

2016 First Extraordinary Session

HOUSE BILL NO. 53

BY REPRESENTATIVE ABRAMSON

TAX/SALES-USE, STATE: To establish a framework upon which to repeal the property tax on business inventories and offshore vessels as well as the state income tax credits associated therewith through the repeal of a state sales and use tax, the levy of a limited, temporary state sales and use tax, and limitations on the applicability of certain exclusions and exemptions from certain state sales and use taxes (Items #31 and 36)

1 AN ACT

2 To amend and reenact R.S. 4:168 and 227, R.S. 12:425, R.S. 22:2065, R.S. 33:4169(D), R.S.
3 40:582.7 (introductory paragraph), R.S. 47:301(3), (6) through (10), (13) through
4 (16), (18), and (27), 302(R)(2) and (3), (S), and (T), 305(A)(2), (4)(a), (5) and (6),
5 (D)(1)(b) through (d), (f) through (i), and (u), (2)(a)(introductory paragraph), (F), and
6 (I), 305.1(A) and (B), 305.6 through 305.8, 305.13, 305.14(A)(1), 305.16, 305.17,
7 305.18(A), 305.19, 305.20(C), 305.25(A)(introductory paragraph), 305.26,
8 305.28(A), 305.33, 305.37(A), 305.40(A)(introductory paragraph), 305.41,
9 305.43(A), 305.44(A), 305.45(A)(introductory paragraph), 305.47, 305.49,
10 305.50(A)(1) and (2)(a), (B), (E), and (F), 305.51(A), 305.54(B)(1), 305.57(A),
11 305.58(A)(1), 305.59, 305.61(A), 305.62(B)(1), 305.63, 305.64(A)(1), 305.65(A),
12 305.66(A), 305.67, 305.68, 305.70, 305.71, 318(A), 321(H)(1), 331(P)(3) and (4),
13 (Q) and (R), and 6001(A), and R.S. 51:1307(C), and to enact R.S. 47:321.1, and to
14 and to repeal R.S. 47:305.42 and R.S. 47:321, relative to state taxes; to establish the
15 Inventory Tax Phase-out Fund in the state treasury; to provide for the deposit, use,
16 and investment of monies in the fund; to provide a framework upon which to
17 establish a revenue source for the fund through the imposition of a temporary state
18 sales and use tax and the repeal of a state sales and use tax; to provide for the base

1 of certain state sales and use tax levies; to provide for effectiveness; and to provide
2 for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 47:321 is hereby repealed in its entirety.

5 Section 2. Chapter 2-A.1, comprised of R.S. 47:321.1 is hereby enacted to read as
6 follows:

7 CHAPTER 2-A.1. ADDITIONAL SALES AND USE TAX

8 §321.1. Imposition of tax

9 A. In addition to the taxes levied under R.S. 47:302(A) and 331(A) and
10 collected under the provisions of Chapter 2 of Subtitle II of this Title, there is hereby
11 levied from January 1, 2017 through December 31, 2021, an additional tax upon the
12 sale at retail, the use, the consumption, the distribution, and the storage for use or
13 consumption in this state of each item or article of tangible personal property as
14 defined in Chapter 2 of Subtitle II of this Title. The levy of said tax shall be as
15 follows:

16 (1) At the rate of one half of one percent of the sales price of each item or
17 article of tangible personal property when sold at retail in this state, the tax to be
18 computed on gross sales for the purpose of remitting the amount of tax to the state,
19 and to include each and every retail sale.

20 (2) At the rate of one half of one percent of the cost price of each item or
21 article of tangible personal property when the same is not sold but is used, consumed,
22 distributed, or stored for use or consumption in this state, provided that there shall
23 be no duplication of the tax.

24 B. In addition to the tax levied by R.S. 47:302(B) and 331(B) and collected
25 under the provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised
26 Statutes of 1950, there is hereby levied from January 1, 2017 through December 31,
27 2021 a tax upon the lease or rental within this state of each item or article of tangible
28 personal property, as defined by said Chapter 2 of Subtitle II of Title 47 of the
29 Louisiana Revised Statutes of 1950; the levy of said tax to be as follows:

1 (1) At the rate of one half of one percent of the gross proceeds derived from
2 the lease or rental of tangible personal property, as defined in Chapter 2 of Subtitle
3 II of Title 47 of the Louisiana Revised Statutes of 1950, where the lease or rental of
4 such property is in an established business, or part of an established business, or the
5 same is incidental or germane to the business.

6 (2) At the rate of one half of one percent of the monthly lease or rental price
7 paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to
8 the owner of the tangible personal property.

9 C. In addition to the tax levied on sales of services by R.S. 47:302(C) and
10 331(C) and collected under the provisions of Chapter 2 of Subtitle II of this Title,
11 there is hereby levied, from January 1, 2017 through December 31, 2021, a tax upon
12 all sales of services in this state, as those services are defined by said Chapter 2 of
13 Subtitle II of this Title, at the rate of one half of one percent of the amounts paid or
14 charged for such services.

15 D. The tax levied herein shall be collected from the dealer and wholesaler
16 as provided for and as defined by Chapter 2 of Subtitle II of Title 47 of the Louisiana
17 Revised Statutes of 1950; shall be paid at the time and in the manner provided by
18 said Chapter; shall be in addition to all other taxes, whether levied in the form of
19 sales, excise, license, or privilege taxes; and shall be in addition to taxes levied under
20 the provisions of Chapter 3 of Subtitle II of Title 47 of the Louisiana Revised
21 Statutes of 1950.

22 E. The avails of the tax shall be deposited into the state treasury, and after
23 satisfaction of the requirements of the Bond Security and Redemption Fund, the state
24 treasurer shall deposit in and credit to the Inventory Tax Phase-out Fund an amount
25 equal to the total avails of that tax, to be known as "state revenues".

26 F. Inventory Tax Phase-out Fund.

27 (1) There is hereby established a special fund within the state treasury to be
28 known as the Inventory Tax Phase-out Fund, hereinafter referred to as "the fund".
29 The purpose of the fund shall be to provide support to local government taxing

1 authorities for any revenue loss which may be sustained if business inventory
2 property and offshore vessels were to become exempt from the ad valorem tax base.
3 The source of monies for the fund shall be the state revenues deposited into the fund
4 pursuant to Subsection E of this Section. Monies in the fund shall be invested in the
5 same manner as those in the state general fund, and any unencumbered and
6 unexpended monies in the fund at the end of a fiscal year shall remain in the fund.

7 (2) From January 1, 2017, through December 31, 2021, the monies deposited
8 into the fund shall be distributed as follows:

9 (a) Taxing authorities of the state which, as of January 1, 2016, imposed an
10 ad valorem tax on property within their jurisdiction shall be eligible to receive
11 distributions from this fund, and are hereinafter referred to as "eligible taxing
12 authorities".

13 (b) The allocation of monies from the fund to each parish shall be on a pro-
14 rata basis, based on the percentage that the parish's 2014 total ad valorem tax
15 collections on business inventory property and offshore vessels represents of the
16 2014 total statewide ad valorem tax collections on business inventory property and
17 offshore vessels.

18 (b) The state treasurer shall distribute monies from the fund to each parish
19 on a monthly basis. State revenues distributed to a parish shall be allocated and
20 distributed by the sheriff to each eligible taxing authority on a pro-rata basis, based
21 on the percentage that the taxing authority's 2014 total amount of ad valorem taxes
22 on business inventory property and offshore vessels represents of the 2014 total
23 amount of ad valorem taxes collected on business inventory property and offshore
24 vessels in that parish.

25 Section 3. This Act shall become effective if and when an amendment to the
26 Constitution of Louisiana to exempt business inventory property and offshore vessels from
27 ad valorem taxation is adopted by the electorate.

28 Section 4. R.S. 4:168 and 227 are hereby amended and reenacted to read as follows:

1 §168. License fees, commissions, and taxes of this Part in lieu of ~~all other such~~
2 certain taxes

3 The license fees, commissions, and taxes imposed in this Part are in lieu of
4 all other such licenses, ~~sales~~, excise taxes and occupational taxes ~~to, and certain sales~~
5 and use taxes imposed by the state or to any parish, city, town, or other political
6 subdivision thereof. The taxable transactions of a licensee shall be subject to the
7 state sales and use taxes imposed under Chapter 2 of Subtitle II of Title 47 of the
8 Louisiana Revised Statutes of 1950, as amended.

9 * * *

10 §227. License fees, commissions, and taxes of this Part in lieu of ~~all other such~~
11 certain taxes

12 The license fees, commissions, and taxes imposed upon an offtrack wagering
13 facility in this Part are in lieu of all other such licenses, ~~sales~~, excise, and
14 occupational taxes ~~to, and certain sales and use taxes imposed by~~ the state or to any
15 parish, city, town, municipality, or other political subdivision thereof. However, this
16 exemption shall not be applicable to taxable transactions subject to the state sales and
17 use taxes imposed under Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised
18 Statutes of 1950, as amended.

19 Section 5. R.S. 12:425 is hereby amended and reenacted to read as follows:

20 §425. Taxation

21 Each cooperative shall pay annually, on or before the first day of July, to the
22 department of revenue, a fee of ten dollars for each one hundred persons or fraction
23 thereof to whom electricity is supplied within the state by it, but shall be exempt
24 from all other excise and income taxes whatsoever. However, the exemption
25 authorized under this Section shall not be applicable to taxable transactions subject
26 to the state sales and use taxes imposed under Chapter 2 of Subtitle II of Title 47 of
27 the Louisiana Revised Statutes of 1950, as amended.

28 Section 6. R.S. 22:2065 is hereby amended and reenacted to read as follows:

29 §2065. Tax exemption

1 The association shall be exempt from payment of all fees and all taxes levied
2 by this state under R.S. 47:331 or those taxes levied by any of its political
3 subdivisions ~~except~~ with the exception of taxes levied on real or personal property.

4 Section 7. R.S. 33:4169(D) is hereby amended and reenacted to read as follows:

5 §4169. Collection contracts for sewerage service charges; access charges;
6 enforcement procedures for delinquent charges

7 * * *

8 D. Any municipal corporation, parish, or sewerage or water district shall
9 have the power to execute and enter into a contract with any private company for the
10 construction of sewerage or wastewater treatment facilities and for the operation of
11 such facilities. Any such private company shall have in its construction and
12 operation of such facilities the same ad valorem and sales tax liability exemption as
13 the municipal corporation, parish, or sewerage or water district with which it
14 contracts for such purpose; however, this exemption shall not be applicable to
15 taxable transactions subject to the state sales and use taxes imposed under Chapter
16 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended.

17 * * *

18 Section 8. R.S. 47:301(3), (6) through (10), (13) through (16), (18), and (27),
19 302(R)(2) and (3), (S), and (T), 305(A)(2), (4)(a), (5) and (6), (D)(1)(b) through (d), (f)
20 through (i), and (u), (2)(a)(introductory paragraph), (F), and (I), 305.1(A) and (B), 305.6
21 through 305.8, 305.13, 305.14(A)(1), 305.16, 305.17, 305.18(A), 305.19, 305.20(C),
22 305.25(A)(introductory paragraph), 305.26, 305.28(A), 305.33, 305.37(A),
23 305.40(A)(introductory paragraph), 305.41, 305.43(A), 305.44(A), 305.45(A)(introductory
24 paragraph), 305.47, 305.49, 305.50(A)(1) and (2)(a), (B), (E), and (F), 305.51(A),
25 305.54(B)(1), 305.57(A), 305.58(A)(1), 305.59, 305.61(A), 305.62(B)(1), 305.63,
26 305.64(A)(1), 305.65(A), 305.66(A), 305.67, 305.68, 305.70, 305.71, 318(A), 331(P)(3) and
27 (4), (Q) and (R), and 6001(A) are hereby amended and reenacted to read as follows:

1 §301. Definitions

2 As used in this Chapter the following words, terms, and phrases have the
3 meaning ascribed to them in this Section, unless the context clearly indicates a
4 different meaning:

5 * * *

6 (3)(a) "Cost price" means the actual cost of the articles of tangible personal
7 property without any deductions therefrom on account of the cost of materials used,
8 labor, or service cost, except those service costs for installing the articles of tangible
9 personal property if such cost is separately billed to the customer at the time of
10 installation, transportation charges, or any other expenses whatsoever, or the
11 reasonable market value of the tangible personal property at the time it becomes
12 susceptible to the use tax, whichever is less.

13 (b) In the case of tangible personal property which has acquired a tax situs
14 in a taxing jurisdiction and is thereafter transported outside the taxing jurisdiction for
15 repairs performed outside the taxing jurisdiction and is thereafter returned to the
16 taxing jurisdiction, the cost price shall be deemed to be the actual cost of any parts
17 and/or materials used in performing such repairs, if applicable labor charges are
18 separately stated on the invoice. If the applicable labor charges are not separately
19 stated on the invoice, it shall be presumed that the cost price is the total charge
20 reflected on the invoice.

21 (c) "Cost price" shall not include the supplying and installation of board
22 roads to oil field operators if the installation charges are separately billed to the
23 customer at the time of installation.

24 (d)(i) In the case of interchangeable components located in Louisiana, a
25 taxpayer may elect to determine the cost price of such components as follows:

26 (aa) The taxpayer shall send to the secretary written notice of the calendar
27 month selected by the taxpayer as the first month for the determination of cost price
28 under this Paragraph (the "First Month"). The taxpayer may select any month. The
29 taxpayer shall send to the secretary notice of an election to designate a First Month

1 on the first day of the designated First Month, or ninety days from July 1, 1990,
2 whichever is later.

3 (bb) For the First Month and each month thereafter, cost price shall be based
4 and use tax shall be paid only on one-sixtieth of the aggregate cost price of the
5 interchangeable components deployed and earning revenue within Louisiana during
6 the month, without regard to any credit or other consideration for Louisiana state,
7 political subdivision, or school board use tax previously paid on such
8 interchangeable components.

9 (cc) Any election made under this Paragraph shall be irrevocable for a period
10 of sixty consecutive months inclusive of the First Month. If at any time after the
11 sixty-month period the taxpayer revokes its election, no credit or other consideration
12 for use taxes paid pursuant thereto shall be applied to any use tax liability arising
13 after such revocation.

14 (ii)(aa) For purposes of this Paragraph, "interchangeable component" means
15 a component that is used or stored for use in measurement-while-drilling instruments
16 or systems manufactured or assembled by the taxpayer, which measurement-while-
17 drilling instruments or systems collectively generate eighty percent or more of their
18 annual revenue from their use outside of the state.

19 (bb) "Measurement-while-drilling instruments or systems" means
20 instruments or systems which measure information from a downhole location in a
21 borehole, transmit the information to the surface during the process of drilling the
22 borehole using a wireless technique, and receive and decode the information on the
23 surface.

24 (iii) The method for determining cost price of interchangeable components
25 provided for in this Paragraph shall apply to any use taxes imposed by a local
26 political subdivision or school board. For purposes of that application, the words
27 "political subdivision" or "school board" as the case may be, shall be substituted for
28 the words "Louisiana" or "State" in each instance where those words appear in this

1 Paragraph and an appropriate official of the local political subdivision or school
2 board shall be designated to receive the notices required by this Paragraph.

3 (e) ~~Cost~~ For purposes of the state sales and use taxes imposed under R.S.
4 47:331 and the sales and use tax imposed by any political subdivision, the term "cost
5 price" shall not include any amount designated as a cash discount or a rebate by a
6 vendor or manufacturer of any new vehicle subject to the motor vehicle license tax.
7 For purposes of this Paragraph "rebate" means any amount offered by the vendor or
8 manufacturer as a deduction from the listed retail price of the vehicle.

9 (f) ~~The~~ For purposes of the state sales and use taxes imposed under R.S.
10 47:331 and the sales and use tax imposed by any political subdivision, the "cost
11 price" of refinery gas shall be fifty-two cents per thousand cubic feet multiplied by
12 a fraction the numerator of which shall be the posted price for a barrel of West Texas
13 Intermediate Crude Oil on December first of the preceding calendar year and the
14 denominator of which shall be twenty-nine dollars, and provided further that such
15 cost price shall be the maximum value placed upon refinery gas by the state and by
16 any political subdivision under any authority or grant of power to levy and collect
17 use taxes.

18 (g) "Cost price", for purposes of the use tax imposed by the state under R.S.
19 47:331 and its political subdivisions, shall exclude any amount that a manufacturer
20 pays directly to a dealer of the manufacturer's product for the purpose of reducing
21 and that actually results in an equivalent reduction in the retail "cost price" of that
22 product. This exclusion shall not apply to the value of the coupons that dealers
23 accept from purchasers as part payment of the "sales price" and that are redeemable
24 by the dealers through manufacturers or their agents. The value of such coupons is
25 deemed to be part of the "cost price" of the product purchased through the use of the
26 coupons.

27 (h)(i) For purposes of a publishing business which distributes its news
28 publications at no cost to readers and pays unrelated third parties to print such news
29 publications, the term "cost price" shall mean only the lesser of the following costs:

1 (aa) The printing cost paid to unrelated third parties to print such news
2 publications, less any itemized freight charges for shipping the news publications
3 from the printer to the publishing business and any itemized charges for paper and
4 ink.

5 (bb) Payments to a dealer or distributor as consideration for distribution of
6 the news publications.

7 (ii) The definition of "cost price" provided for in this Subparagraph shall be
8 applicable to taxes levied by all tax authorities in the state.

9 (i)(i) For purposes of the imposition of the use tax levied by the state ~~and any~~
10 ~~political subdivision whose boundaries are coterminous with those of the state~~ under
11 R.S. 47:331, the cost price of machinery and equipment used by a manufacturer in
12 a plant facility predominately and directly in the actual manufacturing for
13 agricultural purposes or the actual manufacturing process of an item of tangible
14 personal property, which is for ultimate sale to another and not for internal use, at
15 one or more fixed locations within Louisiana, shall be reduced as follows:

16 (aa) For the period ending on June 30, 2005, the cost price shall be reduced
17 by five percent.

18 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the
19 cost price shall be reduced by nineteen percent.

20 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the
21 cost price shall be reduced by thirty-five percent.

22 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the
23 cost price shall be reduced by fifty-four percent.

24 (ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the
25 cost price shall be reduced by sixty-eight percent.

26 (ff) For all periods beginning on or after July 1, 2009, the cost price shall be
27 reduced by one hundred percent.

28 (ii) For purposes of this Subparagraph, the following definitions shall apply:

1 (aa) "Machinery and equipment" means tangible personal property or other
2 property that is eligible for depreciation for federal income tax purposes and that is
3 used as an integral part in the manufacturing of tangible personal property for sale.
4 "Machinery and equipment" shall also mean tangible personal property or other
5 property that is eligible for depreciation for federal income tax purposes and that is
6 used as an integral part of the production, processing, and storing of food and fiber
7 or of timber.

8 (I) Machinery and equipment, for purposes of this Subparagraph, also
9 includes but is not limited to the following:

10 (aaa) Computers and software that are an integral part of the machinery and
11 equipment used directly in the manufacturing process.

12 (bbb) Machinery and equipment necessary to control pollution at a plant
13 facility where pollution is produced by the manufacturing operation.

14 (ccc) Machinery and equipment used to test or measure raw materials, the
15 property undergoing manufacturing or the finished product, when such test or
16 measurement is a necessary part of the manufacturing process.

17 (ddd) Machinery and equipment used by an industrial manufacturing plant
18 to generate electric power for self consumption or cogeneration.

19 (eee) Machinery and equipment used primarily to produce a news
20 publication whether it is ultimately sold at retail or for resale or at no cost. Such
21 machinery and equipment shall include but not be limited to all machinery and
22 equipment used primarily in composing, creating, and other prepress operations,
23 electronic transmission of pages from prepress to press, pressroom operations, and
24 mailroom operations and assembly activities. The term "news publication" shall
25 mean any publication issued daily or regularly at average intervals not exceeding
26 three months, which contains reports of varied character, such as political, social,
27 cultural, sports, moral, religious, or subjects of general public interest, and
28 advertising supplements and any other printed matter ultimately distributed with or
29 a part of such publications.

1 (II) Machinery and equipment, for purposes of this Subparagraph, does not
2 include any of the following:

3 (aaa) A building and its structural components, unless the building or
4 structural component is so closely related to the machinery and equipment that it
5 houses or supports that the building or structural component can be expected to be
6 replaced when the machinery and equipment are replaced.

7 (bbb) Heating, ventilation, and air-conditioning systems, unless their
8 installation is necessary to meet the requirements of the manufacturing process, even
9 though the system may provide incidental comfort to employees or serve, to an
10 insubstantial degree, nonproduction activities.

11 (ccc) Tangible personal property used to transport raw materials or
12 manufactured goods prior to the beginning of the manufacturing process or after the
13 manufacturing process is complete.

14 (ddd) Tangible personal property used to store raw materials or
15 manufactured goods prior to the beginning of the manufacturing process or after the
16 manufacturing process is complete.

17 (bb) "Manufacturer" means:

18 (I) A person whose principal activity is manufacturing, as defined in this
19 Subparagraph, and who is assigned by the Louisiana Workforce Commission a North
20 American Industrial Classification System code within the agricultural, forestry,
21 fishing, and hunting Sector 11, the manufacturing Sectors 31-33, the information
22 Sector 511110 as they existed in 2002, or industry code 423930 as a recyclable
23 material merchant wholesaler engaged in manufacturing activities, which must
24 include shredding facilities, as determined by the secretary of the Department of
25 Revenue.

26 (II) A person whose principal activity is manufacturing and who is not
27 required to register with the Louisiana Workforce Commission for purposes of
28 unemployment insurance, but who would be assigned a North American Industrial
29 Classification System code within the agricultural, forestry, fishing, and hunting

1 Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they
2 existed in 2002, as determined by the Louisiana Department of Revenue from federal
3 income tax data, if he were required to register with the Louisiana Workforce
4 Commission for purposes of unemployment insurance.

5 (cc) "Manufacturing" means putting raw materials through a series of steps
6 that brings about a change in their composition or physical nature in order to make
7 a new and different item of tangible personal property that will be sold to another.
8 Manufacturing begins at the point at which raw materials reach the first machine or
9 piece of equipment involved in changing the form of the material and ends at the
10 point at which manufacturing has altered the material to its completed form. Placing
11 materials into containers, packages, or wrapping in which they are sold to the
12 ultimate consumer is part of this manufacturing process. Manufacturing, for
13 purposes of this Subparagraph, does not include any of the following:

14 (I) Repackaging or redistributing.

15 (II) The cooking or preparing of food products by a retailer in the regular
16 course of retail trade.

17 (III) The storage of tangible personal property.

18 (IV) The delivery of tangible personal property to or from the plant.

19 (V) The delivery of tangible personal property to or from storage within the
20 plant.

21 (VI) Actions such as sorting, packaging, or shrink wrapping the final
22 material for ease of transporting and shipping.

23 (dd) "Manufacturing for agricultural purposes" means the production,
24 processing, and storing of food and fiber and the production, processing, and storing
25 of timber.

26 (ee) "Plant facility" means a facility, at one or more locations, in which
27 manufacturing, referred to in Sectors 11 and 31-33 of the North American Industrial
28 Classification system as of 2002, of a product of tangible personal property takes
29 place.

1 (ff) "Used directly" means used in the actual process of manufacturing or
2 manufacturing for agricultural purposes.

3 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or
4 equipment as defined herein without payment of the tax imposed by R.S. 47:302,
5 321, and 331 before receiving a certificate of exclusion from the secretary of the
6 Department of Revenue certifying that he is a manufacturer as defined herein.

7 (iv) The secretary of the Department of Revenue is hereby authorized to
8 adopt rules and regulations in order to administer the exclusion provided for in this
9 Subparagraph.

10 (j) For the purpose of the sales and use taxes imposed by the state ~~or any~~
11 ~~political subdivision whose boundaries are coterminous with those of the state~~ under
12 R.S. 47:331, the "cost price" of electric power or energy, or natural gas for the period
13 beginning July 1, 2007 and thereafter, purchased or used by paper or wood products
14 manufacturing facilities shall not include any of such cost.

15 (k)(i) For purposes of the imposition of the sales and use tax levied by the
16 state ~~or any political subdivision whose boundaries are coterminous with those of the~~
17 ~~state~~ under R.S. 47:331, the tax on the cost price of tangible property consumed in
18 the manufacturing process, such as fuses, belts, felts, wires, conveyor belts,
19 lubricants, and motor oils and the tax on the cost price of repairs and maintenance
20 of manufacturing machinery and equipment shall be reduced as follows:

21 (aa) For the period beginning July 1, 2010, and ending on June 30, 2011, the
22 state sales and use tax on the cost price shall be reduced by twenty-five percent.

23 (bb) For the period beginning July 1, 2011, and ending June 30, 2012, the
24 state sales and use tax on the cost price shall be reduced by fifty percent.

25 (cc) For the period beginning July 1, 2012, and ending June 30, 2013, the
26 state sales and use tax on the cost price shall be reduced by seventy-five percent.

27 (dd) For all periods beginning on and after July 1, 2013, the state sales and
28 use tax on the cost price shall be reduced by one hundred percent.

1 (ii) For purposes of this Subparagraph, "manufacturer" means a person
2 whose principal activity is manufacturing and who is assigned an industry group
3 designation by the United States Census of 3211 through 3222 or 113310 pursuant
4 to the North American Industry Classification System of 2007.

5 * * *

6 (6)(a) "Hotel" means and includes any establishment engaged in the business
7 of furnishing sleeping rooms, cottages, or cabins to transient guests, where such
8 establishment consists of six or more sleeping rooms, cottages, or cabins at a single
9 business location.

10 (b) For purposes of the sales and use taxes ~~of all tax authorities in this state,~~
11 imposed by the state under R.S. 47:331 and any sales and use tax imposed by a
12 political subdivision, the term "hotel" as defined herein shall not include camp and
13 retreat facilities owned and operated by nonprofit organizations exempt from federal
14 income tax under Section 501(a) of the Internal Revenue Code as an organization
15 described in Section 501(c)(3) of the Internal Revenue Code provided that the net
16 revenue derived from the organizations's property is devoted wholly to the nonprofit
17 organization's purposes. However, for purposes of this Paragraph, the term "hotel"
18 shall include camp and retreat facilities which shall sell rooms or other
19 accommodations to transient guests who are not attending a function of such
20 nonprofit organization that owns and operates the camp and retreat facilities or a
21 function of another nonprofit organization exempt from federal income tax under
22 Section 501(a) of the Internal Revenue Code as an organization described in Section
23 501(c)(3) of the Internal Revenue Code. It is the intention of the legislature to tax
24 the furnishing of rooms to those who merely purchase lodging at such facilities.

25 (c) For purposes of the sales and use taxes ~~of all tax authorities in this state~~
26 imposed by the state under R.S. 47:331 and any sales and use tax imposed by a
27 political subdivision, the term "hotel", as defined herein, shall not include a
28 temporary lodging facility which is operated by a nonprofit organization described
29 in Section 501(c)(3) of the Internal Revenue Code, provided that the facility is

1 devoted exclusively to the temporary housing, for periods no longer than thirty days'
2 duration, of homeless transient persons whom the organization determines to be
3 financially incapable of engaging lodging at a facility defined by Subparagraph (a)
4 of this Paragraph, and further provided that the lodging charge to such persons is no
5 greater than twenty dollars per day.

6 (7)(a) "Lease or rental" means the leasing or renting of tangible personal
7 property and the possession or use thereof by the lessee or renter, for a consideration,
8 without transfer of the title of such property. For the purpose of the leasing or
9 renting of automobiles, "lease" means the leasing of automobiles and the possession
10 or use thereof by the lessee, for a consideration, without the transfer of the title of
11 such property for a one hundred eighty-day period or more. "Rental" means the
12 renting of automobiles and the possession or use thereof by the renter, for a
13 consideration, without the transfer of the title of such property for a period less than
14 one hundred eighty days.

15 (b) ~~The~~ For purposes of the sales and uses taxes imposed by the state under
16 R.S. 47:331 and any sales and use tax imposed by a political subdivision, the term
17 "lease or rental", however, as herein defined, shall not mean or include the lease or
18 rental made for the purposes of re-lease or re-rental of casing tools and pipe, drill
19 pipe, tubing, compressors, tanks, pumps, power units, other drilling or related
20 equipment used in connection with the operating, drilling, completion, or reworking
21 of oil, gas, sulphur, or other mineral wells.

22 (c)) ~~The~~ For purposes of the sales and uses taxes imposed by the state under
23 R.S. 47:331 and any sales and use tax imposed by a political subdivision, the term
24 "lease or rental", as herein defined shall not mean or include a lease or rental of
25 property to be used in performance of a contract with the United States Department
26 of the Navy for construction or overhaul of U.S. Naval vessels.

27 (d) ~~The~~ For purposes of the sales and uses taxes imposed by the state under
28 R.S. 47:331 and any sales and use tax imposed by a political subdivision, the term

1 "lease or rental", as herein defined, shall not mean the lease or rental of airplanes or
2 airplane equipment by a commuter airline domiciled in Louisiana.

3 (e) For purposes of state and political subdivision sales and use tax, the term
4 "lease or rental", as herein defined, shall not mean the lease or rental of items,
5 including but not limited to supplies and equipment, which are reasonably necessary
6 for the operation of free hospitals.

7 (f) For purposes of ~~state and political subdivision sales and use tax~~ sales and
8 use taxes imposed by the state under R.S. 47:331 and any sales and use tax imposed
9 by a political subdivision, "lease or rental" shall not mean the lease or rental of
10 educational materials or equipment used for classroom instruction by approved
11 parochial and private elementary and secondary schools which comply with the court
12 order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal
13 Revenue Code, limited to books, workbooks, computers, computer software, films,
14 videos, and audio tapes.

15 (g) For purposes of state and political subdivision sales and use tax, "lease
16 or rental" shall not mean the lease or rental of tangible personal property to Boys
17 State of Louisiana, Inc. and Girls State of Louisiana, Inc. which is used by such
18 organizations for their educational and public service programs for youth.

19 (h) For purposes of state and political subdivision sales and use tax, the term
20 "lease or rental" shall not mean or include the lease or rental of motor vehicles by
21 licensed motor vehicle dealers, as defined in R.S. 32:1252(14), or vehicle
22 manufacturers, as defined in R.S. 32:1252(11), for their use in furnishing such leased
23 or rented motor vehicles to their customers in performance of their obligations under
24 warranty agreements associated with the purchase of a motor vehicle or when the
25 applicable warranty has lapsed and the leased or rented motor vehicle is provided to
26 the customer at no charge.

27 (i) For purposes of sales and use taxes levied and imposed by local
28 governmental subdivisions, school boards, and other political subdivisions whose
29 boundaries are not coterminous with those of the state, "lease or rental" by a person

1 shall not mean or include the lease or rental of tangible personal property if such
2 lease or rental is made under the provisions of Medicare.

3 (j) Solely for purposes of the sales and use tax levied by the state ~~or any~~
4 ~~political subdivision whose boundaries are coterminous with those of the state~~ under
5 R.S. 47:331, the term "lease or rental" shall not include the lease or rental in this
6 state of manufacturing machinery and equipment used or consumed in this state to
7 manufacture, produce, or extract unblended biodiesel.

8 (k)(i) For purposes of any sales, use, or lease tax levied by the state or any
9 political subdivision of the state, the term "lease or rental" shall not include the lease
10 or rental of a crane and related equipment with an operator.

11 (ii) Notwithstanding the provisions of Item (i) of this Subparagraph, cranes
12 leased or rented with an operator are subject to the provisions of the sales and use tax
13 law upon first use in Louisiana.

14 (l)(i) For purposes of the sales and use tax levied by ~~all tax authorities in this~~
15 ~~state~~ the state under R.S. 47:331 and any sales and use tax imposed by a political
16 subdivision, the term "lease or rental" shall not apply to leases or rentals of pallets
17 which are used in packaging products produced by a manufacturer.

18 (ii) For purposes of this Subparagraph, the term "manufacturer" shall mean
19 a person whose primary activity is manufacturing and who is assigned by the
20 Louisiana Workforce Commission a North American Industrial Classification
21 System code within the manufacturing sectors 31-33 as they existed in 2002.

22 (8)(a) "Person", except as provided in Subparagraph (c), includes any
23 individual, firm, copartnership, joint adventure, association, corporation, estate, trust,
24 business trust, receiver, syndicate, this state, any parish, city and parish,
25 municipality, district or other political subdivision thereof or any board, agency,
26 instrumentality, or other group or combination acting as a unit, and the plural as well
27 as the singular number.

28 (b) Solely for purposes of the payment of state sales or use tax imposed
29 under R.S. 47:331 on the lease or rental or the purchase of tangible personal property

1 or services, "person" shall not include a regionally accredited independent institution
2 of higher education which is a member of the Louisiana Association of Independent
3 Colleges and Universities, if such lease or rental or purchase is directly related to the
4 educational mission of such institution. However, the term "person" shall include
5 such institution for purposes of the payment of tax on sales by such institution if the
6 sales are not otherwise exempt.

7 (c)(i) For purposes of the payment of the state sales and use tax and the sales
8 and use tax levied by any political subdivision, "person" shall not include this state,
9 any parish, city and parish, municipality, district, or other political subdivision
10 thereof, or any agency, board, commission, or instrumentality of this state or its
11 political subdivisions.

12 (ii) Upon request by any political subdivision for an exemption identification
13 number, the Department of Revenue shall issue such number. The secretary may
14 promulgate rules and regulations in accordance with the Administrative Procedure
15 Act to carry out the provisions of this Item.

16 (d)(i) For purposes of the payment of the state sales and use tax and the sales
17 and use tax levied by any political subdivision, the term "person" shall not include
18 a church or synagogue that is recognized by the United States Internal Revenue
19 Service as entitled to exemption under Section 501(c)(3) of the United States Internal
20 Revenue Code.

21 (ii) The secretary of the Department of Revenue shall promulgate rules and
22 regulations defining the terms "church" and "synagogue" for purposes of this
23 exclusion. The definitions shall be consistent with the criteria established by the
24 U.S. Internal Revenue Service in identifying organizations that qualify for church
25 status for federal income tax purposes.

26 (iii) No church or synagogue shall claim exemption or exclusion from the
27 state sales and use tax or the sales and use tax levied by any political subdivision
28 before having obtained a certificate of authorization from the secretary of the
29 Department of Revenue. The secretary shall develop applications for such

1 certificates. The certificates shall be issued without charge to the institutions that
2 qualify.

3 (iv) The exclusion from the sales and use tax authorized by this
4 Subparagraph shall apply only to purchases of bibles, song books, or literature used
5 for religious instruction classes.

6 (e)(i) For purposes of the payment of the state sales and use tax and the sales
7 and use tax levied by any political subdivision, the term "person" shall not include
8 the Society of the Little Sisters of the Poor.

9 (ii) The secretary of the Department of Revenue shall promulgate rules and
10 regulations for purposes of this exclusion. The definitions shall be consistent with
11 the criteria established by the U.S. Internal Revenue Service in identifying tax-
12 exempt status for federal income tax purposes.

13 (iii) No member of the Society of the Little Sisters of the Poor shall claim
14 exemption or exclusion from the state sales and use tax or the sales and use tax
15 levied by any political subdivision before having obtained a certificate of
16 authorization from the secretary of the Department of Revenue. The secretary shall
17 develop applications for such certificates. The certificates shall be issued without
18 charge to the entities which qualify.

19 (f)(i) For purposes of the payment of sales and use tax levied by this state
20 and any political subdivision whose boundaries are coterminous with those of the
21 state, the term "person" shall not include a nonprofit entity which sells donated goods
22 and spends seventy-five percent or more of its revenues on directly employing or
23 training for employment persons with disabilities or workplace disadvantages.

24 (ii) The secretary shall promulgate rules and regulations for the use of
25 exclusion certificates for purposes of implementation of this Subparagraph. Each
26 nonprofit entity electing to utilize the exclusion provided for in this Subparagraph
27 shall apply for an exclusion certificate annually. Any exclusion certificate granted
28 by the Department of Revenue shall be effective for a one-year period.

1 (iii) The secretary shall provide forms for nonprofit entities to request an
2 exclusion certificate.

3 (9) "Purchaser" means and includes any person who acquires or receives any
4 tangible personal property, or the privilege of using any tangible personal property,
5 or receives any services pursuant to a transaction subject to tax under this Chapter.

6 (10)(a)(i) Solely for the purposes of the imposition of the state sales and use
7 tax, "retail sale" or "sale at retail" means a sale to a consumer or to any other person
8 for any purpose other than for resale as tangible personal property, or for the lease
9 of automobiles in an arm's length transaction, and shall mean and include all such
10 transactions as the secretary, upon investigation, finds to be in lieu of sales; provided
11 that sales for resale or for lease of automobiles in an arm's length transaction must
12 be made in strict compliance with the rules and regulations. Any dealer making a
13 sale for resale or for the lease of automobiles, which is not in strict compliance with
14 the rules and regulations, shall himself be liable for and pay the tax.

15 (ii) Solely for purposes of the imposition of the sales and use tax levied by
16 a political subdivision or school board, "retail sale" or "sale at retail" shall mean a
17 sale to a consumer or to any other person for any purpose other than for resale in the
18 form of tangible personal property, or resale of those services defined in Paragraph
19 (14) of this Section provided the retail sale of the service is subject to sales tax in this
20 state, and shall mean and include all such transactions as the collector, upon
21 investigation, finds to be in lieu of sales; provided that sales for resale be made in
22 strict compliance with the rules and regulations. Any dealer making a sale for resale,
23 which is not in strict compliance with the rules and regulations shall himself be liable
24 for and pay the tax. A local collector shall accept a resale certificate issued by the
25 Department of Revenue, provided the taxpayer includes the parish of its principal
26 place of business and local sales tax account number on the state certificate.
27 However, in the case of an intra-parish transaction from dealer to dealer, the
28 collector may require that the local exemption certificate be used in lieu of the state

1 certificate. The department shall accommodate the inclusion of such information on
2 its resale certificate for such purposes.

3 (iii) "Retail sale" or "sale at retail" for purposes of sales and use taxes
4 imposed by the state tax on transactions involving the sale for rental of automobiles
5 which take place on or after January 1, 1991, and by political subdivisions on such
6 transactions on or after July 1, 1996, and state sales and use taxes imposed tax on
7 transactions involving the lease or rental of tangible personal property other than
8 automobiles which take place on or after July 1, 1991, means a sale to a consumer
9 or to any other person for any purpose other than for resale as tangible personal
10 property, or for lease or rental in an arm's length transaction in the form of tangible
11 personal property, and shall mean and include all such transactions as the secretary,
12 upon investigation, finds to be in lieu of sales; provided that sales for resale or for
13 lease or rental in an arm's length transaction must be made in strict compliance with
14 the rules and regulations. Any dealer making a sale for resale or for lease or rental,
15 which is not in strict compliance with the rules and regulations, shall himself be
16 liable for and pay the tax. For purposes of the imposition of the tax imposed by any
17 political subdivision of the state, for the period beginning on July 1, 1999, and
18 ending on June 30, 2000, the term "retail sale" or "sale at retail" shall not include
19 one-fourth of the sales price of any tangible personal property which is sold in order
20 to be leased or rented in an arm's length transaction in the form of tangible personal
21 property. For purposes of the imposition of the tax imposed by any political
22 subdivision of the state, for the period beginning on July 1, 2000, and ending on June
23 30, 2001, the term "retail sale" or "sale at retail" shall not include one-half of the
24 sales price of any tangible personal property which is sold in order to be leased or
25 rented in an arm's length transaction in the form of tangible personal property. For
26 purposes of the imposition of the tax imposed by any political subdivision of the
27 state, for the period beginning on July 1, 2001, and ending on June 30, 2002, the
28 term "retail sale" or "sale at retail" shall not include three-fourths of the sales price
29 of any tangible personal property which is sold in order to be leased or rented in an

1 arm's length transaction in the form of tangible personal property. Beginning July
2 1, 2002, for the purposes of imposition of the tax levied by any political subdivision
3 of the state, the term "retail sale" or "sale at retail" shall not include the sale of any
4 tangible personal property which is sold in order to be leased or rented in an arm's
5 length transaction in the form of tangible personal property.

6 (iv) "Retail sale" or "sale at retail", for purposes of sales and use taxes
7 imposed by the state on transactions involving the sale for rental of automobiles
8 which take place prior to January 1, 1991, and by political subdivisions on such
9 transactions prior to July 1, 1996, and imposed on transactions involving the lease
10 or rental of tangible personal property other than autos which take place prior to July
11 1, 1991, and for purposes of local sales and use taxes levied by political subdivisions
12 except for transactions involving the sale for rental of automobiles on or after July
13 1, 1996, means a sale to a consumer or to any other person for any purpose other
14 than for resale in the form of tangible personal property, and shall mean and include
15 all such transactions as the secretary, upon investigation, finds to be in lieu of sales;
16 provided that sales for resale must be made in strict compliance with the rules and
17 regulations. Any dealer making a sale for resale, which is not in strict compliance
18 with the rules and regulations, shall himself be liable for and pay the tax. However,
19 contrary provisions of law notwithstanding, any political subdivision may, by
20 ordinance, adopt the definition of "retail sale" or "sale at retail" provided in Item (iii)
21 of this Subparagraph for purposes of the imposition of its sales and use tax.

22 (v) Became null and void on June 30, 2006.

23 (vi) Solely for purposes of the payment of state sales and use tax, until
24 January 1, 2007, the term "sale at retail" shall not include purchases made in
25 connection with the filming or production of a motion picture by a motion picture
26 production company which has been relieved from the payment of state sales and use
27 tax under the provisions of Chapter 12 of Subtitle II of this Title, also known as the
28 "Louisiana Motion Picture Incentive Act". This exclusion shall be retroactively
29 revoked if it is determined that a motion picture production company that has been

1 relieved from payment of state sales and use tax under Chapter 12 failed to meet the
2 conditions of such relief.

3 (b)(i) Solely for purposes of the sales and use tax levied by the state, the sale
4 of tangible personal property to a dealer who purchases said property for resale
5 through coin-operated vending machines shall be considered a "sale at retail", subject
6 to such tax. The subsequent resale of the property by the dealer through
7 coin-operated vending machines shall not be considered a "sale at retail".

8 (ii) Solely for purposes of the sales and use tax levied by political
9 subdivisions, the term "sale at retail" shall include the sale of tangible personal
10 property by a dealer through coin-operated vending machines.

11 (c)(i)(aa) The term "sale at retail" does not include sale of materials for
12 further processing into articles of tangible personal property for sale at retail.

13 (bb) Solely for purposes of the sales and use tax levied by the state under
14 R.S. 47:331, natural gas when used in the production of iron in the process known
15 as the "direct reduced iron process" is not a catalyst and is recognized by the
16 legislature to be a material for further processing into an article of tangible personal
17 property for sale at retail.

18 (ii)(aa) Solely for purposes of the sales and use tax levied by the state under
19 R.S. 47:331, the term "sale at retail" does not include sales of electricity for
20 chlor-alkali manufacturing processes.

21 (bb) The term "sale at retail" does not include an isolated or occasional sale
22 of tangible personal property by a person not engaged in such business.

23 (d) The term "sale at retail" does not include the sale of any human tissue
24 transplants, which shall be defined to include all human organs, bone, skin, cornea,
25 blood, or blood products transplanted from one individual into another recipient
26 individual.

27 (e) The term "sale at retail" does not include the sale of raw agricultural
28 commodities, including but not limited to feed, seed, and fertilizer, to be utilized in
29 preparing, finishing, manufacturing, or producing crops or animals for market. The

1 Department of Agriculture and Forestry may develop and promulgate guidelines to
2 determine who meets this definition. Any person meeting such guidelines shall
3 receive a certificate from the Department of Agriculture and Forestry indicating that
4 such person is eligible to purchase such items without paying tax thereon.

5 (f) Notwithstanding any other law to the contrary, for purposes of the
6 imposition of the sales and use tax of any political subdivision, the sale of a vehicle
7 subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) shall be
8 deemed to be a "retail sale" or a "sale at retail":

9 (i) In the political subdivision of the principal residence of the purchaser if
10 the vehicle is purchased for private use, or

11 (ii) In the political subdivision of the principal location of the business if the
12 vehicle is purchased for commercial use, unless the vehicle purchased for
13 commercial use is assigned, garaged, and used outside of such political subdivision,
14 in which case the sale shall be deemed a "retail sale" or a "sale at retail" in the
15 political subdivision where the vehicle is assigned, garaged, and used.

16 (g) The term "retail sale" does not include a sale of corporeal movable
17 property which is intended for future sale to the United States government or its
18 agencies, when title to such property is transferred to the United States government
19 or its agencies prior to the incorporation of that property into a final product.

20 (h) The term "sale at retail" does not include the sale of food items by youth
21 serving organizations chartered by congress.

22 (i) The term "sale at retail", for purposes of the state sales and use tax
23 imposed by the state under R.S. 47:331 does not include the purchase of a new
24 school bus or a used school bus which is less than five years old by an independent
25 operator, when such bus is to be used exclusively in a public school system. This
26 exclusion shall apply to all sales and use taxes levied by any local political
27 subdivision.

28 (j) The term "sale at retail" does not include the sale of tangible personal
29 property to food banks, as defined in R.S. 9:2799.

1 (k) ~~The~~ For purposes of the sales and use tax imposed by the state under R.S.
2 47:331 and any sales and use tax imposed by a political subdivision, the term "sale
3 at retail" shall not include the sale of airplanes or airplane equipment or parts to a
4 commuter airline domiciled in Louisiana.

5 (l) Solely for purposes of the state sales and use tax imposed under R.S.
6 47:331, the term "sale at retail" shall not include the sale of a pollution control device
7 or system. Pollution control device or system shall mean any tangible personal
8 property approved by the Department of Revenue and the Department of
9 Environmental Quality and sold or leased and used or intended for the purpose of
10 eliminating, preventing, treating, or reducing the volume or toxicity or potential
11 hazards of industrial pollution of air, water, groundwater, noise, solid waste, or
12 hazardous waste in the state of Louisiana. For the purposes of any sales and use tax
13 levied by a political subdivision, the term "sale at retail" shall include the sale of a
14 pollution control device or system. In order to qualify, the pollution control device
15 or system must demonstrate either: a net decrease in the volume or toxicity or
16 potential hazards of pollution as a result of the installation of the device or system;
17 or that installation is necessary to comply with federal or state environmental laws
18 or regulations.

19 (m) For purposes of sales and use taxes imposed or levied by the state under
20 R.S. 47:331 or any political subdivision, the term "sale at retail" shall not include the
21 sales of Louisiana-manufactured or Louisiana-assembled passenger aircraft with a
22 maximum capacity of eight persons, if, after all transportation, including
23 transportation by the purchaser, has been completed, the aircraft is ultimately
24 received by the purchaser outside of Louisiana. The place at which the aircraft is
25 ultimately received shall be considered as the place at which the aircraft is stored
26 after all transportation has been completed.

27 (n) For purposes of sales and use taxes imposed or levied by the state under
28 R.S. 47:331 or any political subdivision thereof, the term "sale at retail" shall not
29 include the sales of pelletized paper waste when purchased for use as combustible

1 fuel by an electric utility or in an industrial manufacturing, processing,
2 compounding, reuse, or production process, including the generation of electricity
3 or process steam, at a fixed location in this state. However, such sale shall not be
4 excluded unless the purchaser has signed a certificate stating that the fuel purchased
5 is for the exclusive use designated herein. For purposes of this Subparagraph,
6 "pelletized paper waste" means pellets produced from discarded waste paper that has
7 been diverted or removed from solid waste which is not marketable for recycling and
8 which is wetted, extruded, shredded, or formulated into compact pellets of various
9 sizes for use as a supplemental fuel in a permitted boiler.

10 (o) For the purposes of sales and use taxes imposed or levied by the state or
11 any local governmental subdivision or school board, the term "sale at retail" shall not
12 include the sale or purchase of equipment used in fire fighting by bona fide volunteer
13 and public fire departments.

14 (p) For purposes of state and political subdivision sales and use tax, the term
15 "sale at retail" shall not include the sale of items, including but not limited to
16 supplies and equipment, or the sale of services as provided in this Section, which are
17 reasonably necessary for the operation of free hospitals.

18 (q) For purposes of ~~state and political subdivision sales and use tax~~ sales and
19 use tax imposed by the state under R.S. 47:331, the term "sale at retail" shall not
20 include:

21 (i) The sale of tangible personal property by approved parochial and private
22 elementary and secondary schools which comply with the court order from the Dodd
23 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,
24 administrators, or teachers, or other employees of the school, if the money from such
25 sales, less reasonable and necessary expenses associated with the sale, is used solely
26 and exclusively to support the school or its program or curricula. This exclusion
27 shall not be construed to allow tax-free sales to students or their families by
28 promoters or regular commercial dealers through the use of schools, school faculty,
29 or school facilities.

1 (ii) The sale to approved parochial and private elementary and secondary
2 schools which comply with the court order from the Dodd Brumfield decision and
3 Section 501(c)(3) of the Internal Revenue Code of educational materials or
4 equipment used for classroom instruction limited to books, workbooks, computers,
5 computer software, films, videos, and audio tapes.

6 (r) For purposes of state and political subdivision sales and use tax, the term
7 "sale at retail" shall not include the sale of tangible personal property to Boys State
8 of Louisiana, Inc. and Girls State of Louisiana, Inc. which is used by such
9 organizations for their educational and public service programs for youth.

10 (s) The term "sale at retail" or "retail sale", for purposes of sales and use
11 taxes imposed by the state or any political subdivision or other taxing entity, shall
12 not include any charge, fee, money, or other consideration received, given, or paid
13 for the performance of funeral directing services. For purposes of this Subparagraph,
14 "funeral directing services" means the operation of a funeral home, or by way of
15 illustration and not limitation, any service whatsoever connected with the
16 management of funerals, or the supervision of hearses or funeral cars, the cleaning
17 or dressing of dead human bodies for burial, and the performance or supervision of
18 any service or act connected with the management of funerals from time of death
19 until the body or bodies are delivered to the cemetery, crematorium, or other agent
20 for the purpose of disposition. However, such services shall not mean or include the
21 sale, lease, rental, or use of any tangible personal property as those terms are defined
22 in this Section.

23 (t) For purposes of sales and use taxes levied by the state under R.S. 47:331
24 or any political subdivision of the state, the term "sale at retail" shall not include the
25 transfer of title to or possession of telephone directories by an advertising company
26 that is not affiliated with a provider of telephone services if the telephone directories
27 will be distributed free of charge to the recipients of the telephone directories.

28 (u) For purposes of sales and use taxes levied and imposed by local
29 governmental subdivisions, school boards, and other political subdivisions whose

1 boundaries are not coterminous with those of the state, "sale at retail" by a person
2 shall not mean or include the sale of tangible personal property if such sale is made
3 under the provisions of Medicare.

4 (v) For purposes of the imposition of sales and use taxes imposed or levied
5 by all taxing authorities in the state, in the case of the sale or other disposition by a
6 dealer of any cellular, PCS, or wireless telephone, or any electronic accessories that
7 are physically connected with such telephones and personal communication devices
8 used in connection with the sale or use of mobile telecommunications services, the
9 term "retail sale" or "sale at retail" shall mean and include the sale or any other
10 disposition of such cellular, PCS, or wireless telephone, any electronic accessories
11 that are physically connected with such telephones and personal communication
12 devices by the dealer to the purchaser, but shall not mean or include the withdrawal,
13 use, distribution, consumption, storage, donation, or any other disposition of any
14 such cellular, PCS, or wireless telephone, any electronic accessories that are
15 physically connected with such telephones, and personal communication devices by
16 the dealer.

17 (w) For purposes of the imposition of sales and use taxes imposed or levied
18 by any political subdivision of the state, in the case of the sale or other disposition
19 by a dealer of any cellular telephone, PCS telephone, wireless telephone, or other
20 wireless personal communication device that is used in connection with the sale or
21 use of mobile telecommunications services, or any electronic accessory that is
22 physically connected with any such telephone or personal communication device, the
23 term "retail sale" or "sale at retail" shall mean and include the sale or any other
24 disposition of any such telephone, other personal communication device, or
25 electronic accessory.

26 (x) For purposes of the sales and use tax imposed by the state or any political
27 subdivision whose boundaries are coterminous with those of the state, the terms
28 "retail sale" or "sale at retail" shall not include the following:

1 (i) The sale or purchase by a person of any fuel or gas, including but not
2 limited to butane and propane.

3 (ii) Beginning July 1, 2008, the sale or purchase by any person of butane and
4 propane.

5 (y)(i) Solely for the purposes of sales and use taxes levied by the state ~~or any~~
6 ~~political subdivision whose boundaries are coterminous with those of the state~~ under
7 R.S. 47:331, the term "sale at retail" shall not include the sale of manufacturing
8 machinery and equipment used or consumed in this state to manufacture, produce,
9 or extract unblended biodiesel.

10 (ii) As used in this Subparagraph, the following words and phrases have the
11 meaning ascribed to them:

12 (aa) "Manufacturing machinery and equipment" means tangible property
13 used or consumed, or held for use or consumption, as an integral part of a biodiesel
14 manufacturing, production, or extraction facility, process, or item of equipment.
15 Property shall be considered to be an integral part of such biodiesel manufacturing,
16 production, or extraction facility, process, or item of equipment only if such property
17 is used or consumed directly in the manufacturing, production, or extraction process
18 or is part of, physically attached to, or otherwise directly associated with such
19 property. Property, the installation of which is reasonably necessary for the proper
20 installation, operation, maintenance of property which directly results in such
21 manufacturing, production, or extraction shall be considered as directly associated
22 with such property.

23 (bb) "Unblended biodiesel" means a fuel comprised of mono-alkyl esters of
24 long chain fatty acids derived from vegetable oils or animal fats, designated B100,
25 and meeting the requirements of the definition provided for in D 6751 of the
26 American Society of Testing and Materials (ATDM D 6751), before such fuel is
27 blended with a petroleum-based diesel fuel.

28 (z) ~~Solely for the purposes of sales and use taxes levied by the state~~ under
29 R.S. 47:302 and 331 ~~or any political subdivision whose boundaries are coterminous~~

1 ~~with those of the state, the term "sale at retail" shall not include the sale of any~~
2 ~~alternative substance when such alternative substance is used as a fuel by a~~
3 ~~manufacturer. "Alternative substance" means any substance other than oil and~~
4 ~~natural gas and any product of oil and natural gas. "Alternative substance" shall~~
5 ~~include petroleum coke, landfill gas, reclaimed or waste oil, unblended biodiesel, or~~
6 ~~tire-derived fuel, but not coal, lignite, refinery gas, nuclear fuel, or electricity.~~
7 ~~"Manufacturer" means a person whose principal activity is manufacturing and who~~
8 ~~is assigned by the Louisiana Workforce Commission a North American Industrial~~
9 ~~Classification System code with the agricultural, forestry, fishing, and hunting Sector~~
10 ~~11 or the manufacturing Sectors 31-33 as they existed in 2002.~~

11 (aa)(i) For purposes of sales and use taxes imposed or levied by the state or
12 any political subdivision of the state, the term "sale at retail" shall not include the
13 sale of toys to a non-profit organization exempt from federal taxation pursuant to
14 Section 501(c)(3) of the Internal Revenue Code if the sole purpose of the purchasing
15 organization is to donate toys to minors and the toys are, in fact, donated.

16 (ii) The exclusion provided in this Subparagraph shall not apply if the
17 donation is intended to ultimately yield a profit to a promoter of the organization or
18 to any individual contracted to provide services or equipment, or both, to the
19 organization.

20 (iii) A certificate of exclusion shall be obtained from the secretary or the tax
21 collector of the political subdivision, under such regulations as he shall prescribe, in
22 order for nonprofit organizations to qualify for the exclusion provided for in this
23 Subparagraph.

24 (bb) For purposes of sales and use taxes imposed or levied by the state under
25 R.S. 47:331, the terms "retail sale" and "sale at retail" shall not include sales of
26 natural gas to be held, used, or consumed in providing natural gas storage services
27 or operating natural gas storage facilities.

28 (cc) For purposes of the sales and use tax imposed by the state under R.S.
29 47:331 or any political subdivision of the state, the terms "retail sale" or "sale at

1 retail" shall not mean or include the purchase of textbooks and course-related
2 software by a private postsecondary academic degree-granting institution, accredited
3 by a national or regional commission that is recognized by the United States
4 Department of Education and is licensed by the Board of Regents, which institution
5 has its main location within this state and offers only online instruction, when all of
6 the following apply:

7 (i) The textbooks and course-related software are physically outside of this
8 state when purchased from a vendor outside of this state and then imported into this
9 state.

10 (ii) The first student use of the textbooks and course-related software occurs
11 outside of this state.

12 (iii) The textbooks and course-related software are provided to the student
13 free of charge.

14 (dd) For purposes of sales and use taxes imposed or levied by the state under
15 R.S. 47:331, the terms "retail sale" or "sale at retail" shall not include the purchase
16 of food items for school lunch or breakfast programs by nonpublic elementary or
17 secondary schools which participate in the National School Lunch and School
18 Breakfast programs or the purchase of food items by nonprofit corporations which
19 serve students in nonpublic elementary or secondary schools and which participate
20 in the National School Lunch and School Breakfast programs.

21 (ee)(i) Solely for the purposes of the imposition of the state sales and use tax
22 imposed under R.S. 47:331, the term "retail sale" and "sale at retail" shall not include
23 the sale of any storm shutter device.

24 (ii) As used in this Subparagraph, "storm shutter device" means materials
25 and products manufactured, rated, and marketed specifically for the purpose of
26 preventing window damage from storms.

27 (iii) The secretary of the Department of Revenue, in consultation with the
28 Department of Insurance, shall promulgate such rules and regulations in accordance

1 with the Administrative Procedure Act as may be necessary to carry out the
2 provisions of this Subparagraph.

3 (ff) For purposes of sales taxes imposed by the state under R.S. 47:331 or
4 any political subdivision of the state, the term "retail sale" or "sale at retail" shall not
5 include sales of tangible personal property by the Military Department, state of
6 Louisiana, which occur on an installation or other property owned or operated by the
7 Military Department.

8 (gg) For purposes of sales and use tax imposed by the state under R.S.
9 47:331 or any political subdivision of the state, the term "sale at retail" shall not
10 include the sale of anthropogenic carbon dioxide for use in a qualified tertiary
11 recovery project approved by the assistant secretary of the office of conservation of
12 the Department of Natural Resources pursuant to R.S. 47:633.4.

13 (hh) For purposes of sales and use tax imposed by the state under R.S.
14 47:331, ~~any political subdivision whose boundaries are coterminous with those of the~~
15 ~~state~~, or any other political subdivision, the term "sale at retail" shall not include the
16 sale of tangible personal property at an event providing Louisiana heritage, culture,
17 crafts, art, food, and music which is sponsored by a domestic nonprofit organization
18 that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code. The
19 provisions of this Subparagraph shall apply only to an event which transpires over
20 a minimum of seven but not more than twelve days and has a five-year annual
21 average attendance of at least three hundred thousand over the duration of the event.
22 For purposes of determining the five-year annual average attendance, the calculation
23 shall include the total annual attendance for each of the five most recent years. The
24 provisions of this Subparagraph shall apply only to sales by the sponsor of the event.

25 * * *

26 (13)(a) "Sales price" means the total amount for which tangible personal
27 property is sold, less the market value of any article traded in including any services,
28 except services for financing, that are a part of the sale valued in money, whether
29 paid in money or otherwise, and includes the cost of materials used, labor or service

1 costs, except costs for financing which shall not exceed the legal interest rate and a
2 service charge not to exceed six percent of the amount financed, and losses; provided
3 that cash discounts allowed and taken on sales shall not be included, nor shall the
4 sales price include the amount charged for labor or services rendered in installing,
5 applying, remodeling, or repairing property sold.

6 (b) The term "sales price" shall not include any amount designated as a cash
7 discount or a rebate by the vendor or manufacturer of any new vehicle subject to the
8 motor vehicle license tax. For purposes of this Paragraph "rebate" means any
9 amount offered by a vendor or manufacturer as a deduction from the listed retail
10 price of the vehicle.

11 (c) "Sales price", for purposes of the state sales and use tax imposed under
12 R.S. 47:331 and any sales and use tax imposed by a political subdivision, shall not
13 include the first fifty thousand dollars of the sale price of new farm equipment used
14 in poultry production.

15 (d) Notwithstanding any other provision of law to the contrary, for purposes
16 ~~of state and political subdivision sales and use tax~~ state sales and use tax imposed
17 under R.S. 47:331 and the sales and use tax imposed by any political subdivision, the
18 "sales price" of refinery gas, except for feedstock, not ultimately consumed as an
19 energy source by the person who owns the facility in which the refinery gas is
20 created as provided for in Subparagraph (18)(d) of this Section, but sold to another
21 person, whether at retail or wholesale, shall be fifty-two cents per thousand cubic
22 feet multiplied by a fraction the numerator of which shall be the posted price for a
23 barrel of West Texas Intermediate Crude Oil on December first of the preceding
24 calendar year and the denominator of which shall be twenty-nine dollars, and
25 provided further that such sales price shall be the maximum value placed upon
26 refinery gas by the state and by any political subdivision under any authority or grant
27 of power to levy and collect sales or use taxes, and such sale shall be taxable.

28 (e) The term "sales price", for purposes of the sales tax imposed by the state
29 under R.S. 47:331 and by any of its political subdivisions, shall exclude any amount

1 that a manufacturer pays directly to a dealer of the manufacturer's product for the
2 purpose of reducing and that actually results in an equivalent reduction in the retail
3 "sales price" of that product. This exclusion shall not apply to the value of the
4 manufacturer's coupons that dealers accept from purchasers as part payment of the
5 "sales price" and that are redeemable by the dealers through manufacturers or their
6 agents. The value of such coupons is deemed to be part of the "sales price" of the
7 product purchased through the use of the coupons.

8 (f) The term "sales price" shall exclude any charge, fee, money, or other
9 consideration received, given, or paid for the performance of funeral directing
10 services as defined in Subparagraph (10)(s) of this Section.

11 (g) For purposes of the imposition of sales and use taxes imposed or levied
12 by all taxing authorities in the state, in the case of the retail sale by a dealer of any
13 cellular, PCS, or wireless telephone, any electronic accessories that are physically
14 connected with such telephones and personal communications devices used in
15 connection with the sale or use of mobile telecommunications services, as defined
16 in R.S. 47:301(10)(v), the term "sales price" shall mean and include only the amount
17 of money, if any, actually received by the dealer from the purchaser for each such
18 cellular, PCS, or wireless telephone and any electronic accessories that are physically
19 connected with such telephones and personal communication devices, but shall not
20 include (i) any amount received by the dealer from the purchaser for providing
21 mobile telecommunications services, or (ii) any commissions, fees, rebates, or other
22 amounts received by the dealer from any source other than the purchaser as a result
23 of or in connection with the sale of the cellular, PCS, or wireless telephone, any
24 electronic accessories that are physically connected with such telephones and
25 personal communication devices.

26 (h) For the purpose of the imposition of sales and use tax imposed or levied
27 by all taxing authorities in the state of any cellular, PCS, or wireless telephone used
28 in connection with the sale or use of mobile telecommunications services, as defined
29 in R.S. 47:301(10)(v), after January 1, 2002, the term "sales price" shall mean and

1 include the greater of (i) the amount of money actually received by the dealer from
2 the purchaser for each such telephone, or (ii) twenty-five percent of the cost of such
3 telephone to the dealer, but shall not include any amount received by the dealer from
4 the purchaser for providing mobile telecommunications services or any
5 commissions, fees, rebates, or other amounts received by the dealer from any source
6 other than the purchaser as a result of or in connection with the sale of the telephone.

7 (i)(i) For purposes of a publishing business which distributes its news
8 publications at no cost to readers and pays unrelated third parties to print such news
9 publications, the term "sales price" shall mean only the lesser of the following costs:

10 (aa) The printing cost paid to unrelated third parties to print such news
11 publications, less any itemized freight charges for shipping the news publications
12 from the printer to the publishing business and any itemized charges for paper and
13 ink.

14 (bb) Payments to a dealer or distributor as consideration for distribution of
15 the news publications.

16 (ii) The definition of "sales price" provided for in this Subparagraph shall be
17 applicable to taxes levied by all tax authorities in the state.

18 (j) For the purpose of the imposition of sales and use tax imposed or levied
19 by any political subdivision of the state, in the case of any retail sale or sale at retail,
20 of any cellular telephone, PCS telephone, or wireless telephone used in connection
21 with the sale or use of mobile telecommunications services, as defined in R.S.
22 47:301(10)(w), or any electronic accessory that is physically connected with any
23 such telephone or personal communication device, the term "sales price" shall mean
24 and include the greater of (i) the amount of money, if any, actually received by the
25 dealer from the purchaser at the time of the retail sale or sale at retail by the dealer
26 to the purchaser for each such telephone, personal communication device, or
27 electronic accessory, or (ii) twenty-five percent of the cost of such telephone to the
28 dealer, but shall not include any amount received by the dealer from the purchaser
29 for providing mobile telecommunications services or any commissions, fees, rebates,

1 activation charges, or other amounts received by the dealer from any source other
2 than the purchaser as a result of or in connection with the sale of the telephone.

3 (k)(i) For purposes of the imposition of the sales tax levied by the state under
4 R.S. 47:331 ~~and any political subdivision whose boundaries are coterminous with~~
5 ~~those of the state~~, the sales price of machinery and equipment purchased by a
6 manufacturer for use in a plant facility predominately and directly in the actual
7 manufacturing for agricultural purposes or the actual manufacturing process of an
8 item of tangible personal property, which is for ultimate sale to another and not for
9 internal use, at one or more fixed locations within Louisiana shall be reduced as
10 follows:

11 (aa) For the period ending on June 30, 2005, the sales price shall be reduced
12 by five percent.

13 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the
14 sales price shall be reduced by nineteen percent.

15 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the
16 sales price shall be reduced by thirty-five percent.

17 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the
18 sales price shall be reduced by fifty-four percent.

19 (ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the
20 sales price shall be reduced by sixty-eight percent.

21 (ff) For all periods beginning on or after July 1, 2009, the sales price shall
22 be reduced by one hundred percent.

23 (ii) For purposes of this Subparagraph, "machinery and equipment",
24 "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant
25 facility", and "used directly" shall have the same meaning as defined in R.S.
26 47:301(3)(i)(ii).

27 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or
28 equipment as defined herein without payment of the tax imposed by ~~R.S. 47:302-321~~,

1 and 331 before receiving a certificate of exclusion from the secretary of the
2 Department of Revenue certifying that he is a manufacturer as defined herein.

3 (iv) The secretary of the Department of Revenue is hereby authorized to
4 adopt rules and regulations in order to administer the exclusion provided for in this
5 Subparagraph.

6 (l)(i) For purposes of the payment of the state sales and use tax imposed
7 under R.S. 47:331 and the sales and use tax levied by any political subdivision, the
8 term "sales price" shall not include the price of specialty items sold to members for
9 fund-raising purposes by nonprofit carnival organizations domiciled within
10 Louisiana and participating in a parade sponsored by a carnival organization.

11 (ii) The secretary of the Department of Revenue shall promulgate rules and
12 regulations for purposes of this exclusion.

13 (iii) No nonprofit carnival organization domiciled within Louisiana and
14 participating in a parade sponsored by a carnival organization shall claim exemption
15 or exclusion from the state sales and use tax or the sales and use tax levied by any
16 political subdivision before having obtained a certificate of authorization from the
17 secretary of the Department of Revenue. The secretary shall develop applications
18 for such certificates. The certificates shall be issued without charge to the entities
19 which qualify.

20 (m) For purposes of the sales and use tax imposed by the state under R.S.
21 47:331 ~~or any political subdivision whose boundaries are coterminous with those of~~
22 ~~the state~~, the "sales price" of electric power or energy, or natural gas for the period
23 beginning July 1, 2007, and thereafter, sold for use by paper or wood products
24 manufacturing facilities shall not include any of such price.

25 (14) "Sales of services" means and includes the following:

26 (a) The furnishing of sleeping rooms, cottages or cabins by hotels.

27 (b)(i) The sale of admissions to places of amusement, to athletic
28 entertainment other than that of schools, colleges, and universities, and recreational
29 events, and the furnishing, for dues, fees, or other consideration of the privilege of

1 access to clubs or the privilege of having access to or the use of amusement,
2 entertainment, athletic, or recreational facilities; but for purposes of the state sale and
3 use tax imposed under R.S. 47:331 and any sales and use tax imposed by any political
4 subdivision, the term "sales of services" shall not include membership fees or dues
5 of nonprofit, civic organizations, including by way of illustration and not of limitation
6 the Young Men's Christian Association, the Catholic Youth Organization, and the
7 Young Women's Christian Association.

8 (ii) ~~Places~~ For purposes of the state sales and use tax imposed under R.S.
9 47:331 and any sales and use tax imposed by any political subdivision, places of
10 amusement shall not include "museums", which are hereby defined as public or
11 private nonprofit institutions which are organized on a permanent basis for essentially
12 educational or aesthetic purposes and which use professional staff to do all of the
13 following:

14 (aa) Own or use tangible objects, whether animate or inanimate.

15 (bb) Care for those objects.

16 (cc) Exhibit them to the public on a regular basis.

17 (iii) Museums include but are not limited to the following institutions:

18 (aa) Museums relating to art, history, including historic buildings, natural
19 history, science, and technology.

20 (bb) Aquariums and zoological parks.

21 (cc) Botanical gardens and arboretums.

22 (dd) Nature centers.

23 (ee) Planetariums.

24 (iv) For purposes of the sales and use taxes ~~of all tax authorities in the state~~
25 imposed by the state under R.S. 47:331 and any sales and use tax imposed by any
26 political subdivision, the term "places of amusement" as used herein shall not include
27 camp and retreat facilities owned and operated by nonprofit organizations exempt
28 from federal income tax under Section 501(a) of the Internal Revenue Code as an
29 organization described in Section 501(c)(3) of the Internal Revenue Code provided

1 that the net revenue derived from the organization's property is devoted wholly to the
2 nonprofit organization's purposes.

3 (c) The furnishing of storage or parking privileges by auto hotels and parking
4 lots.

5 (d) The furnishing of printing or overprinting, lithographic, multilith, blue
6 printing, photostating or other similar services of reproducing written or graphic
7 matter.

8 (e) The furnishing of laundry, cleaning, pressing and dyeing services,
9 including by way of extension and not of limitation, the cleaning and renovation of
10 clothing, furs, furniture, carpets and rugs, and the furnishing of storage space for
11 clothing, furs, and rugs. The service shall be taxable at the location where the
12 laundered, cleaned, pressed, or dyed article is returned to the customer.

13 (f) The furnishing of cold storage space, except that space which is furnished
14 pursuant to a bailment arrangement, and the furnishing of the service of preparing
15 tangible personal property for cold storage where such service is incidental to the
16 operation of storage facilities.

17 (g)(i)(aa) The furnishing of repairs to tangible personal property, including
18 but not restricted to the repair and servicing of automobiles and other vehicles,
19 electrical and mechanical appliances and equipment, watches, jewelry, refrigerators,
20 radios, shoes, and office appliances and equipment.

21 (bb)(I) For purposes of the sales and use tax levied by the state under R.S.
22 47:331 and by tax authorities in East Feliciana Parish, charges for the furnishing of
23 repairs to tangible personal property shall be excluded from sales of services, as
24 defined in this Subparagraph, when the repaired property is (1) delivered to a common
25 carrier or to the United States Post Office for transportation outside the state, or (2)
26 delivered outside the state by use of the repair dealer's own vehicle or by use of an
27 independent trucker. However, as to aircraft, delivery may be by the best available
28 means. This exclusion shall not apply to sales and use taxes levied by any other
29 parish, municipality or school board. However, any other parish, municipality or

1 school board may apply the exclusion as defined in this Subparagraph to sales or use
2 taxes levied by any such parish, municipality, or school board. Offshore areas shall
3 not be considered another state for the purpose of this Subparagraph.

4 (II) For purposes of the sales and use tax levied by the tax authorities in
5 Calcasieu Parish, charges for the furnishing of repairs to aircraft shall be excluded
6 from sales of services, as defined in this Subparagraph, provided that the repairs are
7 performed at an airport with a runway that is at least ten thousand feet long, one
8 hundred sixty feet wide, and fourteen inches thick.

9 (ii) For the purposes of this Subparagraph, tangible personal property shall
10 include machinery, appliances, and equipment which have been declared immovable
11 by declaration under the provisions of Article 467 of the Louisiana Civil Code, and
12 things which have been separated from land, buildings, or other constructions
13 permanently attached to the ground or their component parts as defined in Article 466
14 of the Civil Code.

15 (iii)(aa) For purposes of the sales and use taxes imposed by the state under
16 R.S. 47:331 or any of its political subdivisions, sale of services shall not include the
17 labor, or sale of materials, services, and supplies, used for the repairing, renovating,
18 or converting of any drilling rig, or machinery and equipment which are component
19 parts thereof, which is used exclusively for the exploration or development of
20 minerals outside the territorial limits of the state in Outer Continental Shelf waters.

21 (bb) For the purposes of this Subitem, "drilling rig" means any unit or
22 structure, along with its component parts, which is used primarily for drilling,
23 workover, intervention or remediation of wells used for exploration or development
24 of minerals and "component parts" means any machinery or equipment necessary for
25 a drilling rig to perform its exclusive function of exploration or development of
26 minerals.

27 (h) ~~The~~ For purposes of the sales and use tax imposed by the state under R.S.
28 47:331 and any sales and use tax imposed by a political subdivision, the term "sale
29 of service" shall not include an action performed pursuant to a contract with the

1 United States Department of the Navy for construction or overhaul of U.S. Naval
2 vessels.

3 (i) Solely for purposes of the sales and use tax levied by the state, the
4 furnishing of telecommunications services for compensation, in accordance with the
5 provisions of R.S. 47:301.1. Local political subdivisions are prohibited from levying
6 a sales and use tax on telecommunications services not in effect on July 1, 1990,
7 provided, however, that the provisions of this Subparagraph shall not be construed to
8 prohibit the levy or collection of any franchise, excise, gross receipts, or similar tax
9 or assessment by any political subdivision of the state as defined in Article VI,
10 Section 44(2) of the Constitution of Louisiana.

11 (j) Notwithstanding any provision of law to the contrary, for purposes of sales
12 or use taxation by the state or any local political subdivision, the term "sales of
13 services" shall not mean or include any funeral directing services as defined in
14 Subparagraph (10)(s) of this Section. Subject to approval by the House Committee on
15 Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, the state
16 Department of Revenue shall devise a formula for the calculation of the tax.

17 (k) For purposes of sales and use tax imposed by the state under R.S. 47:331,
18 any political subdivision whose boundaries are coterminous with those of the state,
19 or any other political subdivision, the term "sales of services" shall not mean or
20 include admission charges for, outside gate admissions to, or parking fees associated
21 with an event providing Louisiana heritage, culture, crafts, art, food, and music which
22 is sponsored by a domestic nonprofit organization that is exempt from tax under
23 Section 501(c)(3) of the Internal Revenue Code. The provisions of this Subparagraph
24 shall apply only to an event which transpires over a minimum of seven but not more
25 than twelve days and has a five-year annual average attendance of at least three
26 hundred thousand over the duration of the event. For purposes of determining the
27 five-year annual average attendance, the calculation shall include the total annual
28 attendance for each of the five most recent years. The provisions of this
29 Subparagraph shall apply only to admission charges for, outside gate admissions to,

1 or parking fees associated with an event when the charges and fees are payable to or
2 for the benefit of the sponsor of the event.

3 (15) "Storage" means and includes any keeping or retention in the taxing
4 jurisdiction of tangible personal property for use or consumption within the taxing
5 jurisdiction or for any purpose other than for sale at retail in the regular course of
6 business.

7 (16)(a) "Tangible personal property" means and includes personal property
8 which may be seen, weighed, measured, felt or touched, or is in any other manner
9 perceptible to the senses.

10 (b) The term "tangible personal property" shall not include:

11 (i) Stocks, bonds, notes, or other obligations or securities.

12 (ii) ~~Gold~~ Solely for purposes of the sales and use tax imposed by the state
13 under R.S. 47:331 and any sales and use tax imposed by a political subdivision, gold,
14 silver, or numismatic coins, or platinum, gold, or silver bullion.

15 (iii) ~~Proprietary~~ Solely for purposes of the sales and use tax imposed by the
16 state under R.S. 47:331 and any sales and use tax imposed by a political subdivision,
17 proprietary geophysical survey information or geophysical data analysis furnished
18 under a restricted use agreement even though transferred in the form of tangible
19 personal property.

20 (c) The term "tangible personal property" shall not include the repair of a
21 vehicle by a licensed motor vehicle dealer which is performed subsequent to the lapse
22 of the applicable warranty on that vehicle and at no charge to the owner of the
23 vehicle. For the purpose of assessing a sales and use tax on this transaction, no
24 valuation shall be assigned to the services performed or the parts used in the repair.

25 (d)(i) Notwithstanding any provision of law to the contrary and solely for
26 purposes of state sales and use tax, any sale of a prepaid calling service or prepaid
27 wireless calling service, or both, shall be deemed to be the sale of tangible personal
28 property.

1 (ii) Prepaid calling services and prepaid wireless calling services shall be
2 subject to the tax imposed by this Chapter if the sale takes place in this state. If the
3 customer physically purchases a prepaid calling service or prepaid wireless calling
4 service at the vendor's place of business, the sale is deemed to take place at the
5 vendor's place of business. If the customer does not physically purchase the service
6 at the vendor's place of business, the sale of a prepaid calling service or prepaid
7 wireless calling service is deemed to take place at the first of the following locations
8 that applies to the sale:

9 (aa) The customer's shipping address, if the sale involves a shipment.

10 (bb) The customer's billing address.

11 (cc) Any other address of the customer that is known by the vendor.

12 (dd) The address of the vendor or, alternatively in the case of a prepaid
13 wireless calling service, the location associated with the mobile telephone number.

14 (e) The term "tangible personal property" shall not include work products
15 which are written on paper, stored on magnetic or optical media, or transmitted by
16 electronic device, when such work products are created in the normal course of
17 business by any person licensed or regulated by the provisions of Title 37 of the
18 Louisiana Revised Statutes of 1950, unless such work products are duplicated without
19 modification for sale to multiple purchasers. This exclusion shall not apply to work
20 products which consist of the creation, modification, updating, or licensing of
21 computer software.

22 (f) The term "tangible personal property" shall not include pharmaceuticals
23 administered to livestock used for agricultural purposes, except as otherwise provided
24 in this Subparagraph. Only pharmaceuticals not included in the term "tangible
25 personal property" shall be registered with the Louisiana Department of Agriculture
26 and Forestry. Legend drugs administered to livestock used for agricultural purposes
27 are not required to be registered, but such legend drugs that are not registered shall
28 be "tangible personal property".

1 (g)(i) Notwithstanding the provisions of R.S. 9:1149.1 et seq., except as
2 otherwise provided in this Subparagraph, solely for purposes of the sales and use tax
3 imposed by the state under R.S. 47:331 and any sales and use tax imposed by a
4 political subdivision, the term "tangible personal property" shall not include factory
5 built homes.

6 (ii) For purposes of this Subparagraph, "factory built home" means a
7 residential structure which is built in a factory in one or more sections and has a
8 chassis or integrated wheel delivery system, which is either:

9 (aa) A structure built to federal construction standards as defined in Section
10 5402 of Title 42 of the United States Code.

11 (bb) A residential structure built to the Louisiana State Uniform Construction
12 Code.

13 (cc) A manufactured home, modular home, mobile home, or residential
14 mobile home with or without a permanent foundation, which includes plumbing,
15 heating, and electrical systems.

16 (iii) "Factory built home" shall not include any self-propelled recreational
17 vehicle or travel trailer.

18 (iv) The term "tangible personal property" as applied to sales and use taxes
19 levied by the state or any other taxing authority in the state shall include a new
20 factory built home, for the initial sale from a dealer to a consumer, but only to the
21 extent that forty-six percent of the retail sales price shall be so considered as "tangible
22 personal property". Thereafter, each subsequent resale of a factory built home shall
23 not be considered as "tangible personal property".

24 (v) The sales and use taxes due on these transactions shall be paid to the
25 Louisiana Department of Public Safety and Corrections, office of motor vehicles, by
26 the twentieth day of the month following the month of delivery of the factory built
27 home to the consumer, along with any other information requested by the office of
28 motor vehicles.

1 (h)(i) Solely for purposes of the imposition of the sales and use tax levied by
2 the state or any political subdivision whose boundaries are coterminous with those of
3 the state, for the period beginning July 1, 2002, and ending on June 30, 2003, the term
4 "tangible personal property" shall not include one-quarter of the cost price of custom
5 computer software.

6 (ii) Solely for purposes of the imposition of the sales and use tax levied by the
7 state or any political subdivision whose boundaries are coterminous with those of the
8 state, for the period beginning July 1, 2003, and ending on June 30, 2004, the term
9 "tangible personal property" shall not include one-half of the cost price of custom
10 computer software.

11 (iii) Solely for purposes of the imposition of the sales and use tax levied by
12 the state or any political subdivision whose boundaries are coterminous with those of
13 the state, for the period beginning July 1, 2004, and ending on June 30, 2005, the term
14 "tangible personal property" shall not include three-quarters of the cost price of
15 custom computer software.

16 (iv) Solely for purposes of the imposition of the sales and use tax levied by
17 the state under R.S. 47:331 ~~or any political subdivision whose boundaries are~~
18 ~~coterminous with those of the state~~, for all taxable periods beginning on or after July
19 1, 2005, the term "tangible personal property" shall not include custom computer
20 software.

21 (i) Solely for purposes of the imposition of the state sales and use tax imposed
22 under R.S. 47:331, the term "tangible personal property" shall not include digital
23 television conversion equipment and digital radio conversion equipment as defined
24 in this Section.

25 (i) "Digital television conversion equipment" shall include the following:

26 (aa) DTV transmitter and RF system.

27 (bb) Transmission line.

28 (cc) DTV antenna.

29 (dd) Tower.

- 1 (ee) Existing tower structural upgrade.
- 2 (ff) Advanced TV receiver (STL receiver).
- 3 (gg) Decoder (digital to analog converter for NTSC).
- 4 (hh) DTV transmission system test and monitoring.
- 5 (ii) Digital video/audio master control switcher.
- 6 (jj) Analog to digital conversion.
- 7 (kk) High definition up-converters.
- 8 (ll) High definition bypass switcher.
- 9 (mm) Down converters for standard definition.
- 10 (nn) Advanced TV transmitter (STL transmitter).
- 11 (oo) Advanced TV signal encoder.
- 12 (pp) DTV transmission monitoring.
- 13 (qq) High definition digital video switcher and DVE.
- 14 (rr) High definition studio cameras.
- 15 (ss) High definition graphics/graphic generator.
- 16 (tt) High definition video monitoring.
- 17 (uu) Conversion gear.
- 18 (vv) High definition recorder/players, including tape, disk, etc.
- 19 (ww) High definition video/audio signal router.
- 20 (xx) High definition video/audio media server.
- 21 (yy) MPEG or HDTV digital receivers for program content.
- 22 (zz) High definition recorder/players, including tape, disk, etc.
- 23 (aaa) High definition video/audio media server and workstations.
- 24 (bbb) Digital EAS encoder/decoder.
- 25 (ccc) High definition camcorder, including tape, disk, etc.
- 26 (ddd) Advanced TV transmitters, including microwave.
- 27 (ii) "Digital radio conversion equipment" shall include the following:
- 28 (aa) IBOC transmitter.
- 29 (bb) IBOC main channel and IBOC combiner.

1 (cc) IBOC compatible antenna.

2 (dd) Tower.

3 (ee) IBOC coaxial bypass switcher.

4 (ff) Digital STL.

5 (gg) STL heliax transmission line.

6 (hh) STL antenna.

7 (ii) Digital console.

8 (jj) EAS insertion.

9 (kk) AES EBU conversion equipment.

10 (ll) IBOL transmission testing and monitoring equipment.

11 (mm) Digital processor.

12 (iii) The exclusion from state sales and use tax authorized by this
13 Subparagraph shall only apply to the first purchase of each enumerated item by an
14 individual taxpayer who holds a Federal Communications Commission license issued
15 pursuant to 47 CFR Part 73. Individual taxpayers operating under several broadcaster
16 licenses shall be allowed one purchase of each enumerated item per license. Each
17 subsequent purchase of any of the enumerated items by the same taxpayer or license
18 holder shall be subject to sales and use tax.

19 (iv) Repealed by Acts 2005, No. 243, §1, eff. June 29, 2005.

20 (v) Any eligible taxpayer who has purchased any item enumerated in Item (i)
21 or (ii) of this Subparagraph subsequent to January 1, 1999, but prior to the effective
22 date of this Act, shall be entitled to a credit against the state sales and use tax due in
23 any year for an amount equal to state sales and use tax paid on the purchase of the
24 item.

25 (vi) Local taxing authorities are hereby authorized to provide an exemption
26 from any local sales and use tax liability to any taxpayers holding a Federal
27 Communications Commission license issued pursuant to 47 CFR Part 73 which has
28 purchased any of the equipment listed in Item (i) or (ii) of this Subparagraph. Local
29 taxing authorities are further authorized to provide a credit against any tax liability

1 for the amount of local sales tax paid by taxpayers holding Federal Communications
2 Commission licenses issued pursuant to 47 CFR Part 73 on any equipment listed in
3 Item (i) or (ii) of the Subparagraph purchased subsequent to January 1, 1999, but prior
4 to June 25, 2002.

5 (vii) No exclusion from state sales and use tax as authorized in this
6 Subsection shall be allowed after the Federal Communications Commission has
7 issued an order mandating license holders, issued pursuant to 47 CFR Part 73, to
8 discontinue broadcasting their analog signal.

9 (viii) The Department of Revenue shall adopt rules and regulations necessary
10 for the implementation of this Act no later than August 1, 2002.

11 (j) The term "tangible personal property", for purposes of the payment of
12 sales and use taxes levied by all tax authorities in the state, shall not include materials
13 used directly in the collection, separation, treatment, testing, and storage of blood by
14 nonprofit blood banks and nonprofit blood collection centers.

15 (k) The term "tangible personal property" for purposes of the sales and use
16 taxes imposed by all tax authorities in this state shall not include apheresis kits and
17 leuko reduction filters used by nonprofit blood banks and nonprofit blood collection
18 centers.

19 (l) For purposes of the sales and use tax imposed by the state of Louisiana,
20 by a political subdivision whose boundaries are coterminous with those of the state,
21 or by all political subdivisions of the state and without regard to the nature of the
22 ownership of the ground, tangible personal property shall not include other
23 constructions permanently attached to the ground which shall be treated as immovable
24 property.

25 (m)(i) Notwithstanding any other provision of law to the contrary, for
26 purposes of the sales and use tax levied by the state under R.S. 47:331 ~~or any political~~
27 ~~subdivision whose boundaries are coterminous with those of the state~~, the term
28 "tangible personal property" shall not include machinery and equipment used by a
29 motor vehicle manufacturer with a North American Industry Classification System

1 (NAICS) Code beginning with 3361, or by a glass container manufacturer with a
2 NAICS Code of 327213. This exclusion shall be subject to the definitions and
3 requirements of Item (3)(i)(ii) of this Section.

4 (ii) A political subdivision may provide for a sales and use tax exemption for
5 the sales, cost, or lease or rental price of manufacturing machinery and equipment as
6 provided for in this Section, either effective upon adoption or enactment or phased in
7 over a period of time, or effective for a certain period of time or duration, all as set
8 forth in the instrument, resolution, vote, or other affirmative action providing the
9 exemption.

10 (iii) Notwithstanding any other provision of this Section, tooling in a
11 compression mold process shall be considered manufacturing machinery and
12 equipment for purposes of this Section.

13 (n)(i) For purposes of the imposition of the sales and use tax levied by the
14 state under R.S. 47:331, the term "tangible personal property" shall not include
15 machinery and equipment purchased by the owner of a radio station located within
16 the state that is licensed by the Federal Communications Commission for radio
17 broadcasting, if the owner is either of the following:

18 (aa) An individual domiciled in the state who owns a business with
19 substantially all of its assets located in the state and substantially all of its payroll paid
20 in the state.

21 (bb) A business entity with substantially all of its assets located in the state
22 and substantially all of its payroll paid in the state; provided that the business entity
23 is not owned or controlled or is otherwise an affiliate of a multi-state business entity
24 and is not owned or controlled by an individual who is not domiciled in the state.

25 (ii) "Radio broadcasting" means the sound transmission made via
26 electromagnetic waves for direct sound reception by the general public.

27 (o)(~~i~~) For purposes of the imposition of the sales and use tax levied by the
28 state under R.S. 47:331 ~~and any political subdivision whose boundaries are~~
29 ~~coterminous with those of the state~~, the term "tangible personal property" shall not

1 include machinery and equipment as defined in and subject to the requirements of
2 R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the Public Service
3 Commission or the council of the City of New Orleans. For the purposes of this
4 Paragraph, the term "utility" shall mean a person regulated by the Public Service
5 Commission or the council of the City of New Orleans who is assigned a North
6 American Industrial Classification System Code 22111, Electric Power Generation,
7 as it existed in 2002. Such utility shall also be considered a "manufacturer" for
8 purposes of R.S. 47:301(3)(i)(ii).

9 ~~(ii) For purposes of this Subparagraph, a political subdivision whose~~
10 ~~boundaries are not coterminous with those of the state may provide for a sales and use~~
11 ~~tax exclusion for machinery and equipment as defined in and subject to the~~
12 ~~requirements of R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the~~
13 ~~Public Service Commission or the council of the city of New Orleans.~~

14 (p) For purposes of sales and use taxes imposed by the state under R.S.
15 47:331 or any of its political subdivisions, the term "tangible personal property" shall
16 not include newspapers.

17 (q) For purposes of sales and use taxes imposed by the state, any statewide
18 taxing authority, or any political subdivision, the term "tangible personal property"
19 shall not include any property that would have been considered immovable property
20 prior to the enactment on July 1, 2008, of Act No. 632 of the 2008 Regular Session
21 of the Legislature.

22 * * *

23 (18)(a)(i) Solely for purposes of the imposition of the state sales and use tax,
24 "use" means and includes the exercise of any right or power over tangible personal
25 property incident to the ownership thereof, except that it shall not include the sale at
26 retail of that property in the regular course of business or the donation to a school in
27 the state which meets the definition provided in R.S. 17:236 or to a public or
28 recognized independent institution of higher education in the state of property
29 previously purchased for resale in the regular course of a business. The term "use"

1 shall not include the purchase, the importation, the consumption, the distribution, or
2 the storage of automobiles to be leased in an arm's length transaction, nor shall the
3 term "use" include the donation of food items to a food bank as defined in R.S.
4 9:2799(B).

5 (ii) For purposes of the imposition of the sales and use tax levied by a
6 political subdivision or school board, "use" shall mean and include the exercise of any
7 right or power over tangible personal property incident to the ownership thereof,
8 except that it shall not include the sale at retail of that property in the regular course
9 of business or the donation to a school in the state which meets the definition
10 provided in R.S. 17:236 or to a public or recognized independent institution of higher
11 education in the state of property previously purchased for resale in the regular course
12 of a business. The term "use" shall not include the donation of food items to a food
13 bank as defined in R.S. 9:2799(B).

14 (iii) The term "use", for purposes of sales and use taxes imposed by the state
15 under R.S. 47:331 on the use for rental of automobiles which take place on or after
16 January 1, 1991, and by political subdivisions on such use on or after July 1, 1996,
17 and state sales and use taxes imposed under R.S. 47:331 on the use for lease or rental
18 of tangible personal property other than automobiles which take place on or after July
19 1, 1991, shall not include the purchase, the importation, the consumption, the
20 distribution, or the storage of tangible personal property to be leased or rented in an
21 arm's length transaction as tangible personal property. For purposes of the imposition
22 of the tax levied by any political subdivision of the state, for the period beginning July
23 1, 1999, and ending on June 30, 2000, the term "use" shall not include one-fourth of
24 the cost price of any tangible personal property which is purchased, imported,
25 consumed, distributed, or stored and which is to be leased or rented in an arm's length
26 transaction in the form of tangible personal property. For purposes of the imposition
27 of the tax levied by any political subdivision of the state, for the period beginning July
28 1, 2000, and ending on June 30, 2001, the term "use" shall not include one-half of the
29 cost price of any tangible personal property which is purchased, imported, consumed,

1 distributed, or stored and which is to be leased or rented in an arm's length transaction
2 in the form of tangible personal property. For purposes of the imposition of the tax
3 levied by any political subdivision of the state, for the period beginning July 1, 2001,
4 and ending on June 30, 2002, the term "use" shall not include three-fourths of the cost
5 price of any tangible personal property which is purchased, imported, consumed,
6 distributed, or stored and which is to be leased or rented in an arm's length transaction
7 in the form of tangible personal property. Beginning July 1, 2002, for purposes of the
8 imposition of the tax levied by any political subdivision of the state, the term "use"
9 shall not include the purchase, the importation, the consumption, the distribution, or
10 the storage of any tangible personal property which is to be leased or rented in an
11 arm's length transaction in the form of tangible personal property.

12 (iv) The term "use", for purposes of sales and use taxes imposed by the state
13 on the use for rental automobiles which take place prior to January 1, 1991, and by
14 political subdivisions on such use prior to July 1, 1996, and imposed on the use for
15 lease or rental of tangible personal property other than automobiles which take place
16 prior to July 1, 1991, and for purposes of local sales and use taxes levied by political
17 subdivisions, except for any use for rental automobiles on or after July 1, 1996, shall
18 include the purchase, the importation, the consumption, the distribution, or the storage
19 of tangible personal property to be leased or rented in an arm's length transaction as
20 tangible personal property.

21 (b) Notwithstanding any other law to the contrary, for purposes of the
22 imposition of the sales and use tax of any political subdivision, the use of a vehicle
23 subject to the Vehicle Registration License Tax Law (R.S. 47:451 et seq.) shall be
24 deemed to be a "use":

25 (i) In the political subdivision of the principal residence of the purchaser if
26 the vehicle is purchased for private use, or

27 (ii) In the political subdivision of the principal location of the business if the
28 vehicle is purchased for commercial use, unless the vehicle purchased for commercial
29 use is assigned, garaged, and used outside of such political subdivision, in which case

1 the use shall be deemed a use in the political subdivision where the vehicle is
2 assigned, garaged, and used.

3 (c) For purposes of state and political subdivision sales and use tax, "use"
4 shall not include the exercise of any right or power by a free hospital over items,
5 including but not limited to supplies and equipment, which are reasonably necessary
6 for the operation of the free hospital.

7 (d)(i) Notwithstanding any other provision of law to the contrary, and except
8 as provided in Item (iii) of this Subparagraph, for purposes of state and political
9 subdivision sales and use tax, "use" means and includes the exercise of any right or
10 power over tangible personal property incident to the ownership thereof, except that
11 it shall not include the further processing of tangible personal property into articles
12 of tangible personal property for sale.

13 (ii) Except as provided in Item (iii) of this Subparagraph for refinery gas, for
14 purposes of state and political subdivision use tax, "use" shall not include the storage,
15 consumption, or the exercise of any other right of ownership over tangible personal
16 property which is created or derived as a residue or byproduct of such processing.
17 Such residue or byproduct shall include but shall not be limited to catalyst cracker
18 coke derived from crude oil, wood chips, bark, and liquor derived from the processing
19 of sawlogs or pulpwood timber, or bagasse derived from sugarcane.

20 (iii) Notwithstanding any other provision of law to the contrary, and
21 notwithstanding the provisions of this Subparagraph, "use" shall include the exercise
22 of any right of ownership over the consumption, the distribution, and the storage for
23 use or consumption in this state of refinery gas, except the sale to another person,
24 whether at retail or wholesale, only if the refinery gas is ultimately consumed as an
25 energy source by the person who owns the facility in which it is created and is not
26 sold. Notwithstanding any other law to the contrary, the use of refinery gas shall be
27 taxed at the cost price value provided in Subparagraph (3)(f) of this Section. If
28 refinery gas, except for feedstock, is sold to another person, whether at retail, or
29 wholesale, such sale shall be taxable and the sales price value shall be as provided for

1 in Subparagraph (13)(d) of this Section. The provisions of this Item shall not apply
2 to feedstocks.

3 (e) For purposes of ~~state and political subdivision sales and use tax~~ sales and
4 use tax imposed by the state under R.S. 47:331 and any sales and use tax imposed by
5 a political subdivision, "use" shall not include the purchase of or the exercise of any
6 right or power over:

7 (i) Tangible personal property sold by approved parochial and private
8 elementary and secondary schools which comply with the court order from the Dodd
9 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,
10 administrators, or teachers, or other employees of the school, if the money from such
11 sales, less reasonable and necessary expenses associated with the sale, is used solely
12 and exclusively to support the school or its program or curricula.

13 (ii) Educational materials or equipment used for classroom instruction by
14 approved parochial and private elementary and secondary schools which comply with
15 the court order from the Dodd Brumfield decision and Section 501(c)(3) of the
16 Internal Revenue Code, limited to books, workbooks, computers, computer software,
17 films, videos, and audio tapes.

18 (f) For purposes of state and political subdivision sales and use tax, "use"
19 shall not include the purchase of or the exercise of any right or power over tangible
20 personal property used by Boys State of Louisiana, Inc. and Girls State of Louisiana,
21 Inc. for their educational and public service programs for youth.

22 (g) Notwithstanding any provision of law to the contrary, for purposes of
23 sales or use taxation by the state or any local political subdivision, the term "use" shall
24 not mean or include any funeral directing services as defined in Subparagraph (10)(s)
25 of this Section.

26 (h) For purposes of sales and use taxes levied by the state under R.S. 47:331
27 or any political subdivision of the state, the term "use" shall not include the exercise
28 of any right of ownership in or the distribution of telephone directories acquired by
29 an advertising company that is not affiliated with a provider of telephone services if

1 the telephone directories will be distributed free of charge to the recipients of the
2 telephone directories.

3 (i) For purposes of the imposition of sales and use taxes imposed or levied by
4 all taxing authorities in the state, in the case of the sale or any other disposition by a
5 dealer of any cellular, PCS, or wireless telephone, any electronic accessories that are
6 physically connected with such telephones and personal communications devices used
7 in connection with the sale or use of mobile telecommunications services, as defined
8 in R.S. 47:301(10)(v), the term "use" shall not include the withdrawal, use,
9 distribution, consumption, storage, donation, or any other disposition of any such
10 cellular, PCS, or wireless telephone, any electronic accessories that are physically
11 connected with such telephones and personal communications devices by the dealer.

12 (j) For purposes of the imposition of sales and use taxes imposed or levied by
13 any political subdivision of the state, in the case of the sale or any other disposition
14 by a dealer of any cellular telephone, PCS telephone, wireless telephone, or other
15 wireless personal communication device that is used in connection with the sale or
16 use of mobile telecommunications services, as defined in R.S. 47:301(10)(w), or any
17 electronic accessory that is physically connected with any such telephone or personal
18 communications device, the term "use" shall not include the withdrawal, use,
19 distribution, consumption, storage, donation, or any other disposition of any such
20 telephone or electronic accessory by the dealer.

21 (k) Solely for purposes of the sales and use tax levied by the state ~~or any~~
22 ~~political subdivision whose boundaries are coterminous with those of the state~~ under
23 R.S. 47:331, the term "use" shall not include the purchase, the use, the consumption,
24 the distribution, the storage for use or consumption, or the exercise of any right or
25 power over manufacturing machinery and equipment used or consumed in this state
26 to manufacture, produce or extract unblended biodiesel.

27 ~~(l) Solely for the purposes of sales and use taxes levied by the state or any~~
28 ~~political subdivision whose boundaries are coterminous with those of the state, the~~
29 ~~term "use" shall not include the use, the consumption, the distribution, the storage for~~

1 ~~use or consumption in this state, or the exercise of any right or power over an~~
2 ~~alternative substance as that term is defined in Subparagraph (10)(z) of this Section~~
3 ~~when such alternative substance is used as a fuel by a manufacturer. "Manufacturer"~~
4 ~~means a person whose principal activity is manufacturing and who is assigned by the~~
5 ~~Louisiana Workforce Commission a North American Industrial Classification System~~
6 ~~code with the agricultural, forestry, fishing, and hunting Sector 11 or the~~
7 ~~manufacturing Sectors 31-33 as they existed in 2002.~~

8 (m)(i) For the purposes of sales and use taxes imposed or levied by the state
9 or any political subdivision of the state, the term "use" shall not include the purchase
10 of or the exercise of any right or power over toys by a non-profit organization exempt
11 from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code if
12 the sole purpose of the purchasing organization is to donate toys to minors and the
13 toys are, in fact, donated.

14 (ii) The exclusion provided for in this Subparagraph shall be subject to the
15 same conditions as are provided for in Items (10)(aa)(ii) and (iii) of this Section.

16 (n) For purposes of sales and use tax imposed by the state under R.S. 47:331
17 or any political subdivision of the state, the term "use" shall not mean or include the
18 purchase, importation, storage, distribution, or exportation of, or exercise of any right
19 or power over, textbooks and course-related software by a private postsecondary
20 academic degree-granting institution, accredited by a national or regional commission
21 that is recognized by the United States Department of Education and is licensed by
22 the Board of Regents, which institution has its main location within this state and
23 offers only online instruction, when all of the following apply:

24 (i) The textbooks and course-related software are physically outside of this
25 state when purchased from a vendor outside of this state and then imported into this
26 state.

27 (ii) The first student use of the textbooks and course-related software occurs
28 outside of this state.

1 (iii) The textbooks and course-related software are provided to the student
2 free of charge.

3 (o) Solely for purposes of the imposition of the state sales and use tax under
4 R.S. 47:331, the term "use" shall not include the purchase or use of any storm shutter
5 device as defined and provided for in Subparagraph (10)(ee) of this Section.

6 (p) For purposes of sales and use tax imposed by the state under R.S. 47:331
7 or any political subdivision of the state, the term "use" shall not mean or include the
8 purchase, importation, storage, distribution or exercise of any right or power over
9 anthropogenic carbon dioxide used in a qualified tertiary recovery project approved
10 by the assistant secretary of the office of conservation of the Department of Natural
11 Resources pursuant to R.S. 47:633.4.

12 * * *

13 (27) "Tax", "sales and use tax", and "sales tax" shall mean the sales and use
14 tax imposed by the state pursuant to the provisions of this Chapter and ~~Chapter 2-A~~
15 Chapter 2-A.1 and 2-B of this Subtitle, except where otherwise specified, and the tax
16 imposed by political subdivisions under the constitution or laws of this state
17 authorizing the imposition of a sales and use tax.

18 * * *

19 §302. Imposition of tax

20 * * *

21 R.

22 * * *

23 (2) Notwithstanding any other provision of law to the contrary, including but
24 not limited to any contrary provisions of this Chapter, the exemption provided for in
25 R.S. 47:305(A)(2) and 305.25(A)(3) shall be applicable, operable, and effective from
26 July 1, 2007, except that from April 1, 2016, it shall apply solely to the state sales and
27 use tax imposed under R.S. 47:331.

28 (3) Notwithstanding any other provision of law to the contrary which makes
29 any sales and use tax exemption inapplicable, inoperable, and of no effect, the

1 exemption provided in R.S. 47:305(D)(2) shall be applicable, operable, and effective
2 from January 1, 1998, except that from April 1, 2016, it shall apply solely to the state
3 sales and use tax imposed under R.S. 47:331.

4 S. Notwithstanding any other provision of law to the contrary and specifically
5 notwithstanding any provision enacted during the 2004 First Extraordinary Session
6 which makes any sales and use tax exemption inapplicable, inoperable, and of no
7 effect, the exemption provided in R.S. 47:305.51 shall be applicable, operable, and
8 effective for all taxable periods beginning on or after July 1, 2007, except that from
9 April 1, 2016, it shall apply solely to the state sales and use tax imposed under R.S.
10 47:331.

11 T. Notwithstanding any other provision of law to the contrary and specifically
12 notwithstanding any provision enacted to make any sales and use tax exemption
13 inapplicable, inoperable, and of no effect, the exemption provided in R.S.
14 47:305(A)(5)(b) shall be applicable, operable, and effective from July 1, 2009, except
15 that from April 1, 2016, it shall apply solely to the state sales and use tax imposed
16 under R.S. 47:331.

17 * * *

18 §305. Exclusions and exemptions from the tax

19 A.

20 * * *

21 (2) The gross proceeds derived from the sale in this state of livestock at public
22 sales sponsored by breeders' or registry associations or livestock auction markets are
23 exempted from the sales and use tax levied by the state under R.S. 47:331 only. When
24 public sales of livestock are made to consumers by any person other than through a
25 public sale sponsored by a breeders' or registry association or a livestock auction
26 market, they are not exempted from the sales and use tax imposed by the state. This
27 Section shall be construed as exempting race horses entered in races and claimed at
28 any racing meet held in Louisiana, whether the horse claimed was owned by the
29 original breeder or not.

1 * * *

2 (4)(a) The purchase of feed and feed additives for the purpose of sustaining
3 animals which are held primarily for commercial, business, or agricultural use shall
4 be exempted from the taxes ~~levied by taxing authorities~~ imposed by the state under
5 R.S. 47:331, and taxes imposed by a political subdivision.

6 * * *

7 (5)(a) Solely for purposes of the sales and use tax levied by the state under
8 R.S. 47:331, such tax shall not apply to the sale or use of materials, supplies,
9 equipment, fuel, and related items other than vessels used in the production or
10 harvesting of crawfish. The person who purchases the exempt items shall claim the
11 exemption by executing a certificate at the time of purchase. The Department of
12 Revenue shall provide the certificates to retail merchants. Any merchant who in good
13 faith, and after examination of the applicability of the certificate to that purchase with
14 due care, neglects or fails to collect the tax herein provided, due to the presentation
15 by the purchaser of a tax exemption certificate issued by the Department of Revenue,
16 including those issued pursuant to R.S. 47:305.10, shall not be liable for the payment
17 of the tax.

18 (b) Solely for purposes of the sales and use tax levied by the state under R.S.
19 47:331, such tax shall not apply to the sale or use of bait and feed used in the
20 production or harvesting of crawfish. The person who purchases the exempt items
21 shall claim the exemption by executing a certificate at the time of purchase. The
22 Department of Revenue shall provide the certificates to retail merchants. Any
23 merchant who in good faith, and after examination of the applicability of the
24 certificate to that purchase with due care, neglects or fails to collect the tax herein
25 provided, due to the presentation by the purchaser of a tax exemption certificate
26 issued by the Department of Revenue, including those issued pursuant to R.S.
27 47:305.10, shall not be liable for the payment of the tax.

28 (6) Solely for purposes of the sales and use tax levied by the state under R.S.
29 47:331, such tax shall not apply to the sale or use of materials, supplies, equipment,

1 fuel, bait, and related items other than vessels used in the production or harvesting of
 2 catfish. The person who purchases the exempt items shall claim the exemption by
 3 executing a certificate at the time of purchase. The Department of Revenue shall
 4 provide the certificates to retail merchants. Any merchant who in good faith, and
 5 after examination of the applicability of the certificate to that purchase with due care,
 6 neglects or fails to collect the tax herein provided, due to the presentation by the
 7 purchaser of a tax exemption certificate issued by the Department of Revenue, shall
 8 not be liable for the payment of the tax.

9 * * *

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

14 * * *

15 (b) Steam shall be exempt from the state sales and use tax imposed under R.S.
 16 47:331, except as may otherwise be provided for with respect to R.S. 47:331 pursuant
 17 to HCR No. 8 of the 2015 Regular Session.

18 (c) Water shall be exempt from the state sales and use tax imposed under R.S.
 19 47:331, except as may otherwise be provided for with respect to R.S. 47:331 pursuant
 20 to HCR No. 8 of the 2015 Regular Session. (not including mineral water or
 21 carbonated water or any water put in bottles, jugs, or containers, all of which are not
 22 exempted).

23 (d) Electric power or energy and any materials or energy sources used to fuel
 24 the generation of electric power for resale or used by an industrial manufacturing
 25 plant for self-consumption or cogeneration shall be exempt from the state sales and
 26 use tax imposed under R.S. 47:331, except as may otherwise be provided for with
 27 respect to R.S. 47:331 pursuant to HCR No. 8 of the 2015 Regular Session.

28 * * *

1 (f) Fertilizer and containers used for farm products when sold directly to the
2 farmer shall be exempt from the state sales and use tax imposed under R.S. 47:331.

3 (g) Natural gas shall be exempt from the state sales and use tax imposed
4 under R.S. 47:331, except as may otherwise be provided for with respect to R.S.
5 47:331 pursuant to HCR No. 8 of the 2015 Regular Session.

6 (h) All energy sources when used for boiler fuel except refinery gas shall be
7 exempt from the state sales and use tax imposed under R.S. 47:331.

8 (i) New trucks, new automobiles, new aircraft, and new boats, vessels, or
9 other water craft withdrawn from stock by factory authorized new truck, new
10 automobile, new aircraft dealers, and factory-authorized dealers of new boats, vessels,
11 or other water craft, and used trucks and used automobiles withdrawn from stock by
12 new or used motor vehicle dealers, which are withdrawn for use as demonstrators
13 shall be exempt from the state sales and use tax imposed under R.S. 47:331.

14 * * *

15 (u) Solely for purposes of the state sales and use tax, adaptive driving
16 equipment and motor vehicle modifications prescribed for personal use by a
17 physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the
18 state shall be exempt from the state sales and use tax imposed under R.S. 47:331.

19 (2)(a) Sales of meals furnished as follows shall be exempt from the state sales
20 and use tax imposed under R.S. 47:331:

21 * * *

22 F. The sales, use and lease taxes imposed by ~~taxing authorities~~ the state under
23 R.S. 47:331 and any sales and use tax imposed by a political subdivision shall not
24 apply to the amounts paid by radio and television broadcasters for the right to exhibit
25 or broadcast copyrighted material and the use of film, video or audio tapes, records
26 or any other means supplied by licensors thereof in connection with such exhibition
27 or broadcast and the sales and use tax shall not apply to licensors or distributors
28 thereof.

29 * * *

1 I. The sales and use taxes imposed by the state of Louisiana under R.S.
 2 47:331 or any of its political subdivisions shall not apply to the labor, or sale of
 3 materials, services, and supplies, used for repairing, renovating or converting of any
 4 drilling rig, or machinery and equipment which are component parts thereof, which
 5 is used exclusively for the exploration or development of minerals outside the
 6 territorial limits of the state in Outer Continental Shelf waters. For the purposes of
 7 this Subsection, "drilling rig" means any unit or structure, along with its component
 8 parts, which is used primarily for drilling, workover, intervention or remediation of
 9 wells used for exploration or development of minerals. For purposes of this
 10 Subsection, "component parts" means any machinery or equipment necessary for a
 11 drilling rig to perform its exclusive function of exploration or development of
 12 minerals.

13 * * *

14 §305.1. Exclusions and exemptions; ships and ships' supplies

15 A. The tax imposed by ~~taxing authorities~~ the state under R.S. 47:331 and any
 16 sales and use tax imposed by a political subdivision shall not apply to sales of
 17 materials, equipment, and machinery which enter into and become component parts
 18 of ships, vessels, or barges, including commercial fishing vessels, drilling ships, or
 19 drilling barges, of fifty tons load displacement and over, built in Louisiana nor to the
 20 gross proceeds from the sale of such ships, vessels, or barges when sold by the builder
 21 thereof.

22 B. The taxes imposed by ~~taxing authorities~~ the state under R.S. 47:331 and
 23 any sales and use tax imposed by a political subdivision shall not apply to materials
 24 and supplies purchased by the owners or operators of ships, barges, or vessels,
 25 including drilling ships, operating exclusively in foreign or interstate coastwise
 26 commerce, where such materials and supplies are loaded upon any such ship, barge,
 27 or vessel for use or consumption in the maintenance and operation thereof; nor to
 28 repair services performed upon such ships, barges, or vessels operating exclusively
 29 in foreign or interstate coastwise commerce; nor to the materials and supplies used in

1 such repairs where such materials and supplies enter into and become a component
 2 part of such ships, barges, or vessels; nor to laundry services performed for the
 3 owners or operators of such ships, barges, or vessels operating exclusively in foreign
 4 or interstate coastwise commerce, where the laundered articles are to be used in the
 5 course of the operation of such ships, barges, or vessels.

6 * * *

7 §305.6. Exclusions and exemptions; Little Theater tickets

8 The sales tax imposed by ~~taxing authorities~~ the state under R.S. 47:331 and
 9 any sales and use tax imposed by a political subdivision shall not apply to the sale of
 10 admission tickets by Little Theater organizations.

11 §305.7. Exclusions and exemptions; tickets to musical performances of nonprofit
 12 musical organizations

13 The sales tax imposed by ~~taxing authorities~~ the state under R.S. 47:331 and
 14 any sales and use tax imposed by a political subdivision shall not apply to the sale of
 15 admission tickets by domestic nonprofit corporations or by any other domestic
 16 nonprofit organization known as a symphony organization or as a society or
 17 organization engaged in the presentation of musical performances; provided that this
 18 Section shall not apply to performances given by out-of-state or nonresident
 19 symphony companies, nor shall this Section apply to any performance intended to
 20 yield a profit to the promoters thereof.

21 §305.8. Exclusions and exemptions; pesticides used for agricultural purposes

22 The tax imposed by ~~taxing authorities~~ the state under R.S. 47:331 and any
 23 sales and use tax imposed by a political subdivisions shall not apply to sale at retail of
 24 pesticides used for agricultural purposes, including particularly but not by way of
 25 limitation, insecticides, herbicides and fungicides.

26 §305.9. Exclusions and exemptions; motion picture film rental

27 The sales and use taxes imposed by the State of Louisiana under R.S. 47:331
 28 or any such taxes imposed by any parish or municipality within the state shall not

1 apply to the amount paid by the operator of a motion picture theatre to a distributing
2 agency for use of films of photoplay.

3 * * *

4 §305.13. Exclusions and exemptions; admissions to entertainments furnished by
5 certain domestic nonprofit corporations

6 The sales tax imposed by ~~taxing authorities~~ the state under R.S. 47:331 and
7 any sales and use tax imposed by a political subdivision shall not apply to the sale of
8 admissions to entertainment events furnished by recognized domestic nonprofit
9 charitable, educational and religious organizations when the entire proceeds from
10 such sales, except for necessary expenses connected with the entertainment events,
11 are used for the purposes for which the organizations furnishing the events were
12 organized.

13 §305.14. Exclusions and exemptions; nonprofit organizations; nature of exemption;
14 limitations; qualifications; newspapers; determination of tax exempt status

15 A.(1)(a) The sales and use taxes imposed by ~~taxing authorities~~ the state under
16 R.S. 47:331 and any sales and use tax imposed by a political subdivision shall not
17 apply to sales of tangible personal property at, or admission charges for, outside gate
18 admissions to, or parking fees associated with, events sponsored by domestic, civic,
19 educational, historical, charitable, fraternal, or religious organizations, which are
20 nonprofit, when the entire proceeds, except for necessary expenses such as fees paid
21 for guest speakers, chair and table rentals, and food and beverage utility related items
22 connected therewith, are used for educational, charitable, religious, or historical
23 restoration purposes, including the furtherance of the civic, educational, historical,
24 charitable, fraternal, or religious purpose of the organization. In addition, newspapers
25 published in this state by religious organizations shall also be exempt from such taxes,
26 provided that the price paid for the newspaper or a subscription to the newspaper does
27 not exceed the cost to publish such newspaper.

28 (b) Notwithstanding any other provision of this Section, the sales and use tax
29 imposed by ~~taxing authorities~~ the state under R.S. 47:331 and any sales and use tax

1 imposed by a political subdivision shall not apply to an event sponsored by a domestic
 2 nonprofit organization that is exempt from tax under Section 501(c)(3) of the Internal
 3 Revenue Code when the event provides Louisiana heritage, culture, crafts, art, food,
 4 and music, and the sponsor has contracted for production management and financing
 5 services for the event. Such services shall constitute necessary expenses of the
 6 sponsor for purposes of the event. The provisions of this Subparagraph shall apply
 7 only to the sales of tangible personal property and admission charges for, outside gate
 8 admissions to, or parking fees associated with an event when the sales, charges, and
 9 fees are payable to or for the benefit of the sponsor of the event. The provisions of
 10 this Subparagraph shall apply only to an event which transpires over a minimum of
 11 seven but not more than twelve days and has a five-year annual average attendance
 12 of at least three hundred thousand over the duration of the event. For purposes of
 13 determining the five-year annual average attendance, the calculation shall include the
 14 total annual attendance for each of the five most recent years.

15 * * *

16 §305.16. Exclusions and exemptions; cable television installation and repair

17 The sales and use taxes imposed by the state under R.S. 47:331 or by any
 18 political subdivision thereof shall not apply to necessary fees incurred in connection
 19 with the installation and service of cable television. Such exemption shall not apply
 20 to purchases made by any cable television system, but shall only apply to funds
 21 collected from the subscriber for regular service, installation and repairs.

22 §305.17. Exclusions and exemptions; income from coin-operated washing and drying
 23 machines in a commercial laundromat

24 ~~State sales taxes imposed by R.S. 47:302 and R.S. 47:321, as well as any~~ Any
 25 sales taxes imposed by any parish, municipality, school board, or other political
 26 subdivision, within the state, shall not apply to or be imposed upon the income on
 27 receipts from any coin-operated washing or drying machine in a commercial
 28 laundromat. A commercial laundromat, for purposes of this Section, is defined to be

1 any establishment engaged solely in the business of furnishing washing or drying
2 laundry services by means of coin-operated machines.

3 §305.18. Exclusions and exemptions; fairs, festivals, and expositions sponsored by
4 nonprofit organizations; nature of exemption; limitations; qualifications

5 A.(1) The sales and use tax imposed by the state of Louisiana under ~~R.S.~~
6 ~~47:302(C) and R.S. 47:321~~ R.S. 47:331 shall not apply to all outside gate admissions
7 to grounds and parking fees at fairs and festivals sponsored by recognized nonprofit
8 organizations chartered under the state of Louisiana.

9 (2) The exemption provided herein shall not apply to any event intended to
10 yield a profit to the promoter or to any individual contracted to provide services or
11 equipment, or both, for the event.

12 (3) This Section shall not be construed to exempt any organization or activity
13 from the payment of sales or use taxes otherwise required by law to be made on
14 purchases made by these organizations.

15 (4) This Section shall not be construed to exempt regular commercial ventures
16 of any type such as bookstores, restaurants, gift shops, commercial flea markets and
17 similar activities that are sponsored by organizations qualifying hereunder which are
18 in competition with retail merchants.

19 * * *

20 §305.19. Exclusions and exemptions; leased vessels used in the production of
21 minerals

22 The taxes imposed by ~~taxing authorities~~ the state under R.S.47:331 and any
23 sales and use tax imposed by a political subdivision shall not apply to those vessels
24 which are leased for use offshore beyond the territorial limits of this state for the
25 production of oil, gas, sulphur, and other minerals or for the providing of services to
26 those engaged in such production.

27 §305.20. Exclusions and exemptions; Louisiana commercial fishermen

28 * * *

1 C. An owner who has obtained a certificate of exemption shall, with respect
2 to the vessel identified in the certificate for the harvesting or production of fish and
3 other aquatic life, including shrimp, oysters, and clams, and certain seafood
4 processing facilities described in Subsection A, be exempt from the taxes described
5 in Subsection A, as follows:

6 (1) Taxes imposed by the state under R.S. 47:331 as applied to the materials
7 and supplies necessary for repairs to the vessel or facility if they are purchased by
8 the owner and later become a component part of the vessel or facility.

9 (2) Taxes imposed by the state under R.S. 47:331 as applied to materials and
10 supplies purchased by the owner of the vessel or facility where such materials and
11 supplies are loaded upon the vessel or delivered to the facility for use or consumption
12 in the maintenance and operation thereof for commercial fishing and processing
13 ventures. For purposes of this Paragraph, it shall make no difference whether the
14 vessel is engaged in interstate, foreign, or intrastate commerce.

15 (3) Taxes imposed by the state under R.S. 47:331 as applied to repair
16 services performed upon the vessel or facility. For the purposes of this Paragraph,
17 it shall make no difference whether the vessel is engaged in intrastate, interstate, or
18 foreign commerce.

19 (4) Taxes imposed by the state under R.S. 47:331 as applied to the purchase
20 of gasoline, diesel fuel, and lubricants for the vessel and to sources of energy and
21 fuels for the facility.

22 * * *

23 §305.25. Exclusions and exemptions; farm equipment

24 A. The tax imposed by ~~R.S. 47:302(A), 321(A), and 331(A)~~ R.S. 47:331(A)
25 with respect to the sale and use of farm equipment shall apply only to that portion
26 of the sale price in excess of fifty thousand dollars for each item of farm equipment.
27 The purchaser or his representative shall provide on any exemption certificate
28 required for this exemption a certification that the purchaser is a farmer or is
29 purchasing for an agricultural facility. The department shall hold the purchaser

1 responsible for any taxes due. For the purpose of this Section, "farm equipment"
2 includes the following:

3 * * *

4 §305.26. Exclusions and exemptions; new vehicles furnished by dealers for driver
5 education purposes

6 Solely for purposes of the sales or use tax levied by the state under R.S.
7 47:331, such tax shall not be due on vehicles furnished by a dealer in new vehicles
8 when withdrawn from inventory and furnished to a secondary school, college, or
9 public school board on a free loan basis for exclusive use in a driver education
10 program licensed by the Department of Public Safety and Corrections, public safety
11 services.

12 * * *

13 §305.28. Exclusions and exemptions; gasohol

14 A. The sales or use taxes imposed by the state of Louisiana under R.S.
15 47:331 or any such taxes imposed by any parish or municipality or other local entity
16 within the state shall not apply to the sale at retail, the use, the consumption, the
17 distribution, and the storage, to be used or consumed in this state, of any motor fuel
18 known as gasohol, containing a blend of at least ten percent alcohol, if the alcohol
19 therein has been produced, fermented, and distilled in Louisiana from agricultural
20 commodities. Alcohol to be used in gasohol must have been rendered unsuitable for
21 human consumption at the time of its manufacture or immediately thereafter.

22 * * *

23 §305.33. Exclusions and exemptions; nonprofit retirement centers

24 The sales and use taxes imposed by the state of Louisiana under R.S. 47:331
25 shall not apply to purchases of materials for the construction of and supplies for the
26 operation of any not-for-profit retirement center owned or operated by any public
27 trust authority or duly incorporated not-for-profit corporation. A retirement center
28 for purposes of this Section is defined as any multipurpose facility which houses as

1 a permanent residence senior citizens who are sixty-two years of age or older, which
2 provides housing for the elderly, and which provides intermediate health care.

3 * * *

4 §305.37. Exclusions and exemptions; diesel fuel, butane, propane, or other liquefied
5 petroleum gases used for farm purposes

6 A. The state taxes imposed by ~~R.S. 47:302(A), R.S. 47:321(A), and R.S.~~
7 ~~47:331(A)~~ shall not apply to diesel fuel, butane, propane, or other liquefied
8 petroleum gases used or consumed for farm purposes. The secretary of the
9 Department of Revenue shall adopt and promulgate rules and regulations necessary
10 to effectuate the exemptions granted by this Section.

11 * * *

12 §305.40. Exclusions and exemptions; purchases of Mardi Gras specialty items

13 A. Solely for purposes of the sales and use taxes levied by the state, such
14 sales and use taxes imposed by ~~R.S. 47:302, 321, and 331~~ R.S. 47:331 shall not apply
15 to the purchases or sales of specialty items for use in connection with Mardi Gras
16 activities by the following organizations:

17 * * *

18 §305.41. Exclusions and exemptions; Ducks Unlimited; Bass Life

19 The sales and use tax imposed by the state of Louisiana under R.S. 47:331
20 or any of its local governmental subdivisions or school boards shall not apply to
21 either the sales of Ducks Unlimited or Bass Life or any of their chapters or any rental
22 or purchase of property or services by Ducks Unlimited or Bass Life or any of their
23 chapters.

24 ~~§305.42. Exclusions and exemptions; tickets to ballet performances of nonprofit~~
25 ~~ballet organizations~~

26 ~~Solely for purposes of the sales and use taxes levied by the state, such sales~~
27 ~~and use tax imposed by R.S. 47:302(A) and R.S. 47:321(A) shall not apply to the~~
28 ~~sale of admission tickets by any domestic nonprofit organization engaged in the~~
29 ~~preparation and presentation of any dance, drama, or any of the performing arts.~~

1 §305.43. Exclusions and exemptions; nonprofit organizations dedicated to the
2 conservation of fish or migratory waterfowl; nature of exemption;
3 limitations; qualifications

4 A. The sales and use taxes imposed by ~~R.S. 47:302, R.S. 47:321, and R.S.~~
5 47:331 shall not apply to any sales made by a nonprofit organization dedicated
6 exclusively to the conservation of fish or the migratory waterfowl of the North
7 American Continent and to the preservation and conservation of wetland habitat of
8 such waterfowl, when the entire proceeds, except for the necessary expenses
9 connected therewith, are used in furtherance of the organization's exempt purpose.
10 The exemption provided herein shall not apply to any event intended to yield a profit
11 to the promoter or to any individual contracted to provide services or equipment, or
12 both, for the event.

13 * * *

14 §305.44. Exclusions and exemptions; raw materials used in printing process
15 A. The sales and use taxes imposed by the state under ~~R.S. 47:302, R.S.~~
16 ~~47:321, and R.S. 47:331~~ and by any political subdivision shall not apply to purchases
17 and sales of the following, including all chemical supplies necessary to produce such
18 items whether manufactured by a printer or purchased from a subcontractor:

19 * * *

20 §305.45. Exclusions and exemptions; per diem or car hire on freight cars,
21 piggy-back cars, and rolling stock

22 A. The sales, use, and lease tax imposed by the state of Louisiana under the
23 provisions of ~~R.S. 47:302(A) and (B), R.S. 47:321(A) and (B) and R.S. 47:331~~ shall
24 not apply to:

25 * * *

26 §305.47. Exclusions and exemptions; pharmaceutical samples distributed without
27 charge

28 The sales and use tax imposed by the state of Louisiana under R.S. 47:331
29 or any sales and use tax imposed by any of its political subdivisions shall not apply

1 to pharmaceutical samples approved by the United States Food and Drug
2 Administration which are manufactured in the state or imported into the state for
3 distribution without charge to physicians, dentists, clinics, or hospitals.

4 * * *

5 §305.49. Catalog distribution; exemption

6 Notwithstanding any provision of law to the contrary, no sales or use tax shall
7 be imposed by the state ~~or~~ under R.S. 47:331 or by any political subdivision on the
8 value of catalogs distributed, or intended for distribution in the state, without charge
9 to the recipient.

10 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;
11 railroad ties

12 A.(1) The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.
13 47:331 or by any of its local political subdivisions shall not apply to trucks with a
14 gross weight of twenty-six thousand pounds or more and to trailers if such trucks and
15 trailers are used at least eighty percent of the time in interstate commerce and whose
16 activities are subject to the jurisdiction of the United States Department of
17 Transportation. The determination of whether a truck is used at least eighty percent
18 of the time in interstate commerce shall be based solely on the actual mileage of such
19 truck; however, no truck shall have more than twenty percent Louisiana intrastate
20 miles.

21 (2)(a) The sales and use tax imposed by the state ~~or~~ under R.S. 47:331 or by
22 any of its political subdivisions shall not apply to the purchase, use, or lease of a
23 qualifying truck or to the purchase, use, or lease of a qualifying trailer purchased,
24 imported, or leased, with or without a qualifying truck, for use with a qualifying
25 truck.

26 * * *

27 B. The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.
28 47:331 or by any of its local political subdivisions shall not apply to contract carrier

1 buses if such buses are used at least eighty percent of the time in interstate
2 commerce.

3 * * *

4 E.(1) The sales and use tax imposed by the state of Louisiana under R.S.
5 47:331 or any of its local political subdivisions ~~or statewide taxing authorities~~ shall
6 not apply to rail rolling stock sold or leased in this state.

7 (2) The sales and use tax imposed by the state of Louisiana ~~or statewide~~
8 ~~taxing authorities~~ under R.S. 47:331 shall not apply to parts or services used in the
9 fabrication, modification, or repair of rail rolling stock. A political subdivision may,
10 by ordinance, provide that sales and use tax imposed by the political subdivision
11 shall not apply to parts or service used in the fabrication, modification, or repair of
12 rail rolling stock.

13 F. The sales and use tax imposed by the state, ~~its statewide taxing authorities,~~
14 under R.S. 47:331 or any of its political subdivisions shall not apply to the "sales
15 price" or "cost price" of railroad ties that a railroad purchases prior to long-term
16 preservative treatment and installs into the railroad's track system outside the taxing
17 jurisdiction of the respective taxing authority, whether it be the state, a statewide
18 taxing authority, or a political subdivision.

19 §305.51. Exemption; utilities used by steelworks and blast furnaces

20 A. The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.
21 47:331 ~~or by~~ any of its political subdivisions shall not apply to sales or purchases of
22 utilities used by steelworks, blast furnaces, coke ovens, or rolling mills with more
23 than one hundred twenty-five full-time employees, which are classified by the
24 Louisiana Workforce Commission within Sector 331111 of the North American
25 Industry Classification System as it existed in 2002. However, this exemption shall
26 not apply to utilities used in and around the production of coke in oil refineries and
27 the use of coke in oil refineries and other chemical processes.

28 * * *

29 §305.54. Exemption; Annual Louisiana Sales Tax Holidays Act

1 * * *

2 B.(1) Notwithstanding any other provisions of law to the contrary, the sales
3 tax levied by the state of Louisiana under R.S. 47:331 and its political subdivisions
4 whose boundaries are coterminous with those of the state shall not apply to the first
5 two thousand five hundred dollars of the sales price or cost price of any consumer
6 purchases of tangible personal property that occur on the first consecutive Friday and
7 Saturday of August each year.

8 * * *

9 §305.57. Exemptions; sale of art work

10 A. The sales and use taxes imposed by the state of Louisiana ~~or~~ under R.S.
11 47:331 ~~or by~~ any of its political subdivisions shall not apply to the sale of original,
12 one-of-a-kind works of art from an established location within the boundaries of a
13 cultural product district.

14 * * *

15 §305.58. Exemption; annual sales tax holiday; hurricane-preparedness items or
16 supplies; dates; restrictions

17 A.(1) Notwithstanding any other provision of law to the contrary, the sales
18 and use tax levied by the state of Louisiana under R.S. 47:331 shall not apply to the
19 first one thousand five hundred dollars of the sales price of purchases of hurricane-
20 preparedness items or supplies as defined in this Subsection that occur during an
21 eligible tax exemption period.

22 * * *

23 §305.59. Exemption; charitable residential construction

24 The sales and use tax imposed by the state of Louisiana ~~and~~ under R.S.
25 47:331 ~~and by~~ all of its tax authorities shall not apply to the sale of construction
26 materials to Habitat for Humanity affiliates, Fuller Center for Housing covenant
27 partners located in this state, or the Make it Right Foundation when such materials
28 are intended for use in constructing new residential dwellings in this state.

29 * * *

1 §305.61. Exemption; certain water conservation equipment; Sparta Groundwater
2 Conservation District

3 A. The sales and use tax imposed by ~~all tax authorities in the state~~ under R.S.
4 47:331 shall not apply to sales of water conservation equipment for use within the
5 Sparta Groundwater Conservation District. Only persons defined as "users" under
6 R.S. 38:3087.133(7) shall be eligible for this exemption.

7 * * *

8 §305.62. Exemption; Annual Louisiana Second Amendment Weekend Holiday

9 * * *

10 B.(1) Notwithstanding any other provisions of law to the contrary, the sales
11 and use tax levied by the state of Louisiana ~~and~~ under R.S. 47:331 and the sales and
12 use taxes levied by its political subdivisions shall not apply to the sales price or cost
13 price of any consumer purchases of firearms, ammunition, and hunting supplies that
14 occur each calendar year on the first consecutive Friday through Sunday of
15 September.

16 * * *

17 §305.63. Exemption; commercial farm irrigation equipment

18 The sales and use tax imposed by the state of Louisiana ~~and~~ under R.S.
19 47:331 and the sales and use taxes imposed by its political subdivisions whose
20 boundaries are coterminous with those of the state shall not apply to the sale of
21 polyroll tubing sold or used for commercial farm irrigation.

22 §305.64. Exemption; qualifying radiation therapy treatment centers

23 A.(1) The sales and use tax imposed by the state of Louisiana under R.S.
24 47:331 shall not apply to the amount paid by qualifying radiation therapy treatment
25 centers for the purchase, lease, or repair of capital equipment and the purchase, lease,
26 or repair of software used to operate capital equipment. Any political subdivision
27 of this state, including parishes and municipalities, may elect to grant a sales and use
28 tax exemption for the amount paid by qualifying radiation therapy treatment centers

1 for the purchase, lease, or repair of capital equipment and the purchase, lease, or
2 repair of software used to operate capital equipment.

3 * * *

4 §305.65. Exemption; charitable residential construction, rehabilitation, and
5 renovation; limitation

6 A. The sales and use tax imposed by the state of Louisiana ~~and~~ under R.S.
7 47:331 and the sales and use taxes imposed by all of its tax authorities shall not apply
8 to the sale of construction materials to Hands on New Orleans and Rebuilding
9 Together New Orleans covenant partners located in this state when such materials
10 are intended for use in either constructing, rehabilitating, or renovating residential
11 dwellings in this state which were destroyed or damaged by Hurricane Katrina or
12 Hurricane Rita.

13 * * *

14 §305.66. Exemption; parish councils on aging

15 A. The sales and use tax imposed by the state of Louisiana under R.S. 47:331
16 shall not apply to parish councils on aging located in this state.

17 * * *

18 §305.67. Exemption; breastfeeding items

19 The sales and use tax imposed by the state of Louisiana under R.S. 47:331
20 shall not apply to the purchase of breastfeeding items. For purposes of this Section,
21 breastfeeding items shall include breastpumps and accessories, replacement parts,
22 storage bags and accessories, and nursing bras.

23 §305.68. Exemption; Fore!Kids Foundation

24 The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S. 47:331
25 or by any political subdivisions shall not apply to the purchase, use, or rental of
26 materials, services, property, and supplies, by the Fore!Kids Foundation, whose
27 primary purpose is to fund children's service organizations from monies raised from
28 golfing events.

29 * * *

1 §305.70. Exemption; "Make It Right Foundation"

2 The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S. 47:331
3 or by any political subdivision shall not apply to the sale of construction materials
4 to the "Make It Right Foundation" when such materials are intended for use in
5 constructing new residential dwellings in this state.

6 §305.71. Exemption; St. Bernard Project, Inc.

7 The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S. 47:331
8 or by any political subdivision as defined in R.S. 47:337.6 shall not apply to the sale
9 of construction materials to the St. Bernard Project, Inc. when such materials are
10 intended for use in rehabilitating existing residential dwellings or constructing new
11 residential dwellings in this state.

12 * * *

13 §318. Disposition of collections

14 A. All monies collected under this Chapter shall be immediately paid into
15 the state treasury, upon receipt, and first credited to the Bond Security and
16 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
17 Louisiana; then an amount equal to four-tenths of one percent of all monies collected
18 under this ~~Chapter, and Chapters 2-A and Chapter 2-B~~ of this Subtitle, and R.S.
19 51:1286 shall be used as provided in this Section.

20 * * *

21 §331. Imposition of tax

22 * * *

23 P.

24 * * *

25 (3) Notwithstanding any other provision of law to the contrary, including but
26 not limited to any contrary provisions of this Chapter, the exemption provided for
27 in R.S. 47:305(A)(2) and 305.25(A)(3) shall be applicable, operable, and effective
28 from July 1, 2007, through March 30, 2016. Beginning April 1, 2016, the

1 applicability and effectiveness of these exemptions shall be governed by the law
2 establishing the exemption.

3 (4) Notwithstanding any other provision of law to the contrary which makes
4 any sales and use tax exemption inapplicable, inoperable, and of no effect, the
5 exemption provided in R.S. 47:305(D)(2) shall be applicable, operable, and effective
6 from January 1, 1998 through March 30, 2016. Beginning April 1, 2016, the
7 applicability and effectiveness of this exemption shall be governed by the law
8 establishing the exemption.

9 Q. Notwithstanding any other provision of law to the contrary and
10 specifically notwithstanding any provision enacted during the 2004 First
11 Extraordinary Session which makes any sales and use tax exemption inapplicable,
12 inoperable, and of no effect, the exemption provided in R.S. 47:305.51 shall be
13 applicable, operable, and effective for all taxable periods beginning on or after July
14 1, 2007, through March 30, 2016. Beginning April 1, 2016, the applicability and
15 effectiveness of this exemption shall be governed by the law establishing the
16 exemption.

17 R. Notwithstanding any other provision of law to the contrary and
18 specifically notwithstanding any provision which is enacted to make any sales and
19 use tax exemption inapplicable, inoperable, and of no effect, the exemption provided
20 in R.S. 47:305(A)(5)(b) shall be applicable, operable, and effective from July 1,
21 2009, through March 30, 2016. Beginning April 1, 2016, the applicability and
22 effectiveness of these exemptions shall be governed by the law establishing the
23 exemption.

24 * * *

25 §6001. Antique airplanes and certain other aircraft

26 A. No tax imposed by the state under R.S. 47:331 or by any parish,
27 municipality, school board, or any political subdivision of the state shall be imposed
28 on antique airplanes which are maintained by private collectors and not used for
29 commercial purposes, and no personal property tax shall be imposed on any aircraft

1 weighing less than six thousand pounds which is owned by a private individual and
2 not used for commercial or profit making purposes. The exemption from local taxes
3 contained in this Section is granted notwithstanding the provisions of R.S. 47:302,
4 and such exemption shall apply to any sales and use tax levied by any local
5 governmental subdivision or school board.

6 * * *

7 Section 9. R.S. 51:1307(C) is hereby amended and reenacted to read as follows:

8 §1307. Refund procedure

9 * * *

10 C. The refund may consist of a credit card refund as provided for in
11 Subsection D of this Section, or of a cash or check payment in any currency deemed
12 appropriate by the commission, without interest to the international traveler, of the
13 ~~total sales tax of the state~~ sales tax imposed by the state under R.S. 47:331 and of any
14 participating local tax authority paid by the international traveler as reflected on the
15 invoices or receipts and as verified by the refund form, less the handling fee charged.
16 The international traveler's copy of the refund form will be kept by the refund agent.
17 The invoices or receipts which were attached to the refund form shall be returned to
18 the international traveler, stamped "Sales Tax Refunded".

19 * * *

20 Section 10. R.S. 47:305.42 and R.S. 47:321 are hereby repealed in their entirety.

21 Section 11. This Act shall become effective if and when an amendment to the
22 Constitution of Louisiana to exempt business inventory property and offshore vessels from
23 ad valorem taxation is adopted by the electorate.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 53 Original 2016 First Extraordinary Session Abramson

Abstract: Establishes a framework upon which to repeal the property tax on business utilities and offshore vessels as well as the state income tax credits associated therewith through the repeal of a state sales and use tax, the levy of a limited,

temporary state sales and use tax, and limitations on the applicability of certain exclusions and exemptions from certain state sales and use taxes.

Present law imposes a 1% state sales and use tax upon the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption in this state of each item or article of tangible personal property as well as certain services.

Proposed law repeals present law.

Proposed law imposes, from Jan. 1, 2017, through Dec. 31, 2021, a 0.50% state sales and use tax upon the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption in this state of each item or article of tangible personal property, leases and rentals, and certain services.

Proposed law provides for the deposit of the avails of the tax into a special fund, which is established in proposed law and shall be known as Inventory Tax Phase-out Fund. The purpose of the fund shall be to provide support to local government taxing authorities for any revenue loss which may be sustained if business inventory property and offshore vessels were to become exempt from the ad valorem tax base.

Proposed law provides that taxing authorities of the state which, as of January 1, 2016, imposed an ad valorem tax on property within their jurisdiction shall be eligible to receive distributions from this fund, and are hereinafter referred to as "eligible taxing authorities".

Proposed law provides for allocation of monies from the fund to each parish, on a pro-rata basis, based on the percentage that the parish's 2014 total ad valorem tax collections on business inventory property and offshore vessels represents of the 2014 total statewide ad valorem tax collections on business inventory property and offshore vessels.

Present law establishes a dedication for economic development activities of an amount equal to 0.004% of all state sales and use tax annual collections that remain after satisfaction of the requirements of the Bond Security and Redemption Fund as required by present constitution. Of that amount, \$2 million is deposited into the Marketing Fund, which is established as a special fund within the state treasury for the support of various specific economic development organizations. All monies in excess of the Marketing Fund allocation are deposited into the La. Economic Development Fund, which is established as a special treasury fund to support a wide variety of economic development activities.

Proposed law changes present law by eliminating the dedication of the avails of the 2% state sales and use tax imposed under Ch. 2 of Subtitle II of Title 47 of the La. Revised Statutes of 1950, as amended.

Proposed law repeals present law.

Present law imposes a combined 4% rate for state sales and use tax upon the sale at retail, the use, the consumption, the distribution, the storage, lease, or rental of tangible personal property ("property") in La., as well as certain specific services.

Present law provides definitions for terms used for purposes of state and local sales and use tax. Present law establishes the following *exclusions* from tax in the form of definitions:

(1) From the definition of "cost price":

The amount designated as a cash discount or a rebate by a vendor or manufacturer of any new vehicle subject to the motor vehicle license tax.

The portion of the value of refinery gas in excess of 52 cents per thousand cubic feet multiplied by a fraction the numerator of which shall be the posted price for a barrel

of West Texas Intermediate Crude Oil on December first of the preceding calendar year and the denominator of which shall be \$29.

Payments made by a manufacturer directly to a dealer of the manufacturer's product for the purpose of reducing the retail "cost price" of that product.

Manufacturing machinery and equipment, for the following sectors: manufacturing, agriculture, forestry, fishing, hunting, power generation, recyclable material sales, news publications, radio broadcasting, and specific farm equipment.

Electricity and natural gas purchased or used by paper or wood products manufacturing facilities.

Property consumed in the manufacturing process by paper and wood products manufacturers.

(2) From the definition of "hotel", for purposes of the sales tax on services, nonprofit camp and retreat facilities, and facilities devoted exclusively to the temporary housing of homeless transient persons who are charged no more than \$20 per day.

(3) From the definition of "lease or rental":

Oilfield drilling equipment to be re-leased or re-rented.

Property used by a private contractor in the performance of a contract for the U.S. Navy.

Airplanes or airplane equipment used by a commuter airline domiciled in La.

Materials and equipment used for instruction by a private elementary or secondary school.

Manufacturing machinery and equipment used for purposes related to production of biodiesel.

Pallets used by a manufacturer for packaging.

(4) From the definition of "person", private colleges and universities.

(5) From the definition of "retail sale":

Natural gas used in certain iron production methods.

Electricity for chlor-alkali manufacturing.

A new school bus or a school bus that is less than 5 years old purchased by an independent operator, to be used to service a public school.

Airplanes and airplane equipment for a commuter airline domiciled in La.

La. manufactured or assembled passenger aircraft to be delivered outside of La.

Pollution control equipment.

Pelletized paper waste used as fuel for power generation.

Property sold by a private elementary or secondary school, the proceeds of which support the school.

Manufacturing machinery and equipment used for purposes related to production of biodiesel.

Telephone directories used for advertising.

Natural gas to be held, used or consumed in providing natural gas storage ("cushion" or "pad" gas).

Used books and course-related software purchased by online private colleges and universities, which materials are provided to students free of charge.

Food bought by a private elementary or secondary school for a breakfast or lunch program.

Storm shutter devices.

Property sold at a military installation.

Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).

Property sold at an event for La. culture, crafts, food, art, and music, with a five year annual attendance in excess of 300,000 (New Orleans Jazz Festival).

(6) From the definition of "sales price":

The first \$50,000 of the sale price of new farm equipment used in poultry production.

That portion of the value of refinery gas sold to another person by the person who owns the gas generation facility, whether at retail or wholesale, that is in excess of 52 cents per thousand cubic feet multiplied by a fraction the numerator of which shall be the posted price for a barrel of West Texas Intermediate Crude Oil on December first of the preceding calendar year and the denominator of which shall be \$29.

Payments made by a manufacturer directly to a dealer of the manufacturer's product for the purpose of reducing the retail "sales price" of the product.

Manufacturing machinery and equipment, for the following sectors: manufacturing, agriculture, forestry, fishing, hunting, power generation, recyclable material sales, news publications, radio broadcasting, and specific farm equipment.

Speciality items sold to members of a non profit carnival organizations for fund-raising purposes if the members are participating in a parade sponsored by the organization.

Electric power and natural gas purchased or used by paper or wood products manufacturing facilities.

(7) From the definition of "sales of services":

Admissions to and membership fees or dues for nonprofit civic organizations, including by way of illustration and not of limitation the YMCA, YWCA, and catholic youth organizations.

Admissions to museums

Admissions to nonprofit camp or retreat facilities.

Repairs performed in La. when property is to be exported.

Labor, materials, services, and supplies for repairing, or converting a drilling rig, if the drilling rig is used in Outer Continental Shelf waters.

Services performed by a private contractor under contract with the U.S. Navy for the construction or overhaul of marine vessels.

Services performed at an event for La. culture, crafts, food, art, and music, with a five year annual attendance in excess of 300,000 (New Orleans Jazz Festival).

(8) From the definition of "tangible personal property":

Numismatic coins, and platinum, gold, and silver bullion.

Geophysical survey information or geophysical data analysis transferred in the form of tangible personal property and furnished under a restricted use agreement.

A used factory built home, and that portion of the value of a new factory built home which exceeds 46%.

Custom computer software.

Equipment used for digital television conversion.

Machinery and equipment used by a glass manufacturer, radio station, or public utility in New Orleans, and tooling machinery used in a compression mold process.

Newspapers.

(9) From the definition of "use":

Rental of motor vehicles and other tangible personal property.

Property sold by a private elementary or secondary school, the proceeds of which support the school.

Free telephone directories used for advertising.

Manufacturing machinery and equipment used for purposes related to production of biodiesel.

Use of educational materials and equipment by private elementary and secondary schools.

Alternative substances as fuel by a manufacturer.

Used books and course-related software by online private colleges and universities if purchased from outside of La. and provided to students free of charge.

Storm shutter device.

Anthropogenic carbon dioxide used in a qualified tertiary recovery project (mineral exploration and production).

Proposed law limits the application of the exclusions to the 3% state sales and use tax.

Present law permanently suspends the applicability of the following exemptions:

- (1) Animal feed and feed additives for animals kept for business purposes.
- (2) Materials, supplies, equipment, fuel, bait, and related items other than vessels used in the production or harvesting of crawfish.
- (3) Materials, supplies, equipment, fuel, bait, and related items other than vessels used in the production or harvesting of catfish.
- (4) Boiler fuel.
- (5) New trucks, new automobiles, and new aircraft withdrawn from stock by factory authorized new truck, new automobile, new aircraft dealers, and factory-authorized dealers of used trucks and used automobiles withdrawn from stock by new or used motor vehicle dealers, which are withdrawn for use as demonstrators.
- (6) Adaptive driving equipment and motor vehicle modifications prescribed for personal use by a physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the state.
- (7) Amounts paid by radio and television broadcasters for the right to exhibit or broadcast copyrighted material and the use of film, video or audio tapes, records or any other means supplied by licensors thereof in connection with such exhibition or broadcast and the sales and use tax shall not apply to licensors or distributors thereof.
- (8) Admissions to performances by little theaters.
- (9) Admissions to performances by nonprofit musical organizations.
- (10) Amounts paid by the operator of a motion picture theatre to a distributing agency for use of films of photoplay.
- (11) Admissions to entertainment events furnished by nonprofit charitable, educational and religious organizations when the entire proceeds from such sales, except for necessary expenses connected with the entertainment events, are used for the purposes for which the organizations furnishing the events were organized.
- (12) Gate admissions to grounds and parking fees at fairs and festivals sponsored by recognized nonprofit organizations chartered under the state of La.
- (13) Vessels leased for use offshore beyond the territorial limits of La. for the production of oil, gas, sulphur, and other minerals or for the providing of services to those engaged in such production.
- (14) The first \$50,000 of the sales price on certain farm equipment that includes storage for grain and materials for construction of such storage.
- (15) Vehicles loaned by a motor vehicle dealer free of charge to a secondary school, college, or public school board for exclusive use in a driver education program.
- (16) Materials for the construction of and supplies for the operation of any not-for-profit retirement center owned or operated by any public trust authority or not-for-profit.
- (17) Sales of Ducks Unlimited or Bass Life or any of their chapters or any rental or purchase of property or services by Ducks Unlimited or Bass Life or any of their chapters.
- (18) Admission to ballet performances of nonprofit ballet organizations.

- (19) Sales made by nonprofit organizations dedicated to the conservation of fish or migratory waterfowl.
- (20) Raw materials used in printing processes.
- (21) Rentals of freight cars, piggy-back cars, and rolling.
- (22) Pharmaceutical samples distributed without charge.
- (23) Catalogs.

Proposed law retains present law with respect to the exemptions which are currently permanently suspended for purposes of the 1% state sales and use tax.

Present law establishes the following exemptions from state sales and use taxes:

- (1) All transactions of an offtrack wagering facility.
- (2) All transactions of a private contractor for the construction and operation of a sewerage or wastewater treatment facility for a political subdivision.
- (3) All transactions of a nonprofit electric cooperative.
- (4) Racehorses purchased at a claiming race or other sale.
- (5) Steam, water, electric power, and natural gas, boiler fuel utilized for nonresidential purposes (business utilities).
- (6) Water other than mineral, carbonated, and bottled water.
- (7) Any materials or energy sources used to fuel the generation of electric power for resale or used by an industrial manufacturing plant for self-consumption or cogeneration.
- (8) Fertilizer and containers used for farm products when sold directly to the farmer.
- (9) New boats, vessels, or other water craft withdrawn from stock by factory authorized dealers of new boats, vessels, or other water craft which are withdrawn for use as demonstrators.
- (10) Meals furnished by educational institutions, hospitals, nursing homes, adult continuing care retirement communities, mental institutions, and boarders of rooming houses.
- (11) Labor, materials, services, and supplies for repairing, or converting a drilling rig, if the drilling rig is used in Outer Continental Shelf waters.
- (12) Sales of 50-ton vessels and new component parts and sales of certain materials and services to vessels operating in interstate commerce.
- (13) Regarding ships, barges, or vessels, including drilling ships, operating exclusively in foreign or interstate coastwise commerce:
 - (a) Materials and supplies loaded upon any such ship, barge, or vessel for use or consumption in the maintenance and operation thereof.
 - (b) Repair services performed upon those vessels, and materials and supplies used therein.

- (c) Laundry services performed for the owners or operators of the vessels.
- (14) Pesticides used for agricultural purposes, including insecticides, herbicides and fungicides.
- (15) Sales, admissions, and parking fees associated with events sponsored by certain nonprofit or religious organizations when the entire proceeds, except for necessary expenses used for educational, charitable, religious, or historical restoration purposes, including the furtherance of the purpose of the organization.
- (16) Newspapers published in La. by religious organizations.
- (17) An event sponsored by a domestic nonprofit organization that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code when the event provides Louisiana heritage, culture, crafts, art, food, and music, and the sponsor has contracted for production management and financing services for the event.
- (18) Installation and service of cable television equipment fees paid by a subscriber.
- (19) Use of coin-operated washing or drying machines in a commercial laundromat
- (20) Purchases of materials, supplies, fuel, and repairs for the vessel of a qualified commercial fisherman.
- (21) Purchases of materials, supplies, and repair services by certain seafood-processing facilities.
- (22) The first \$50,000 of the sales price on qualifying irrigation farm equipment.
- (23) Vehicles loaned by a motor vehicle dealer free of charge to a secondary school, college, or public school board for exclusive use in a driver education program.
- (24) Gasahol.
- (25) Diesel fuel, butane, propane, or other liquefied petroleum gases used or consumed for farm purposes.
- (26) Purchases or sales of specialty items for use in connection with Mardi Gras activities.
- (27) Purchase of trucks with a gross weight of 26,000 pounds or more and certain trailers if used at least 80% of the time in interstate commerce and whose activities are subject to the jurisdiction of the U.S. D.O.T.
- (28) Purchase of certain contract carrier buses used 80% of the time in interstate commerce.
- (29) Rail rolling stock sold or leased in Louisiana.
- (30) Parts or services used in the fabrication, modification, or repair of rail rolling stock.
- (31) Railroad ties to be modified for installation at a location outside of the taxing jurisdiction.
- (32) Utilities, including electricity, used by steelworks and blast furnaces.
- (33) Purchases of certain items of tangible personal property, made on the first consecutive Friday and Saturday of August each year.

- (34) Sale of original, one-of-a-kind art from an established location within the boundaries of a cultural product district.
- (35) The first \$1,500 of the purchase price of certain hurricane preparedness items or supplies purchased on Saturday and Sunday during the last weekend in May of each year.
- (36) Purchases of construction supplies by Habitat for Humanity affiliates, Fuller Center for Housing covenant partners, and the Make it Right Foundation.
- (37) Purchase of certain water conservation equipment for use within the Sparta Groundwater Conservation District.
- (38) Purchases of firearms, ammunition, and hunting supplies for the first consecutive Friday through Sunday of September.
- (39) Purchases of polyroll tubing used for commercial farm irrigation.
- (40) Purchase, lease, or repair of capital equipment or software used to operate capital equipment at qualifying radiation therapy centers.
- (41) Purchase of certain construction materials by Hands on New Orleans and Rebuilding Together New Orleans covenant partners used on residential dwellings destroyed or damaged by Hurricanes Katrina or Rita.
- (42) Parish councils on aging.
- (43) Breastfeeding items.
- (44) Purchase, use, or rental of materials, services, property, and supplies by the Fore!Kids Foundation.
- (45) Purchase of certain construction supplies by the Make it Right Foundation.
- (46) Purchase of certain construction supplies by the St. Bernard Project, Inc.
- (47) Antique airplanes and certain other aircraft.

Proposed law limits the applicability of the exemptions provided in present law to a 1% state sales and use tax rate (R.S. 47:331).

Present law authorizes a refund of state sales and use taxes paid with regard to certain materials used in the rehabilitation of an existing structure or the construction of a new house and associated improvements in an approved housing development area as provided in the Louisiana Housing Area Development Law.

Proposed law limits the refund provided in present law to the 1% state sales and use tax rate (R.S. 47:331).

Present law authorizes a refund of state sales and use taxes collected by a qualified charitable organization on the sale of donated tangible personal property or items made from such donated property. The monies refunded must be used exclusively in La. for land acquisition, capital construction, or equipment, or debt service related thereto, or job training, job placement, employment, or other related community services and support program costs.

Proposed law limits the refund provided in present law to the 1% state sales and use tax rate (R.S. 47:331).

Present law authorizes a refund of state sales and use taxes paid by international travelers.

Proposed law limits the refund provided in present law to the 1% state sales and use tax rate (R.S. 47:331).

Effective if and when an amendment to the Constitution of Louisiana to exempt business utilities and offshore vessels from ad valorem taxation is adopted by the electorate.

(Amends R.S. 4:168 and 227, R.S. 12:425, R.S. 22:2065, R.S. 33:4169(D), R.S. 40:582.7 (intro. para.), R.S. 47:301(3), (6) through (10), (13) through (16), (18), and (27), 302(R)(2) and (3), (S), and (T), 305(A)(2), (4)(a), (5) and (6), (D)(1)(b) through (d), (f) through (i), and (u), (2)(a)(introductory paragraph), (F), and (I), 305.1(A) and (B), 305.6 through 305.8, 305.13, 305.14(A)(1), 305.16, 305.17, 305.18(A), 305.19, 305.20(C), 305.25(A)(introductory paragraph), 305.26, 305.28(A), 305.33, 305.37(A), 305.40(A)(introductory paragraph), 305.41, 305.42, 305.43(A), 305.44(A), 305.45(A)(introductory paragraph), 305.47, 305.49, 305.50(A)(1) and (2)(a), (B), (E), and (F), 305.51(A), 305.54(B)(1), 305.57(A), 305.58(A)(1), 305.59, 305.61(A), 305.62(B)(1), 305.63, 305.64(A)(1), 305.65(A), 305.66(A), 305.67, 305.68, 305.70, 305.71, 318(A), 321(H)(1), 331(P)(3) and (4), (Q) and (R), and 6001(A), and R.S. 51:1307(C); Adds R.S. 39:100.147); Repeals R.S. 47:321)