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

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## DIGEST

Present law exempts the sales of meals furnished to the following if the meals are consumed on the premises where purchased:

- (1) The staff and students of educational institutions including kindergartens.
- (2) The staff and patients of hospitals.
- (3) The staff, inmates, and patients of mental institutions.
- (4) The boarders of rooming houses.
- (5) Occasional meals furnished in connection with or by educational, religious, or medical organizations.

However, if such sales of meals by the above in facilities are open to outsiders or to the general public, they are not exempt.

Present law "suspends" the exemption (i.e. makes it inapplicable, inoperative, and ineffective) temporarily until July 1, 2009, for 3 of the 4 cents of sales tax, but permanently for one of the four cents (the "permanent penny").

Proposed law will retroactively eliminate the suspension and make the exemption fully applicable, operative, and effective from January 1, 1998, for all four pennies of the state sales tax. However, prohibits refund of correctly computed taxes not paid under protest with suit filed for their recovery as required by law.

Proposed law specifically authorizes the secretary of the Department of Revenue to adopt rules for the administration of proposed law.

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

(Adds R.S. 47:302(R)(3), 321(H)(3), and 331(P)(4))