax exemption for manufacturing machinery and equipment.

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 terminates the imposition of the .45% state sales tax levied pursuant to R.S. 47:321.1 on July 1, 2025.

Proposed law retains present law as it relates to the 3% state sales taxes levied pursuant to R.S. 47:302 and 321. Proposed law repeals expiration of the .45% state sales tax levy that was set to terminate on July 1, 2025, thereby making the .45% levy permanent but reduces the amount of the levy from .45% to .40%.

Proposed law repeals the .03% state sales tax levied pursuant to R.S. 51:1286 in favor of increasing the amount of the state sale tax levied in R.S. 47:331 from .97% to 1% and

provides that .03% of the avails of that levy shall be allocated to the La. Tourism Promotion District to be used for assisting the state in the promotion of tourism.

Present law provides for a variety of exemptions and exclusions applicable to state sales and use taxes, including an exemption for nonresidential uses of steam, certain water, electric power or energy, natural gas, and certain energy sources (R.S. 47:305(D)(1)(b), (c), (d), (g), and (h), hereinafter "business utilities"). Notwithstanding the general exclusions and exemptions in present law, each levy of sales and use taxes in present law includes or references an exclusive list of exclusions and exemptions that apply during the period beginning July 1, 2018, through June 30, 2025. Present law exempts business utilities from 2.45% of the state's 4.45% sales and use tax during this period.

Proposed law changes present law by making suspension of the 2% sales tax exemption for business utilities permanent thereby exempting business utilities from 2.45% of the state's 4.45% sales and use taxes. Proposed law includes purchases of electric power and natural gas by paper or wood products manufacturing facilities in the category of utilities subject to 2% of the state tax levied on business utilities.

Present law authorizes dealers who collect sales and use taxes on behalf of the state and locals to deduct and retain 1.05% of the total amount of taxes due for the purpose of compensating the dealer for accounting for and remitting the tax. Further authorizes municipalities to pay compensation to sales tax dealer in an amount designated by the governing body.

Proposed law repeals present law.

Retained Exclusions, Exemptions, Rebates, and Credits

Present law provides for a variety of exemptions and exclusions applicable to state sales and use taxes. Further provides for various rebates, refunds, and also provides for alternate reporting methods.

Proposed law retains the following exclusions and exemptions:

- (1) Food for home consumption
(R.S. 47:305(D)(1)(n) through (r) and Article VII, § 2.2 of the Constitution)
- (2) Natural gas, electricity, and water used for residential purposes
(Article VII, §2.2 of the Constitution)
- (3) Prescription drugs for state sales taxes (Article VII, §2.2 of the Constitution)
- (4) Gasoline and other motor fuels subject to the state excise tax on fuel
(Article VII, §27 of the Constitution)
- (5) Purchases by Pari-Mutuel Horse Racetracks (R.S. 4:168)
- (6) Purchases by Off-Track Wagering Facilities (R.S. 4:227)
- (7) Credit Unions (R.S. 6:662)
- (8) Any transaction by a nonprofit electric cooperative that is exempt from tax
(R.S. 12:425)
- (9) Purchases by Louisiana Insurance Guaranty Association (R.S. 22:2065)
- (10) Purchases by a Public Trust Cooperatives (R.S. 38:2212.4)

- (11) Sales of tangible personal property and services at certain public facilities (R.S. 39:467 and 468)
- (12) Isolated or occasional sales of tangible personal property by a person not engaged in such business (R.S. 47:301(1) and (10)(c)(ii)(bb))
- (13) Installation charges on tangible personal property (R.S. 47:301(3)(a))
- (14) Manufacturer's rebates on a new motor vehicle (R.S. 47:301(3)(e) and (13)(b))
- (15) "Sales or Cost Price" of Refinery Gas (R.S. 47:301(3)(f) and(13)(d))
- (16) The cost price for the printing of a news publication (R.S. 47:301(3)(h))
- (17) Leases or rentals of railroad rolling stock (R.S. 47:301(4)(k)), rail rolling stock sold or leased in La. (R.S. 47:305.50(E)(1)), and parts or services used in the fabrication, modification, or repair of rail rolling stock (R.S. 47:305.50(E)(2)).
- (18) Sales of room rentals by a homeless shelter (R.S. 47:301(6)(c))
- (19) Rentals or leases of certain oilfield property for re-lease or re-rental (R.S. 47:301(7)(b))
- (20) Leases or rentals by a short-term equipment rental dealer for the purpose of re-lease or re-rental (R.S. 47:301(7)(m))
- (21) Purchases by a regionally accredited independent educational institution (R.S. 47:301(8)(b))
- (22) Purchases of certain bibles, songbooks, or literature by certain religious institutions for instructional classes (R.S. 47:301(8)(d))
- (23) Tangible personal property for resale (R.S. 47:301(10)(a)(i))
- (24) Sales of food by a youth-serving organization chartered by the Congress of the U.S. (R.S. 47:301(10)(h))
- (25) Tangible personal property sold or donated to a food bank (R.S. 47:301(10)(j) and (18)(a)(i))
- (26) Sales or purchases of fire-fighting equipment by a volunteer fire department (R.S. 47:301(10)(o))
- (27) An article traded in on the purchase of tangible personal property (R.S. 47:301(13)(a))
- (28) Sales, (R.S. 47:301(14)(b)(i)), but only of admissions to an athletic and entertainment event held for or by an elementary or secondary school and membership fees or dues of a nonprofit, civic association
- (29) The exclusion for surface preparation, painting, and coating fixed or rotary wing aircraft and certified transport category aircraft registered outside of this state (R.S. 47:301(14)(g)(iv))
- (30) Funeral directing services (R.S. 47:301(14)(j))

- (31) Stocks, bonds, notes, and other obligations or securities (R.S. 47:301(16)(b)(i))
- (32) Sales of platinum, gold, and silver bullion, that is valued solely upon its precious metal content, whether in coin or ingot form (R.S. 47:301(16)(b)(ii)(aa))
- (33) Sales of certain numismatic coins (R.S. 47:301(16)(b)(ii)(bb) and (cc))
- (34) Work product of certain professionals (R.S. 47:301(16)(e))
- (35) Factory built homes (R.S. 47:301(16)(g))
- (36) Other constructions permanently attached to the ground (R.S. 47:301(16)(l))
- (37) Purchases of Certain Custom Computer Software (R.S. 47:301(22))
- (38) Any advertising service rendered by an advertising business (R.S. 47:302(D))
- (39) Helicopters Leased for Use in the Extraction, Production, or Exploration for Oil, Gas, or Other Minerals (R.S. 47:302.1)
- (40) Use of a motor vehicle in Louisiana by a member of the active duty military (R.S. 47:303(A)(3)(a) and 305.48)
- (41) Credit for sales and use taxes paid to another state on tangible personal property imported in La. (R.S. 47:303(A)(3)(a))
- (42) Sales of Gasoline (not subject to motor fuels tax) (R.S. 47:305(D)(1)(a))
- (43) Boats, Vessels, and Other Water Craft as Demonstrators (R.S. 47:303(D)(1), R.S. 47:305(D)(1)(i) & (H))
- (44) Sale and purchase of electricity (R.S. 47:305(D)(1)(d)) for use in production activity subject to the payment of state severance tax on production from a stripper well (R.S. 47:633(7)(c)(i) and (ii)(aa) and (bb))
- (45) Trucks, automobiles, aircraft, and boats, vessels, or other water craft withdrawn from stock or kept in dealer inventory and used as demonstrators (R.S. 47:305(D)(1)(i))
- (46) Sales or use of a meal by an educational institution, medical facility, mental institution, and an occasional meal furnished by an educational, religious, or medical organization (R.S. 47:305(D)(2))
- (47) Transactions in interstate commerce and tangible personal property imported into this state, or produced or manufactured in this state, for export (R.S. 47:305(E))
- (48) Repairs and materials used on drilling rigs and equipment used exclusively for exploration of development of minerals (R.S. 47:305(I))
- (49) Ships, vessels, barges, and related supplies (R.S. 47:305.1)
- (50) Property purchased for exclusive use outside the state (R.S. 47:305.10)
- (51) Leases or rentals of vessels for use in offshore mineral production or the provision of services to those engaged in mineral production (R.S. 47:305.19)
- (52) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the vessels of licensed commercial fishermen (R.S. 47:305.20)

- (53) Sales or purchases by sheltered workshops or supported employment providers (R.S. 39:1604.4 and R.S. 47:305.38)
- (54) Sales of butane, propane, or other liquified petroleum gases for private, residential consumption (R.S. 47:305.39)
- (55) Freight cars, piggyback trailers, and rail rolling stock, and railroad ties (R.S. 47:305.45 and 305.50(F))
- (56) A truck and trailer if used at least eighty percent of the time in interstate commerce (R.S. 47:305.50(A))
- (57) Sales or purchases by a council on aging (R.S. 47:305.66)
- (58) Motor Vehicles Used by Those with Orthopedic Disabilities (R.S. 47:305.72)
- (59) Fiber-Optic Cable Equipment Rebate (R.S. 47:305.73)
- (60) Purchases of diapers (R.S. 47:305.75)

Medical Devices, Equipment, and other Drugs

Proposed law repeals various individual exemptions and exclusions related to purchases of medical devices, equipment, and drugs in favor of enacting a consolidated exemption (R.S. 47:305.2) applicable to *both state and local sales and use taxes* related to medical devices, equipment, and drugs. The exemptions and exclusions repealed in proposed law but included in the consolidated exemption established in R.S. 47:305.2 as follows:

- (1) Purchase, lease, and sale of services by free hospitals (R.S. 47:301(7)(e), (10)(p), and (18)(c))
- (2) Sale, lease or rental of tangible personal property under Medicare (R.S. 47:301(7)(i) and (10)(u))
- (3) Sales of human-tissue transplants (R.S. 47:301(10)(d))
- (4) Drugs prescribed by a physician or dentist (R.S. 47:305(D)(1)(j))

Proposed law *requires* drugs prescribed by a physician, dentist, or other person authorized to prescribe drugs in this state to be exempt from *state and local sales and use taxes*.

- (5) Orthotic devices, including prescription eyeglasses and contact lenses, wheelchairs and lifts, and prosthetic devices as prescribed by a physician, optometrist, or licensed chiropractor for personal use (R.S. 47:305(D)(1)(k)(i) and(ii))
- (6) Sales of ostomy, colostomy, and ileostomy devices and equipment (R.S. 47:305(D)(1)(l))
- (7) Sales 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 provider or facility, in the treatment of diseases under the supervision of and prescribed by a physician (R.S. 47:305(D)(1)(s))
- (8) Sales of orthotic devices, prosthetic devices, prostheses and restorative materials utilized by or prescribed by a dentist (R.S. 47:305(D)(1)(t))

- (9) Adaptive driving equipment and motor vehicle modification (R.S. 47:305(D)(1)(u))
- (10) Procurement and administration of cancer and related chemotherapy prescriptions drugs used exclusively by the patient (R.S. 47:305(D)(4)(b))
- (11) Sale of prescription drugs under the pharmaceutical vendor program for Titles XIX and XXI of the Social Security Act administered by the La. Dept. of Health (R.S. 47:305(D)(5)(a))
- (12) Purchase or rental of kidney dialysis machines, parts, materials, and supplies for home use under a physician's prescription (R.S. 47:305(G))
- (13) Sales of insulin (R.S. 47:305.2)
- (14) Pharmaceutical samples distributed in La. (R.S. 47:305.47)
- (15) Purchase, Lease or Repair of certain capital equipment and computer software of qualifying radiation therapy treatment centers (R.S. 47:305.64)
- (16) Procurement and administration of prescription drugs administered exclusively in certain medical clinics (R.S. 47:305.76)
- (17) Purchases and leases of durable medical equipment paid by or under provisions of Medicare (R.S. 47:315.3)

Agricultural Inputs and other Agricultural Tangible Personal Property

Proposed law repeals various individual exemptions and exclusions related to farming and agriculture in favor of enacting a consolidated exemption (R.S. 47:305.3) applicable to *both state and local sales taxes* related to agricultural inputs, agricultural machinery and equipment, and other agricultural tangible personal property, provided that the purchase is directly related to the business activities of the purchaser. The exemptions and exclusions repealed in proposed law but included in the consolidated exemption established in R.S. 47:305.3 as follows:

- (1) Sales of raw agricultural commodities (R.S. 47:301(10)(c)(i)(aa)(II) and (e), and 305(A)(3) and (4)(b)(i) and (iii))
- (2) Pharmaceuticals administered to livestock for agricultural purposes (R.S. 47:301(16)(f))
- (3) Sales of farm products direct from the farm (R.S. 47:305(A)(1))
- (4) Livestock sold at market and racehorses claimed at races in La. (R.S. 47:305(A)(2))
- (5) Feed and feed additives for animals held for business purposes (R.S. 47:305(A)(4)(a))
- (6) Materials used in the production or harvesting of crawfish (R.S. 47:305(A)(5)(a))
- (7) Bait and feed used in the production or harvesting of crawfish (R.S. 47:305(A)(5)(b))
- (8) Materials used in the production or harvesting of catfish (R.S. 47:305(A)(6))

- (9) Farm products produced and used by the farmers (R.S. 47:305(B))
- (10) Sales of fertilizers and containers to farmers (R.S. 47:305(D)(1)(f))
- (11) Sales of seeds for planting crops (R.S. 47:305.3 and 301(10)(e))
- (12) Sales of utilities to commercial farmers for on-farm storage (R.S. 47:305.4)
- (13) Sales of pesticides for agricultural purposes (R.S. 47:305.8)
- (14) Purchases of feed, seed, and fertilizer by student farmers (R.S. 47:305.24)
- (15) First \$50,000 of the sales price of certain rubber tire and irrigation farm equipment (R.S. 47:305.25(A)(1-3) and 337.10(B))

Proposed law increases the amount of the exemption for farm equipment from the first \$50,000 of the sales price to the first \$150,000 of the sales price.

- (16) First \$50,000 of the sales price of new farm equipment used in poultry production (R.S. 47:301(13)(c))

Proposed law retains the present law limitation on the amount of the exemption for purchases of new farm equipment used in poultry production at the first \$50,000 of the sales price.

- (17) Sale of polyroll tubing (R.S. 47:305.25(A)(6) and 305.63)
- (18) Sales of certain fuels used for farm purposes (R.S. 47:305.37)
- (19) Sales of agricultural fencing materials to commercial farmers (R.S. 47:305.80)

Manufacturing Machinery and Equipment

Proposed law repeals various *exclusions* related to manufacturing machinery and equipment (MM&E) in favor of enacting a consolidated *exemption* (R.S. 47:305.5) applicable to state sales taxes related to purchases of (MM&E) for various industries including utilities, wood manufacturers and loggers, and news publications. Proposed law authorizes, but does not require local taxing authorities to exempt MM&E from their tax bases. The exclusions repealed in proposed law but included in the consolidated exemption established in R.S. 47:305.5 are as follows:

- (1) Purchases of MM&E (R.S. 47:301(3)(i), (13)(k), (28)(a), and 337.10(I))
- (2) Purchases of certain machinery and equipment used to produce a news publication (R.S. 47:301(3)(i)(ii)(aa)(I)(eee))
- (3) Purchases of consumables by paper and wood manufacturers and loggers (R.S. 47:301(3)(k))
- (4) Electricity for chlor-alkali manufacturing process (R.S. 47:301(10)(c)(ii)(aa))
- (5) Purchases of machinery and equipment by certain utilities (R.S. 47:301(16)(o)(i) and (ii))

Schools and Educational Materials

Proposed law repeals various individual *exclusions* related to sales of educational materials to and by elementary and secondary schools purchases of food items for school lunch or breakfast programs by certain schools in favor of enacting a consolidated *exemption* (R.S. 47:305.6) applicable to *both state and local sales taxes* related to sales of educational materials and purchases of food items for school lunch or breakfast programs. The exclusions repealed in proposed law but included in the consolidated exemption established in R.S. 47:305.6 are as follows:

- (1) Sales to and by certain elementary and second schools for educational materials and equipment used for classroom instruction (R.S. 47:301(7)(f),(10)(q) and(18)(e))
- (2) Purchases of food items for school lunch or breakfast programs by nonpublic elementary or secondary schools (R.S. 47:301(10)(dd))
- (3) Donations to certain schools (R.S. 47:301(18)(a)(i))

Present law provides for an exemption for the sale of admissions to athletic and entertainment events held for or by parochial and private elementary and secondary schools. Proposed law retains present law.

Intergovernmental and Governmental Transactions

Proposed law repeals various individual *exclusions* related to purchases and sales by local and state governments as well as the Dept. of Military in favor of enacting a consolidated *exclusion* (R.S. 47:305.7) applicable to *both state and local sales taxes* related to these sales and purchases. The exclusions repealed in proposed law but included in the consolidated exemption established in R.S. 47:305.7 are as follows:

- (1) Transactions related to the construction or overhaul of U.S. Navy vessels (R.S. 47:301(7)(c))
- (2) Purchases by state and local governments (R.S. 47:301(8)(c))
- (3) Sales to the U.S. government and its agencies (R.S. 47:301(10)(g))
- (4) Sales of tangible personal property by the La. Military Dept. (R.S. 47:301(10)(ff))
- (5) Sales or purchases of equipment used in firefighting by bona fide volunteer and public fire departments (R.S. 47:301(10)(o))
- (6) Sales by thrift shops and military installations (R.S. 47:305.14(A)(4))
- (7) Purchases made under the Supplemental Nutrition Assistance Program (SNAP) through WIC Program vouchers (R.S. 47:305.46)

Proposed law establishes rules, for purposes of collecting or remitting sales or use taxes to the appropriate taxing jurisdictions, on sales of tangible personal property, digital products, and services, for determining the proper jurisdiction to which the sale is sourced. The provisions of proposed law do not affect the imposition or computation of sales or use tax on leases or rentals based on a lump-sum or accelerated basis, or on the acquisition of property for lease. Proposed law includes exceptions to the general sourcing rules for vehicles and telecommunications services.

Proposed law establishes rules for the collection of sales tax on the sales price of bundled transactions if any product included in the bundled transaction would be taxable if sold separately. Proposed law defines a "bundled transaction" as the retail sale of two or more products where the products are otherwise distinct and identifiable and the products are sold for one non-itemized price. In order to show whether a retail sale consisted of one or more distinct and identifiable products and whether the products were sold for one non-itemized price, a seller shall maintain copies of invoices, service agreements, contracts, catalogs, price lists, rate cards, and other sales-related documents given to, or made available to, the purchaser.

Proposed law excepts the following transactions from the requirements of proposed law:

- (1) The sale of any products in which the sales price varies or is negotiable based on the selection by the purchaser of the products included in the transaction.
- (2) Retail sales of tangible personal property or a digital product and a service where the true object of the transaction is the service and the tangible personal property or digital product is essential to the use of the service, and is provided exclusively in connection with the service.
- (3) Retail sales of multiple services where one service is essential to the use or receipt of a second service and the first service is provided exclusively in connection with the second service, and the true object of the transaction is the second nontaxable service. Further provides that the true object exception only applies to transactions that include a service and shall not apply to transactions that only include tangible personal property or digital products.
- (4) Transactions that include taxable products and nontaxable products and the sales price of the taxable products is de minimis. Sellers shall use the full term of a service contract to determine if the taxable products are de minimis. The term "de minimis" means the sales price of the taxable products is 10% or less of the total sales price of the bundled products.
- (5) Retail sales of exempt tangible personal property and taxable tangible personal property where the transaction includes food and food ingredients, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices or medical supplies and the sales price of the taxable tangible personal property is fifty percent or less of the total sales price of the bundled products.

Repealed exclusions, exemptions, rebates, and credits

Present law provides for a variety of exemptions and exclusions applicable to state sales and use taxes. Further provides for various rebates, refunds, and also provides for alternate reporting methods.

Proposed law repeals the following exclusions, exemptions, rebates, and alternative reporting methods:

- (1) Separately stated labor charges on property repaired out-of-state (R.S. 47:301(3)(b))
- (2) Installation of oil field board roads as provided in R.S. 47:301(3)(c)
- (3) Certain interchangeable components; optional method to determine (R.S. 47:301(3)(d))

- (4) Manufacturer rebates paid directly to a dealer (R.S. 47:301(3)(g) and (13)(e))
- (5) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization (R.S. 47:301(6)(b))
- (6) Rental or purchase of airplanes or airplane equipment and parts by La. domiciled commuter airlines (R.S. 47:301(7)(d) and R.S. 47:301(10)(k))
- (7) Vehicle rentals to a warranty customer (R.S. 47:301(7)(h))
- (8) Property used in the manufacture, production, or extraction of unblended diesel (R.S. 47:301(7)(j), (10)(y), and (18)(k))
- (9) Leases or rentals of a crane and related equipment with an operator (R.S. 47:301(7)(k))
- (10) Leases or rentals of pallets used in packaging products produced by a manufacturer (R.S. 47:301(7)(l))
- (11) Purchases by the Society of the Little Sisters of the Poor (R.S. 47:301(8)(e))
- (12) Purchases by a nonprofit entity that sells donated goods (R.S. 47:301(8)(f))
- (13) Purchases of property for lease or rental (R.S. 47:301(10)(a)(iii) and (18)(a)(iii))
- (14) Sales through a coin-operated vending machine (R.S.47:301(10)(b)(i))
- (15) Purchases of school buses that are new or less than five years old (R.S. 47:301(10)(i))
- (16) Pollution control devices and systems (R.S. 47:301(10)(l))
- (17) Pelletized paper waste used in a permitted boiler (R.S. 47:301(10)(n))
- (18) Sales of telephone directories by advertising companies (R.S.47:301(10)(t) and (18)(h))
- (19) Sales of cellular telephones and electronic accessories (R.S. 47:301(10)(v), (13)(g) and (h), and (18)(i))
- (20) Purchases of butane, propane, and liquefied petroleum gas by residential consumers (R.S. 47:301(10)(x))
- (21) Donation of toys (R.S. 47:301(10)(aa)(i) and (18)(m))
- (22) Purchases by a private postsecondary academic degree-granting institution (R.S. 47:301(10)(cc) and (18)(n))
- (23) Purchases of storm shutter devices (R.S. 47:301(10)(ee) and (18)(o))
- (24) Sales of anthropogenic carbon dioxide used in qualified tertiary recovery projects (R.S. 47:301(10)(gg) and(18)(p))
- (25) Qualifying events providing La. heritage, culture, crafts, art, food, and music sponsored by a domestic nonprofit organization (R.S. 47:301(10)(hh) and (14)(k), R.S. 47:305.14(A)(1)(b))

- (26) Sales of marijuana recommended for therapeutic use (R.S. 47:301(10)(ii))
- (27) Specialty Mardi Gras items purchased or sold by certain organizations (R.S. 47:301(13)(l), R.S. 47:305.40)
- (28) Admissions charges to athletic or entertainment events of colleges and universities (R.S. 47:301(14)(b)(i)(aa))
- (29) Admissions to Museums (R.S. 47:301(14)(b)(ii))
- (30) Admissions to places of amusement at camp and retreat facilities (R.S. 47:301(14)(b)(iv))
- (31) Labor, materials, services, and supplies used for the repair, renovation, or conversion of drilling rig machinery and equipment which become component parts of a drilling rig used exclusively for exploration or development of minerals (R.S. 47:301(14)(g)(iii))
- (32) Certain geophysical survey information and data analyses (R.S. 47:301(16)(b)(iii))
- (33) Vehicle repairs subsequent to warranty lapse (R.S. 47:301(16)(c))
- (34) Purchases of certain custom computer software (R.S. 47:301(16)(h), and (23))
- (35) Materials used in the collection of blood (R.S. 47:301(16)(j))
- (36) Purchases by motor vehicle manufacturers (R.S.47:301(16)(m))
- (37) Purchases by glass manufacturers (R.S. 47:301(16)(m)(i))
- (38) Purchases of machinery and equipment by owners of certain radio stations (R.S. 47:301(16)(n))
- (39) Sales of newspapers (R.S. 47:301(16)(p))
- (40) Use tax on residue or byproducts consumed by the producer (R.S. 47:301(18)(d)(ii))
- (41) Miscellaneous telecommunications services (R.S. 47:301.1(B)(2)(a), (b), (c), (e) and (f))
- (42) Telecommunications services through coin-operated telephones (R.S. 47:301.1(B)(2)(d))
- (43) Interstate telecommunications services purchased by defined call centers (R.S. 47:301.1(D))
- (44) Purchases of off-road vehicles by certain buyers domiciled in another state (R.S.47:303(E)(1), R.S. 47:304(A), R.S. 47:305.56)
- (45) Cash-basis sales tax reporting and remitting for health and fitness club membership contracts (R.S. 47:303(F)). Repeal in proposed law applicable to the local sales tax base.
- (46) Sales of admission to entertainment events by a Little Theater organization (R.S. 47:305.6)

- (47) Sales of admission to musical performances sponsored by a nonprofit organization (R.S. 47:305.7)
- (48) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations (R.S. 47:305.13)
- (49) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations (R.S. 47:305.14(A)(1))
- (50) Sales and purchases by certain organizations that provide training for blind persons (R.S. 47:305.15(B))
- (51) Cable television installation and repair services (R.S. 47:305.16)
- (52) Receipts from coin-operated washing and drying machines in commercial laundromats (R.S. 47:305.17)
- (53) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations (R.S. 47:305.18)
- (54) New vehicles furnished by a dealer for driver-education programs (R.S. 47:305.26)
- (55) Sales of gasohol (R.S. 47:305.28)
- (56) Construction materials and operating supplies for certain nonprofit retirement centers (R.S. 47:305.33)
- (57) Purchases or leases of motor vehicles for re-lease or re-rent by qualified lessors (R.S. 47:305.36)
- (58) Specialty Mardi Gras items purchased or sold by certain organizations (R.S. 47:305.40)
- (59) Purchases and sales by Ducks Unlimited and Bass Life (R.S. 47:305.41)
- (60) Tickets to dance, drama, or performing arts presentations by certain nonprofit organizations (R.S. 47:305.42)
- (61) Purchases by and sales by certain nonprofit organizations dedicated to the conservation of fish and migratory waterfowl (R.S. 47:305.43)
- (62) Raw materials used in the printing process (R.S. 47:305.44)
- (63) Catalogs distributed in La. (R.S. 47:305.49)
- (64) Certain contract carrier buses used 80% in interstate commerce (R.S. 47:305.50(B))
- (65) Sickle cell disease organizations (R.S. 47:305.53)
- (66) Annual La. sales tax holiday (R.S. 47:305.54)
- (67) Sales of original one-of-a-kind works of art sold in certain locations (R.S. 47:305.57)
- (68) Hurricane preparedness La. sales tax holiday (R.S. 47:305.58)

- (69) Beginning October 1, 2021, sales of construction materials for charitable construction (R.S. 47:305.59)
- (70) Purchase of certain water conservation equipment for use in the Sparta Groundwater Conservation District (R.S. 47:305.61)
- (71) Eligible purchases made during the second amendment sales tax holiday (R.S. 47:305.62)
- (72) Purchases of construction materials by Hands n New Orleans and Rebuilding Together New Orleans Covenant Partners (R.S. 47:305.65)
- (73) Purchases of breastfeeding items (R.S. 47:305.67)
- (74) Purchases by the Fore!Kids Foundation (R.S. 47:305.68)
- (75) Sales of construction materials to the Make it Right Foundation (R.S. 47:305.70)
- (76) Sales of construction materials to the St. Bernard Project, Inc. (R.S. 47:305.71)
- (77) Purchases of tangible personal property pursuant to the sales tax holiday (R.S. 47:305.74)
- (78) Purchases of feminine hygiene products (R.S. 47:305.75)
- (79) Hurricane impacted agricultural fencing materials rebate (R.S. 47:305.77)
- (80) State sales tax paid on property destroyed in a natural disaster (R.S. 47:315.1)
- (81) Sales tax collected by qualified charitable institutions (R.S. 47:315.5)
- (82) Antique airplanes held by private collectors and not used for commercial purposes (R.S. 47:6001)
- (83) Sale of certain antique motor vehicles (R.S. 47:6040)
- (84) Refunds for purchases of tangible personal property by international travelers as part of the La. Tax Free Shopping Program (R.S. 51:1301 et seq.)

Present law authorizes, but does not mandate that local governments exempt certain purchases of tangible personal property from sales and use taxes levied by local political subdivisions. Proposed law makes various changes to present law to *require* rather than *authorize* purchases of certain tangible personal property be exempt from sales and use tax levied by local governmental subdivisions.

Proposed law authorizes and directs the La. State Law Institute to review all statutes modified or repealed by proposed law and to make necessary changes to the Uniform Local Sales Tax Code in accordance with R.S. 47:337.87.

Proposed law is applicable to taxable periods beginning on and after Jan. 1, 2025.

Effective if and when House Bill No. 1 of this 2024 3rd E.S. is enacted and becomes effective.

(Amends R.S. 12:425, R.S. 22:2065, R.S. 33:4169(D), R.S. 47:301(3), (4)(i)-(k), (6), (7), (8), (10), (13), (14), (16), (18), and (23)-(30), 301.1(A)(intro. para.), (B)(2)(b)-(d), (C)(2)(b), (D), and (E), 302(D) 303(B)(intro. para.), (1)(intro. para) and (b)(intro. para.), (3)(b)(ii), and (4),

(D)(1), (E), and (F), 303.1(B)(5), 304(A), 305(A), (B), (C), (D)(1), and (E)-(I), 305.2-305.4, 305.6-305.8, 305.10(F), 305.13, 305.20(A), (C), and (D), 305.39, 305.50(B)-(D), 305.72(C), 305.73(B)-(D), 305.75, 306.5(B), 318(A), 321(A) and (C), 321.1(A), (B), and (C), 322, 331(A)-(C), 332, 337.2(C)(2) and (4)(a) and (b)(i)(aa)(II) and (bb)(II), 337.4(B)(6) and (7), 337.6(B), 337.8(B), 337.13(A), 463.8(B)(1)(b) and (3), and 6001(A), and R.S. 51:1286; Adds R.S. 47: 301(4)(l), 301.3, 301.4, 301.5, 305(J), 305.5, 305.12, and 305.72(D)-(F); Repeals R.S. 40:582.1-582.7, R.S. 47:9, 301(4)(m) and (n) and (31), 301.1(B)(2)(e) and (f) and (F), 301.2, 302(F)-(J), (L)-(T), and (X)-(CC), 305(D)(3)-(6), 305.9, 305.14-305.18, 305.24-305.26, 305.28, 305.30, 305.33, 305.36, 305.37, 305.40-305.44, 305.46, 305.47, 305.49, 305.50(E) and (F), 305.52-305.54, 305.56-305.65, 305.67, 305.68, 305.70, 305.71, 305.73(A)(5) and (6), (E), and (F), 305.74, 305.76-305.80, 306(A)(3), (6), and (7), and (D), 315.1-315.3, 315.5, 321(E)-(Q), 321.1(E), (F), (I), and (J), 331(F)-(W), 337.2(A)(2) and (B)(3)(e)-(h), 337.4(B)(4) and (8), 337.5(A)(1)(e), 337.10.1-337.10.2, 337.11.1, 337.11.2, 337.11.4, 337.18(A)(3), 337.23(C)(1)(a)(ii), 338.1(B), 340(G)(6)(d), 6003, and 6040, and R.S. 51:1301-1316)

Summary of Amendments Adopted by House

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

1. Reduce the amount of the sales tax levied in R.S. 47:321.1 from .45% to .40%.
2. Change the effectiveness of the mandatory local sales and use tax exemption for prescription drugs from Jan. 1, 2025, to July 1, 2025.
3. Retain purchases by a regionally accredited independent educational institution as an exemption *rather* than an exclusion. (R.S. 47:301(8)(b))
4. Retain the exemption for credit unions. (R.S. 6:662)
5. Retain the exemption for sales or purchases by a council on aging. (R.S. 47:305.66)
6. Retain the exemption for sales of butane, propane, or other liquified petroleum gases for private, residential consumption and make the exemption applicable to the R.S. 47:321.1 sales tax levy. (R.S. 47:305.39)

The House Floor Amendments to the engrossed bill:

1. Add definition for "medical devices".
2. Change the maximum amount that may be collected on motor vehicles brought into this state by a new resident from \$90 to not to exceed \$90 after application of all credits if certain qualifications are met. Further requires the monies collected in these transactions to be paid to local tax authorities rather than *state and local* tax authorities.
3. Change references in proposed law with respect to the exemption for medical devices, equipment, and other drugs established in R.S. 47:305.2 from licensed physicians and other healthcare professionals to any person authorized to prescribe drugs and treatment by persons with prescriptive authority.
4. Recognize natural gas used in the production of iron in the "direct reduced iron process" as material for further processing into an article of tangible personal property for sale at retail.

5. Change the MM&E exemption, with respect to local sales and use taxes, from a mandatory local sales and use tax exemption to an optional exemption but requires local taxing authorities that elect to exempt MM&E to also adopt the definitions, exemptions, and limitations in proposed law applicable to the state exemption for MM&E.
6. Retain purchases of bibles, song books, or literature used for religious instruction classes as an exemption *rather* than an exclusion. (R.S. 47:301(8)(d))
7. Retain purchases of diapers for individual or personal use but retains the repeal for feminine hygiene products. (R.S. 47:305.75)
8. Change the effectiveness of proposed law from governor's signature to if and when House Bill No. 1 of this 2024 3rd E.S. is enacted and becomes effective.
9. Make technical changes.