

Regular Session, 2009

SENATE BILL NO. 9

BY SENATOR LONG

TAX EXEMPTIONS. Grants a sales tax exemption from all of the state sales tax and all of the local sales tax for new boats, vessels, or other water craft used as demonstrators. (7/1/09)

1 AN ACT

2 To amend and reenact R.S. 47:303(D)(1) and 305(D)(1)(i) and (H) and to enact R.S.
3 47:321(H)(3), relative to the sales and use tax of the state and its political
4 subdivisions; to provide for an exemption for certain property used as demonstrators;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:303(D)(1) and 305(D)(1)(i) and (H) are hereby amended and
8 reenacted and R.S. 47:321(H)(3) is hereby enacted to read as follows:

9 §303. Collection

10 * * *

11 D. Collection of tax on motorboats and vessels. (1) **Except as provided for**
12 **in R.S. 47:305(D)(1)(i)**, the secretary of the Louisiana Department of Wildlife and
13 Fisheries shall not register or issue a certificate of registration on any new boat or
14 vessel purchased in this state until satisfactory proof has been presented to him that
15 all sales taxes provided by this Part, and all municipal, school board and/or parish
16 sales taxes, have been paid; ~~nor shall he register or issue a certificate of registration~~
17 on any boat or vessel brought into this state until satisfactory proof has been

1 presented to him that all use taxes required by this Part, and all municipal, school
2 board and/or parish use taxes, have been paid.

3 * * *

4 §305. Exclusions and exemptions from the tax

5 * * *

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

10 * * *

11 (i) New trucks, new automobiles, ~~and~~ **new aircraft, and new boats, vessels,**
12 **or other water craft** withdrawn from stock by factory authorized new truck, new
13 automobile, ~~and~~ **new aircraft dealers, and factory-authorized dealers of new boats,**
14 **vessels, or other water craft**, and used trucks and used automobiles withdrawn from
15 stock by new or used motor vehicle dealers, **which are withdrawn** for use as
16 demonstrators.

17 * * *

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

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

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

29 **(a) They are registered in a boat, vessel, or water craft dealer's name**

1 with the appropriate agency.

2 (b) They are reported by the dealer to the department as demonstrators
3 and are clearly identified as demonstrators in the manner required by the
4 department.

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

11 (d) They are ultimately sold at retail.

12 * * *

13 §321. Imposition of tax

14 * * *

15 H. * * *

16 (3) Notwithstanding any other provision of the law or any other
17 provision of this Chapter to the contrary, the exemption provided in R.S.
18 47:305(D)(1)(i) for new boats, vessels, or other water craft used as
19 demonstrators shall be applicable, operable, and effective for all taxable periods
20 beginning on or after July 1, 2009.

21 * * *

22 Section 2. This Act shall become effective on July 1, 2009; if vetoed by the governor
23 and subsequently approved by the legislature, this Act shall become effective on July 1,
24 2009, or on the day following such approval by the legislature, whichever is later.

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

DIGEST

Long (SB 9)

Present law grants a tax exemption from 3 of the 4 cents of state sales tax and from all of local sales tax for new trucks, new automobiles, and new aircraft withdrawn from stock by factory-authorized new truck, new automobile, and new aircraft dealers, and used trucks and

used automobiles withdrawn from stock by new or used motor vehicle dealers, which are withdrawn for use as demonstrators. Requires motor vehicles to obtain dealer inventory plates and requires the motor vehicles and new aircraft to be titled in the dealer's name for use as demonstrators and to be kept primarily on the dealer's premises during normal business hours to be available for demonstration purposes. However, authorizes the occasional use of the demonstrator by authorized personnel of the dealer.

Proposed law grants a similar sales tax exemption for new boats, vessels, or other water craft which comply with all of the following:

1. They are registered in a dealer's name.
2. They are reported by the dealer to the Department of Revenue as demonstrators and are clearly identified as demonstrators in the manner required by the department.
3. They are used by those designated by such dealer for any activity which results in the advertisement, promotion of sales, or demonstration of the qualities of the boat for the purpose of increasing sales of such boats; provided that such use does not occur on more than 6 consecutive days and does not occur on more than 12 days in any calendar month. The dealer is required to keep such logs or other records of the use as required by the department.
4. They are ultimately sold at retail.

Effective July 1, 2009

(Amends R.S. 47:303(D)(1) and 305(D)(1)(i) and (H); adds R.S. 47:321(H)(3))