

2016 First Extraordinary Session

SENATE BILL NO. 25

BY SENATOR CORTEZ

FUNDS/FUNDING. Sunsets all sales and use tax exemptions other than those that are constitutionally protected. (Item #36)(7/1/17)

1 AN ACT

2 To enact R.S. 47:319, relative to state sales and use tax; to provide for a sunset date for sales
3 and use tax exemptions and exclusions; to retain those exemptions and exclusions
4 provided for in the Louisiana Constitution and in federal law; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:319 is hereby enacted to read as follows:

8 **§319. Sunset of exclusions and exemptions**

9 **A. Notwithstanding any other provision of law to the contrary, including**
10 **but not limited to any contrary provision of this Subtitle, beginning on July 1,**
11 **2017, there shall be no exemption or exclusion to the tax levied pursuant to the**
12 **provisions of this Chapter, Chapters 2-A and 2-B of this Subtitle, and R.S.**
13 **51:1286, except as specifically provided in this Section:**

14 **(1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n)**
15 **through (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the**
16 **Constitution of Louisiana.**

17 **(2) Natural gas, as provided in Article VII, Section 2.2 of the Constitution**

- 1 of Louisiana.
- 2 (3) Electricity, as provided in Article VII, Section 2.2 of the Constitution
- 3 of Louisiana.
- 4 (4) Water, as provided in Article VII, Section 2.2 of the Constitution of
- 5 Louisiana.
- 6 (5) Prescription drugs, as provided in Article VII, Section 2.2 of the
- 7 Constitution of Louisiana.
- 8 (6) Fuel that is subject to the road-use excise tax, as provided in Article
- 9 VII, Section 27 of the Constitution of Louisiana.
- 10 (7) Sales to the United States government and its agencies, as provided
- 11 in R.S. 301(10)(g).
- 12 (8) Property purchased for exclusive use outside the state, as provided
- 13 in R.S. 47:305.10.
- 14 (9) Any sale or purchase for which the imposition of state sales and use
- 15 tax is prohibited under the federal law.

16 **B. The provisions of Subsection A of this Section shall supercede and**
17 **control to the extent of conflict with any other provision of law.**

18 Section 2. This Act shall become effective on July 1, 2017.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 25 Original 2016 First Extraordinary Session Cortez

Present law provides for over 190 exclusions and exemptions to the state sales and use tax.

Proposed law sunsets all sales and use tax exemptions and exclusions other than those that are specifically listed on July 1, 2017.

Proposed law retains only those exemptions that are required in the La. constitution and by federal law.

Effective July 1, 2017.

(Adds R.S. 47:319)