

Regular Session, 2009

HOUSE BILL NO. 189

BY REPRESENTATIVE GREENE

TAX/SALES-USE, STATE: Provides relative to the state sales and use tax exemption on the sale of meals by educational institutions and other organizations

1 AN ACT

2 To amend and reenact R.S. 47:305(D)(2) and to enact R.S. 47:302(R)(3), 321(H)(3), and
3 331(P)(4), relative to the sales and use tax; to provide for the effectiveness and
4 applicability of the exemption for the sale of meals by certain institutions and
5 organizations; to provide for the exemption of the meal plans of certain educational
6 institutions; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:305(D)(2) is hereby amended and reenacted and R.S.
9 47:302(R)(3), 321(H)(3), and 331(P)(4) are hereby enacted to read as follows:

10 §302. Imposition of tax

11 * * *

12 R.

13 * * *

14 (3) Notwithstanding any other provision of law to the contrary and
15 specifically notwithstanding any provision enacted during the 2004 First
16 Extraordinary Session which makes any sales and use tax exemption inapplicable,
17 inoperable, and of no effect, the exemption provided in R.S. 47:305(D)(2) shall be
18 applicable, operable, and effective for the period July 1, 2004, through June 30,
19 2009.

20 * * *

1 §305. Exclusions and exemptions from the tax

2 * * *

3 D.

4 * * *

5 (2)(a) Sales of meals furnished ~~to~~ as follows:

6 (i) To the staff and students of educational institutions including
7 kindergartens including, but not limited to kindergartens, if the meals are consumed
8 on the premises where purchased, or if they are purchased in advance by students,
9 faculty, or staff pursuant to a meal plan sponsored by the institution or organization
10 or purchased in advance pursuant to any other payment arrangement sanctioned by
11 the institution or organization and generally available to students, faculty, and staff
12 of the institution or organization, regardless of where such meals are consumed;

13 (ii) To the staff and patients of hospitals.

14 (iii) To the staff, inmates, and patients of mental institutions. ~~and~~

15 (iv) To the boarders of rooming houses, ~~and occasional~~

16 (v) Occasional meals furnished in connection with or by educational,
17 religious, or medical organizations. ;

18 (b) Except as provided for in Item (i) of this Paragraph, the furnishing of
19 such meals shall be ~~are~~ exempt from the taxes imposed by this Chapter if the meals
20 are consumed on the premises where purchased. However, sales by any of the above
21 in facilities open to outsiders or to the general public are not exempt from the taxes
22 imposed by taxing authorities.

23 * * *

24 §321. Imposition of tax

25 * * *

26 H.

27 * * *

28 (3) Notwithstanding any other provision of law to the contrary and
29 specifically notwithstanding any provision enacted during the 2002 Regular Session

Present law provides for a state sales and use tax exemption for the sale of meals furnished to the staff and students of educational institutions including kindergartens; the staff and patients of hospitals; the staff, inmates, and patients of mental institutions; and boarders of rooming houses, and occasional meals furnished in connection with or by educational, religious, or medical organizations, from the state sales and use taxes if the meals are consumed on the premises where purchased.

Proposed law retains present law but adds that the state sales and use tax exemption shall also apply to meals purchased in advance by students, faculty, and staff pursuant to meal plans sponsored by the institution or organization or purchased in advance pursuant to other payment arrangement sanctioned by the institution or organization and generally available to students, faculty, and staff, regardless of where the meals are consumed.

Present law suspends the effectiveness of the exemption on these items as to 3% of the state sales and use tax until June 30, 2009. Further provides for the permanent suspension of this exemption as to an additional 1% of the state sales and use taxes.

Proposed law provides that notwithstanding any provision enacted during the 2004 1st E.S., the exemption as to 3% of the state sales and use tax shall be applicable, operative, and effective beginning July 1, 2004, through July 1, 2009. Further provides that notwithstanding any provision enacted during the 2002 R.S., the exemption as to 1% of the state sales and use tax shall not be subject to the permanent suspension for all taxable periods beginning on and after July 1, 2002.

The provisions of this Act shall be retroactive; however, correctly computed taxes not paid under protest with suit filed for their recovery shall not be refunded.

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

(Amends R.S. 47:305(D)(2); Adds R.S. 47:302(R)(3), 321(H)(3), and 331(P)(4))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Adds provision that the sales tax exemption shall also apply to meals purchased in advance by students, faculty, and staff pursuant to meal plans sponsored by the institution or organization or purchased in advance pursuant to other payment arrangement and generally available to students, faculty, and staff, regardless of where the meals are consumed.
2. Adds provision that the Act shall be retroactive; however, correctly computed taxes not paid under protest shall not be refunded.