

---

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3 of the 4 cents of state sales tax and from all of local sales tax for new trucks, new automobiles, and new aircraft withdrawn from stock by factory-authorized new truck, new automobile, and new aircraft dealers, and used trucks and used automobiles withdrawn from stock by new or used motor vehicle dealers, which are withdrawn for use as demonstrators.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))