

2016 First Extraordinary Session

SENATE BILL NO. 22

BY SENATOR MORRELL

TAX EXEMPTIONS. Modifies the sales and use tax exemption for domed stadium facilities, baseball facilities, and other publicly owned facilities. (Item #36)(gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:467 and 468, and to enact R.S. 39:470 and 470.1, relative to
3 sales and use tax exemptions for publicly owned facilities; to limit the application
4 of the exemptions; to allocate a portion of the tax to Louisiana School of Math,
5 Science, and the Arts and the New Orleans Center for Creative Arts; and to provide
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:467 and 468 are hereby amended and reenacted and R.S. 39:470
9 and 470.1 are hereby enacted to read as follows:

10 §467. Tax exemption, domed stadium facilities; baseball facilities

11 A.(1)(a) ~~Any event, activity, or enterprise, or the right of admission thereto,~~
12 **Events, activities, or enterprises** conducted in any domed stadium facility owned
13 and operated by or for the state, or any of its agencies, boards, or commissions,
14 which facility has a seating capacity of at least seventy thousand and is located
15 within a body politic and corporate and political subdivision of the state composed
16 of more than one parish, ~~or any sale, service, or other transaction occurring in such~~
17 ~~facility~~ or on the publicly owned property on which the facility is located, including

1 ~~without limitation~~ the sale of admission tickets to events, activities, or enterprises,
2 wherever sold; ~~parking, and tours of the facility;~~ **the sale** shall be exempt from all
3 ~~present and future~~ **sales and use and amusement** taxes levied by the state or by any
4 local taxing authority, ~~including but not limited to the sales, use, amusement, or any~~
5 ~~other tax.~~ **as follows:**

6 **(i) Admission tickets to athletic contests or any large scale bid-upon**
7 **events, wherever sold.**

8 **(ii) Any sale, service, or other transaction, including the sale of parking,**
9 **occurring in such facility in connection with athletic contests or any large scale**
10 **bid-upon events.**

11 **(iii) Sales of goods from a team merchandise store at the facility.**

12 **(iv) Fifty percent of the cost price of admission tickets to events,**
13 **activities, or enterprises other than tickets to athletic contests or any large scale**
14 **bid-upon events, wherever sold.**

15 (b) ~~Any event, activity, or enterprise, or the right of admission thereto,~~
16 **Events, activities, or enterprises** conducted on any property which contains a
17 domed arena facility and adjacent and connected facilities which is under the
18 jurisdiction of any political subdivision or any commission of such political
19 subdivision if the domed arena facility on such property has a seating capacity of at
20 least twelve thousand five hundred and is located within a parish with a population
21 of more than one hundred eighty-five thousand and less than two hundred fifty
22 thousand according to the most recent federal decennial census, ~~or any sale, service,~~
23 ~~rental, or other transaction occurring in any such facilities~~ or on the publicly owned
24 property on which the facilities are located, including ~~without limitation the sale of~~
25 ~~food, drink, merchandise, services of any kind,~~ admission tickets to events, activities,
26 or enterprises, wherever sold; ~~parking, including any parking on property under the~~
27 ~~jurisdiction of such commission for an event or activity;~~ and tours of the facilities;
28 **the sale** shall be exempt from all ~~present and future~~ **sales and use and amusement**
29 taxes levied by the state of Louisiana, ~~including but not limited to the sales, use,~~

1 amusement, or any other tax. as follows:

2 (i) Admission tickets to athletic contests or any large scale bid-upon
3 events, wherever sold.

4 (ii) Any sale, service, or other transaction occurring in such facility,
5 including the sale of parking on adjacent property under the same jurisdiction,
6 in connection with athletic contests or any large scale bid-upon events.

7 (iii) Sales of goods from a team merchandise store at the facility.

8 (iv) Fifty percent of the cost price of admission tickets to events,
9 activities, or enterprises other than tickets to athletic contests, wherever sold.

10 (2) ~~Any event, activity, or enterprise, or the right of admission thereto,~~
11 Events, activities, or enterprises conducted in any open baseball site owned and
12 operated by and for the state, or any of its agencies, boards, or commissions, which
13 site has a seating capacity of at least ten thousand, has a professional sports franchise
14 that participates in Class Triple A professional baseball and is located within a body
15 politic and corporate and political subdivision of the state composed of more than
16 one parish, ~~or any sale, service, or other transaction occurring in such facility or on~~
17 ~~the publicly owned property on which the site is located, including without limitation~~
18 ~~the sale of admission tickets to events, activities, or enterprises, wherever sold;~~
19 ~~parking, and; tours of the site; the sale~~ shall be exempt from ~~all present and future~~
20 sales and use and amusement taxes levied by the state or by any local taxing
21 authority, ~~including but not limited to the sales, use, amusement, or any other tax. as~~
22 follows:

23 (i) Admission tickets to athletic contests, wherever sold.

24 (ii) Any sale, service, or other transaction, including the sale of parking,
25 occurring in such facility in connection with athletic contests.

26 (iii) Sales of goods from a team merchandise store at the facility.

27 (iv) Fifty percent of the cost price of admission tickets to events,
28 activities, or enterprises other than tickets to athletic contests, wherever sold.

29 (3) The exemptions provided in this Section shall apply to any event,

1 activity, or enterprise held in conjunction with athletic contests held in or
 2 adjacent to the facility to which the exemptions apply.

3 B. This Except as provided in R.S. 39:470.1 or other applicable laws, this
 4 exemption shall not extend to any sale of goods, ~~or other tangible personal property,~~
 5 ~~at a trade show or other event at which the sale of such goods or property is the~~
 6 ~~primary purpose of the show or event~~ or services not specifically provided in
 7 Subsection A of this Section.

8 §468. Tax exemption, publicly-owned facility

9 A.(1)(a) Any event, activity, or enterprise, or the right of admission thereto,
 10 Events, activities, or enterprises conducted in any publicly-owned facility owned
 11 and operated by or for the state, or any of its agencies, boards, or commissions, or
 12 by any political subdivision, ~~or any sale, service, or other transaction occurring in~~
 13 ~~such facility~~ or on the publicly-owned property on which the facility is located, the
 14 sale of admission tickets to events, activities, or enterprises, wherever sold; ~~parking;~~
 15 ~~and~~ tours of the facility; the sale shall be exempt from ~~all present and future sales~~
 16 and use and amusement taxes levied by the state, ~~including but not limited to the~~
 17 ~~sales, use, amusement, or any other tax; provided however, that such~~ as follows:

18 (i) Admission tickets to athletic contests, wherever sold.

19 (ii) Any sale, service, or other transaction occurring in such facility in
 20 connection with officially sanctioned events affiliated with any athletic contests
 21 held at the venues in R.S. 39:467.

22 (iii) Sales of goods from a team merchandise store at the facility.

23 (iv) Fifty percent of the cost price of admission tickets to events,
 24 activities, or enterprises other than tickets to athletic contests, wherever sold.

25 (b) This exemption shall not apply unless the local taxing authority first
 26 exempts from any tax levied by that authority such rights of admission to events,
 27 activities, and enterprises, ~~sales, services, or other transaction~~ occurring within all
 28 publicly-owned facilities within the jurisdiction of said local taxing authority.

29 (2) The exemptions provided in this Section shall apply to any event,

1 activity or enterprise held in conjunction with athletic contests held in or
 2 adjacent to the facility to which the exemptions apply.

3 B. However, this Except as provided in R.S. 39:470.1 or other applicable
 4 laws, this exemption shall not extend to:

5 (1) any Any sale of goods, or other tangible personal property, ~~at a trade~~
 6 ~~show or other event at which the sale of such goods or property is the primary~~
 7 ~~purpose of the show or event~~ or services not specifically provided in Subsection
 8 A of this Section.

9 (2) Any facility that is subject to the exemption provided for in R.S.
 10 39:467.

11 * * *

12 §470. Dedication of state sales and use tax from sales at domed stadium
 13 facilities

14 The avails of the state sales and use taxes imposed pursuant to R.S.
 15 47:321 attributable to sales in domed stadium facilities with a seating capacity
 16 of at least seventy thousand and the publicly owned property on which these
 17 facilities are located shall first be credited to the Bond Security and Redemption
 18 Fund, and after a sufficient amount is allocated from that fund to pay all of the
 19 obligations secured by the full faith and credit of the state which become due
 20 and payable within any fiscal year, thirty percent of these avails shall be
 21 allocated to the Louisiana School of Math, Science, and the Arts and the New
 22 Orleans Center for Creative Arts, pursuant to legislative appropriation. This
 23 allocation shall not include the sales and use tax applicable to sales at trade
 24 shows or other events at which the sale of such goods or property is the primary
 25 purpose of the show or event.

26 §470.1. Legislative intent

27 The provisions of R.S. 39:367 through 369, shall not be interpreted as
 28 either imposing or rendering the following activities subject to the imposition
 29 of sales, use, amusement or other taxes levied by the state or by any local taxing

1 **authority:**

2 **(a) Sales of admission tickets and parking for intercollegiate athletic**
 3 **events sponsored or promoted by Louisiana-based colleges or universities,**
 4 **including any conferences, leagues and associations in which they participate,**
 5 **and nonprofit corporations affiliated with such colleges or universities.**

6 **(b) Sales of admission tickets and parking for high school athletic events**
 7 **sponsored or promoted by Louisiana high schools, including any conferences,**
 8 **leagues and associations in which they participate.**

9 **(c) Sales of admission tickets and parking for youth sports events**
 10 **sponsored or promoted by Louisiana-based youth sports leagues and**
 11 **associations.**

12 **(d) Sales of admission tickets and parking for events sponsored by**
 13 **Louisiana-based civic, educational, historical, charitable, fraternal, or religious**
 14 **organizations that are nonprofit organizations to the extent provided by**
 15 **applicable laws.**

16 Section 2. The provisions of this Act shall be applicable to all taxable periods
 17 beginning on or after April 1, 2016.

18 Section 3. This Act shall become effective upon signature by the governor or, if not
 19 signed by the governor, upon expiration of the time for bills to become law without signature
 20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 22 effective on the day following such approval.

The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by McHenry Lee.

DIGEST

SB 22 Reengrossed

2016 First Extraordinary Session

Morrell

Present law provides an exemption from state and local sales and use tax for sales at domed stadium facilities, baseball facilities, and the publicly owned property on which these facilities are located. The only taxable sales are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law removes the exemptions from sales and use taxes at such events, except as

follows:

- (1) Admission tickets to athletic contests or any large scale bid-upon event, wherever sold.
- (2) Any sale, service, or other transaction, including the sale of parking, occurring in such facility in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) 50% of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests or any large scale bid-upon events, wherever sold.

Proposed law provides that these exemptions will apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to the facility to which the exemptions apply.

Present law provides an exemption from state sales tax for sales at other publicly owned facilities if the local jurisdiction in which the facility is located also exempts these sales. The only taxable sales are sales at trade shows at which the sale of such goods is the primary purpose of the show.

Proposed law removes the exemptions from state sales tax for sales at these facilities, except as follows:

- (1) Admission tickets to athletic contests or any large scale bid-upon events, wherever sold.
- (2) Any sale, service, or other transaction occurring in such facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) 50% of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests, wherever sold.

Proposed law provides that these exemptions will apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to the facility to which the exemptions apply.

Proposed law allocates 30% of one cent of the state tax revenue derived from the newly taxable sales to the Louisiana School of Math, Science, and the Arts and the New Orleans Center for Creative Arts, pursuant to legislative appropriation.

Proposed law provides legislative intent that the following activities will not be subject to the imposition of sales, use, amusement, or other taxes levied by the state or any local taxing authority:

- (1) Sales of admission tickets and parking for intercollegiate athletic events sponsored or promoted by La.-based colleges or universities and nonprofit corporations affiliated with them.
- (2) Sales of admission tickets and parking for high school athletic events sponsored or promoted by La. high schools.
- (3) Sales of admission tickets and parking for youth sport events sponsored or promoted by La. based youth sports leagues and associations.

- (4) Sales of admission tickets and parking for events sponsored by La.-based civic, educational, historical, charitable, fraternal, or religious organizations that are nonprofit organizations.

Applicable to taxable periods beginning on or after April 1, 2016.

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

(Amends R.S. 39:467 and 468; adds R.S. 39:470 and 470.1)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

- (1) Makes technical changes.
- (2) Changes the exemptions from state and local sales and use tax at certain facilities.
- (3) Applies exemptions to any event held in conjunction with certain events or adjacent to the facility to which exemptions apply.
- (4) Provides legislative intent for exemptions for certain La. college, high school, and nonprofit events.