

2016 First Extraordinary Session

HOUSE BILL NO. 62

BY REPRESENTATIVE JACKSON

TAX/SALES-USE, STATE: Impose a one cent sales and use tax (Item #9)

1 AN ACT

2 To amend and reenact R.S. 47:301(1) through (28), 305(A)(2), (C), (D)(1),

3 (2)(a)(introductory paragraph), (F), (G), (H)(introductory paragraph), and (I),

4 305.1(A) and (B), 305.6, 305.7, 305.9, 305.13, 305.14(A)(1) and (5), 305.16, 305.19,

5 305.20(A) and (G)(1), 305.26, 305.28(A), 305.33, 305.41, 305.42, 305.43(B),

6 305.49, 305.50(A)(1) and (2)(a), (B), and (F), 305.51(A), 305.54(B)(1), 305.56,

7 305.57(A), 305.58(A)(1), 305.59, 305.61(A), 305.62(B)(1), 305.65(A), 305.67,

8 305.68, 305.70, 305.71, 315.1(A), 315.2(A), and 318(A), and to enact R.S. 47:321.1,

9 and to repeal R.S. 47:305.60 and 305.69, relative to state sales and use tax; to impose

10 a sales and use tax; to provide for the rate and base of the tax; to provide for the

11 disposition of collections; to provide with respect to certain refund provisions; to

12 provide for exceptions and limitations; to provide for effectiveness; and to provide

13 for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 47:301(1) through (28), 305(A)(2), (C), (D)(1), (2)(a)(introductory

16 paragraph), (F), (G), (H)(introductory paragraph), and (I), 305.1(A) and (B), 305.6, 305.7,

17 305.9, 305.13, 305.14(A)(1) and (5), 305.16, 305.19, 305.20(A) and (G)(1), 305.26,

18 305.28(A), 305.33, 305.41, 305.42, 305.43(B), 305.49, 305.50(A)(1) and (2)(a), (B), and (F),

19 305.51(A), 305.54(B)(1), 305.56, 305.57(A), 305.58(A)(1), 305.59, 305.61(A),

1 305.62(B)(1), 305.65(A), 305.67, 305.68, 305.70, 305.71, 315.1(A), 315.2(A), and 318(A)  
2 are hereby amended and reenacted and R.S. 47:321.1 is hereby enacted to read as follows:

3 §301. Definitions

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

7 (1) "Business" includes any activity engaged in by any person or caused to  
8 be engaged in by him with the object of gain, benefit, or advantage, either direct or  
9 indirect. The term "business" shall not be construed to include the occasional and  
10 isolated sales by a person who does not hold himself out as engaged in business.

11 (2) "Collector" shall mean and include (a) the secretary of the Department  
12 of Revenue for the state of Louisiana and includes his duly authorized assistants,  
13 when used in reference to a sales and use tax levied by the state, or (b) the individual  
14 or entity designated as collector of the appropriate single sales and use tax collection  
15 office, and his duly authorized assistants, of any political subdivision authorized  
16 under the constitution and laws of the state of Louisiana to levy and collect a sales  
17 and use tax, except a statewide political subdivision, when used in reference to a  
18 sales and use tax levied by such political subdivision.

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

26 (b) In the case of tangible personal property which has acquired a tax situs  
27 in a taxing jurisdiction and is thereafter transported outside the taxing jurisdiction for  
28 repairs performed outside the taxing jurisdiction and is thereafter returned to the  
29 taxing jurisdiction, the cost price shall be deemed to be the actual cost of any parts

1 and/or materials used in performing such repairs, if applicable labor charges are  
2 separately stated on the invoice. If the applicable labor charges are not separately  
3 stated on the invoice, it shall be presumed that the cost price is the total charge  
4 reflected on the invoice.

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

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

10 (aa) The taxpayer shall send to the secretary written notice of the calendar  
11 month selected by the taxpayer as the first month for the determination of cost price  
12 under this Paragraph (the "First Month"). The taxpayer may select any month. The  
13 taxpayer shall send to the secretary notice of an election to designate a First Month  
14 on the first day of the designated First Month, or ninety days from July 1, 1990,  
15 whichever is later.

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

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

27 (ii)(aa) For purposes of this Paragraph, "interchangeable component" means  
28 a component that is used or stored for use in measurement-while-drilling instruments  
29 or systems manufactured or assembled by the taxpayer, which measurement-while-

1 drilling instruments or systems collectively generate eighty percent or more of their  
2 annual revenue from their use outside of the state.

3 (bb) "Measurement-while-drilling instruments or systems" means  
4 instruments or systems which measure information from a downhole location in a  
5 borehole, transmit the information to the surface during the process of drilling the  
6 borehole using a wireless technique, and receive and decode the information on the  
7 surface.

8 (iii) The method for determining cost price of interchangeable components  
9 provided for in this Paragraph shall apply to any use taxes imposed by a local  
10 political subdivision or school board. For purposes of that application, the words  
11 "political subdivision" or "school board" as the case may be, shall be substituted for  
12 the words "Louisiana" or "State" in each instance where those words appear in this  
13 Paragraph and an appropriate official of the local political subdivision or school  
14 board shall be designated to receive the notices required by this Paragraph.

15 (e) "Cost price" shall not include any amount designated as a cash discount  
16 or a rebate by a vendor or manufacturer of any new vehicle subject to the motor  
17 vehicle license tax. For purposes of this Paragraph "rebate" means any amount  
18 offered by the vendor or manufacturer as a deduction from the listed retail price of  
19 the vehicle.

20 (f) The "cost price" of refinery gas shall be fifty-two cents per thousand  
21 cubic feet multiplied by a fraction the numerator of which shall be the posted price  
22 for a barrel of West Texas Intermediate Crude Oil on December first of the preceding  
23 calendar year and the denominator of which shall be twenty-nine dollars, and  
24 provided further that such cost price shall be the maximum value placed upon  
25 refinery gas by the state and by any political subdivision under any authority or grant  
26 of power to levy and collect use taxes.

27 (g) "Cost price", for purposes of the use tax imposed by the state and its  
28 political subdivisions, shall exclude any amount that a manufacturer pays directly to  
29 a dealer of the manufacturer's product for the purpose of reducing and that actually

1 results in an equivalent reduction in the retail "cost price" of that product. This  
2 exclusion shall not apply to the value of the coupons that dealers accept from  
3 purchasers as part payment of the "sales price" and that are redeemable by the  
4 dealers through manufacturers or their agents. The value of such coupons is deemed  
5 to be part of the "cost price" of the product purchased through the use of the coupons.

6 (h)(i) For purposes of a publishing business which distributes its news  
7 publications at no cost to readers and pays unrelated third parties to print such news  
8 publications, the term "cost price" for purposes of the sales and use taxes imposed  
9 by the state under R.S. 47:302, 321, and 331 and any sales and use tax imposed by  
10 a political subdivision shall mean only the lesser of the following costs:

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

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

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

19 (i)(i) For purposes of the imposition of the use tax levied by the state ~~and any~~  
20 ~~political subdivision whose boundaries are coterminous with those of the state~~, the  
21 cost price of machinery and equipment used by a manufacturer in a plant facility  
22 predominately and directly in the actual manufacturing for agricultural purposes or  
23 the actual manufacturing process of an item of tangible personal property, which is  
24 for ultimate sale to another and not for internal use, at one or more fixed locations  
25 within Louisiana, shall be reduced as follows:

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

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

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

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

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

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

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

10 (aa) "Machinery and equipment" means tangible personal property or other  
11 property that is eligible for depreciation for federal income tax purposes and that is  
12 used as an integral part in the manufacturing of tangible personal property for sale.  
13 "Machinery and equipment" shall also mean tangible personal property or other  
14 property that is eligible for depreciation for federal income tax purposes and that is  
15 used as an integral part of the production, processing, and storing of food and fiber  
16 or of timber.

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

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

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

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

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

28 (eee) Machinery and equipment used primarily to produce a news  
29 publication whether it is ultimately sold at retail or for resale or at no cost. Such

1 machinery and equipment shall include but not be limited to all machinery and  
2 equipment used primarily in composing, creating, and other prepress operations,  
3 electronic transmission of pages from prepress to press, pressroom operations, and  
4 mailroom operations and assembly activities. The term "news publication" shall  
5 mean any publication issued daily or regularly at average intervals not exceeding  
6 three months, which contains reports of varied character, such as political, social,  
7 cultural, sports, moral, religious, or subjects of general public interest, and  
8 advertising supplements and any other printed matter ultimately distributed with or  
9 a part of such publications.

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

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

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

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

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

26 (bb) "Manufacturer" means:

27 (I) A person whose principal activity is manufacturing, as defined in this  
28 Subparagraph, and who is assigned by the Louisiana Workforce Commission a North  
29 American Industrial Classification System code within the agricultural, forestry,

1 fishing, and hunting Sector 11, the manufacturing Sectors 31-33, the information  
2 Sector 511110 as they existed in 2002, or industry code 423930 as a recyclable  
3 material merchant wholesaler engaged in manufacturing activities, which must  
4 include shredding facilities, as determined by the secretary of the Department of  
5 Revenue.

6 (II) A person whose principal activity is manufacturing and who is not  
7 required to register with the Louisiana Workforce Commission for purposes of  
8 unemployment insurance, but who would be assigned a North American Industrial  
9 Classification System code within the agricultural, forestry, fishing, and hunting  
10 Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they  
11 existed in 2002, as determined by the Louisiana Department of Revenue from federal  
12 income tax data, if he were required to register with the Louisiana Workforce  
13 Commission for purposes of unemployment insurance.

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

23 (I) Repackaging or redistributing.

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

26 (III) The storage of tangible personal property.

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

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



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

3 (dd) "Manufacturing for agricultural purposes" means the production,  
4 processing, and storing of food and fiber and the production, processing, and storing  
5 of timber.

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

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

12 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or  
13 equipment as defined herein without payment of the tax imposed by R.S. 47:302,  
14 321, and 331 before receiving a certificate of exclusion from the secretary of the  
15 Department of Revenue certifying that he is a manufacturer as defined herein.

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

19 (j) For the purpose of the sales and use taxes imposed by the state ~~or any~~  
20 ~~political subdivision whose boundaries are coterminous with those of the state~~ under  
21 R.S. 47:302, 321, and 331, the "cost price" of electric power or energy, or natural gas  
22 for the period beginning July 1, 2007 and thereafter, purchased or used by paper or  
23 wood products manufacturing facilities shall not include any of such cost.

24 (k)(i) For purposes of the imposition of the sales and use tax levied by the  
25 state ~~or any political subdivision whose boundaries are coterminous with those of the~~  
26 ~~state~~ under R.S. 47:302, 321, and 331, the tax on the cost price of tangible property  
27 consumed in the manufacturing process, such as fuses, belts, felts, wires, conveyor  
28 belts, lubricants, and motor oils and the tax on the cost price of repairs and  
29 maintenance of manufacturing machinery and equipment shall be reduced as follows:

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

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

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

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

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

13 (4) "Dealer" includes every person who manufactures or produces tangible  
14 personal property for sale at retail, for use, or consumption, or distribution, or for  
15 storage to be used or consumed in a taxing jurisdiction. "Dealer" is further defined  
16 to mean:

17 (a) Every person who imports, or causes to be imported, tangible personal  
18 property from any other state, foreign country, or other taxing jurisdiction for sale  
19 at retail, for use, or consumption, or distribution, or for storage to be used or  
20 consumed in a taxing jurisdiction.

21 (b) Every person who sells at retail, or who offers for sale at retail, or who  
22 has in his possession for sale at retail, or for use, or consumption, or distribution, or  
23 storage to be used or consumed in the taxing jurisdiction, tangible personal property  
24 as defined herein.

25 (c) Any person who has sold at retail, or used, or consumed, or distributed,  
26 or stored for use or consumption in the taxing jurisdiction, tangible personal property  
27 and who cannot prove that the tax levied by this Chapter has been paid on the sale  
28 at retail, the use, the consumption, the distribution, or the storage of said tangible  
29 personal property.

1 (d)(i) Any person who leases or rents tangible personal property for a  
2 consideration, permitting the use or possession of the said property without  
3 transferring title thereto.

4 (ii) However, a person who leases or rents tangible personal property to  
5 customers who provide information to such person that they will use the property  
6 only offshore beyond the territorial limits of the state shall not be included in the  
7 term "dealer" for purposes of the collection of the rental or lease tax of the state,  
8 statewide political subdivisions, and other political subdivisions on such lease or  
9 rental contracts. For purposes of this Item, "use" means the operational or functional  
10 use of the property and not other uses related to its possession such as transportation,  
11 maintenance, and repair. It is the intention of this Item that the customers of such  
12 persons shall remit any tax due on the lease or rental of such property directly to the  
13 state and local taxing bodies to whom they are due.

14 (e) Any person who is the lessee or rentee of tangible personal property and  
15 who pays to the owner of such property a consideration for the use or possession of  
16 such property without acquiring title thereto.

17 (f) Any person, who sells or furnishes any of the services subject to tax under  
18 this Chapter.

19 (g) Any person, as used in this act, who purchases or receives any of the  
20 services subject to tax under this Chapter.

21 (h) Any person engaging in business in the taxing jurisdiction. "Engaging in  
22 business in the taxing jurisdiction" means and includes any of the following methods  
23 of transacting business: maintaining directly, indirectly, or through a subsidiary, an  
24 office, distribution house, sales house, warehouse, or other place of business or by  
25 having an agent, salesman, or solicitor operating within the taxing jurisdiction under  
26 the authority of the seller or its subsidiary irrespective of whether such place of  
27 business, agent, salesman, or solicitor is located in such taxing jurisdiction  
28 permanently or temporarily or whether such seller or subsidiary is qualified to do  
29 business in such taxing jurisdiction, or any person who makes deliveries of tangible

1 personal property into the taxing jurisdiction other than by a common or contract  
2 carrier.

3 (i) Any person who sells at retail any tangible personal property to a vending  
4 machine operator for resale through coin-operated vending machines.

5 (j) Any person who makes deliveries of tangible personal property into the  
6 taxing jurisdiction in a vehicle owned or operated by said person.

7 (k) The term "dealer" shall not include lessors of railroad rolling stock used  
8 either for freight or passenger purposes. However, the term "dealer" shall include  
9 lessees, other than a railway company or railroad corporation, of such property and  
10 such lessees shall be responsible for the collection and payment of all state and local  
11 sales and use taxes.

12 (l) Every person who engages in regular or systematic solicitation of a  
13 consumer market in the taxing jurisdiction by the distribution of catalogs,  
14 periodicals, advertising fliers, or other advertising, or by means of print, radio or  
15 television media, by mail, telegraphy, telephone, computer data base, cable, optic,  
16 microwave, or other communication system.

17 (5) "Gross sales" means the sum total of all retail sales of tangible personal  
18 property, without any deduction whatsoever of any kind or character except as  
19 provided in this Chapter.

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

24 (b) For purposes of the sales and use taxes of all tax authorities in this state,  
25 the term "hotel" as defined herein shall not include camp and retreat facilities owned  
26 and operated by nonprofit organizations exempt from federal income tax under  
27 Section 501(a) of the Internal Revenue Code as an organization described in Section  
28 501(c)(3) of the Internal Revenue Code provided that the net revenue derived from  
29 the organizations's property is devoted wholly to the nonprofit organization's

1 purposes. However, for purposes of this Paragraph, the term "hotel" shall include  
2 camp and retreat facilities which shall sell rooms or other accommodations to  
3 transient guests who are not attending a function of such nonprofit organization that  
4 owns and operates the camp and retreat facilities or a function of another nonprofit  
5 organization exempt from federal income tax under Section 501(a) of the Internal  
6 Revenue Code as an organization described in Section 501(c)(3) of the Internal  
7 Revenue Code. It is the intention of the legislature to tax the furnishing of rooms to  
8 those who merely purchase lodging at such facilities.

9 (c) For purposes of the sales and use taxes of all tax authorities in this state,  
10 the term "hotel", as defined herein, shall not include a temporary lodging facility  
11 which is operated by a nonprofit organization described in Section 501(c)(3) of the  
12 Internal Revenue Code, provided that the facility is devoted exclusively to the  
13 temporary housing, for periods no longer than thirty days' duration, of homeless  
14 transient persons whom the organization determines to be financially incapable of  
15 engaging lodging at a facility defined by Subparagraph (a) of this Paragraph, and  
16 further provided that the lodging charge to such persons is no greater than twenty  
17 dollars per day.

18 (7)(a) "Lease or rental" means the leasing or renting of tangible personal  
19 property and the possession or use thereof by the lessee or renter, for a consideration,  
20 without transfer of the title of such property. For the purpose of the leasing or  
21 renting of automobiles, "lease" means the leasing of automobiles and the possession  
22 or use thereof by the lessee, for a consideration, without the transfer of the title of  
23 such property for a one hundred eighty-day period or more. "Rental" means the  
24 renting of automobiles and the possession or use thereof by the renter, for a  
25 consideration, without the transfer of the title of such property for a period less than  
26 one hundred eighty days.

27 (b) ~~The~~ Solely for purposes of the state sales and use taxes imposed under  
28 R.S. 47:302, 321, and 331, the term "lease or rental", however, as herein defined,  
29 shall not mean or include the lease or rental made for the purposes of re-lease or re-

1 rental of casing tools and pipe, drill pipe, tubing, compressors, tanks, pumps, power  
2 units, other drilling or related equipment used in connection with the operating,  
3 drilling, completion, or reworking of oil, gas, sulphur, or other mineral wells.

4 (c) The term "lease or rental", as herein defined shall not mean or include a  
5 lease or rental of property to be used in performance of a contract with the United  
6 States Department of the Navy for construction or overhaul of U.S. Naval vessels.

7 (d) ~~The~~ Solely for purposes of the state sales and use taxes imposed under  
8 R.S. 47:302, 321, and 331, the term "lease or rental", as herein defined, shall not  
9 mean the lease or rental of airplanes or airplane equipment by a commuter airline  
10 domiciled in Louisiana.

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

15 (f) For purposes of state and political subdivision sales and use tax, "lease  
16 or rental" shall not mean the lease or rental of educational materials or equipment  
17 used for classroom instruction by approved parochial and private elementary and  
18 secondary schools which comply with the court order from the Dodd Brumfield  
19 decision and Section 501(c)(3) of the Internal Revenue Code, limited to books,  
20 workbooks, computers, computer software, films, videos, and audio tapes.

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

25 (h) For purposes of state and political subdivision sales and use tax, the term  
26 "lease or rental" shall not mean or include the lease or rental of motor vehicles by  
27 licensed motor vehicle dealers, as defined in R.S. 32:1252(14), or vehicle  
28 manufacturers, as defined in R.S. 32:1252(11), for their use in furnishing such leased  
29 or rented motor vehicles to their customers in performance of their obligations under

1 warranty agreements associated with the purchase of a motor vehicle or when the  
2 applicable warranty has lapsed and the leased or rented motor vehicle is provided to  
3 the customer at no charge.

4 (i) For purposes of sales and use taxes levied and imposed by local  
5 governmental subdivisions, school boards, and other political subdivisions whose  
6 boundaries are not coterminous with those of the state, "lease or rental" by a person  
7 shall not mean or include the lease or rental of tangible personal property if such  
8 lease or rental is made under the provisions of Medicare.

9 (j) Solely for purposes of the sales and use tax levied by the state ~~or any~~  
10 ~~political subdivision whose boundaries are coterminous with those of the state~~ under  
11 R.S. 47:302, 321, and 331, the term "lease or rental" shall not include the lease or  
12 rental in this state of manufacturing machinery and equipment used or consumed in  
13 this state to manufacture, produce, or extract unblended biodiesel.

14 (k)(i) For purposes of any sales, use, or lease tax levied by the state under  
15 R.S. 47:302, 321, and 331, or any political subdivision of the state, the term "lease  
16 or rental" shall not include the lease or rental of a crane and related equipment with  
17 an operator.

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

21 (l)(i) For purposes of the sales and use tax levied by ~~all tax authorities in this~~  
22 ~~state~~ by the state under R.S. 47:302, 321, and 331, and by any political subdivision,  
23 the term "lease or rental" shall not apply to leases or rentals of pallets which are used  
24 in packaging products produced by a manufacturer.

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

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

7 (b) Solely for purposes of the payment of state sales or use tax on the lease  
8 or rental or the purchase of tangible personal property or services, "person" shall not  
9 include a regionally accredited independent institution of higher education which is  
10 a member of the Louisiana Association of Independent Colleges and Universities,  
11 if such lease or rental or purchase is directly related to the educational mission of  
12 such institution. However, the term "person" shall include such institution for  
13 purposes of the payment of tax on sales by such institution if the sales are not  
14 otherwise exempt.

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

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

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



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

6 (iii) No church or synagogue shall claim exemption or exclusion from the  
7 state sales and use tax or the sales and use tax levied by any political subdivision  
8 before having obtained a certificate of authorization from the secretary of the  
9 Department of Revenue. The secretary shall develop applications for such  
10 certificates. The certificates shall be issued without charge to the institutions that  
11 qualify.

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

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

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

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

28 (f)(i) For purposes of the payment of sales and use tax levied by this state  
29 and any political subdivision whose boundaries are coterminous with those of the

1 state, the term "person" shall not include a nonprofit entity which sells donated goods  
2 and spends seventy-five percent or more of its revenues on directly employing or  
3 training for employment persons with disabilities or workplace disadvantages.

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

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

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

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

23 (ii) Solely for purposes of the imposition of the sales and use tax levied by  
24 a political subdivision or school board, "retail sale" or "sale at retail" shall mean a  
25 sale to a consumer or to any other person for any purpose other than for resale in the  
26 form of tangible personal property, or resale of those services defined in Paragraph  
27 (14) of this Section provided the retail sale of the service is subject to sales tax in this  
28 state, and shall mean and include all such transactions as the collector, upon  
29 investigation, finds to be in lieu of sales; provided that sales for resale be made in

1 strict compliance with the rules and regulations. Any dealer making a sale for resale,  
2 which is not in strict compliance with the rules and regulations shall himself be liable  
3 for and pay the tax. A local collector shall accept a resale certificate issued by the  
4 Department of Revenue, provided the taxpayer includes the parish of its principal  
5 place of business and local sales tax account number on the state certificate.  
6 However, in the case of an intra-parish transaction from dealer to dealer, the  
7 collector may require that the local exemption certificate be used in lieu of the state  
8 certificate. The department shall accommodate the inclusion of such information on  
9 its resale certificate for such purposes.

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

1 30, 2001, the term "retail sale" or "sale at retail" shall not include one-half of the  
2 sales price of any tangible personal property which is sold in order to be leased or  
3 rented in an arm's length transaction in the form of tangible personal property. For  
4 purposes of the imposition of the tax imposed by any political subdivision of the  
5 state, for the period beginning on July 1, 2001, and ending on June 30, 2002, the  
6 term "retail sale" or "sale at retail" shall not include three-fourths of the sales price  
7 of any tangible personal property which is sold in order to be leased or rented in an  
8 arm's length transaction in the form of tangible personal property. Beginning July  
9 1, 2002, for the purposes of imposition of the tax levied by any political subdivision  
10 of the state, the term "retail sale" or "sale at retail" shall not include the sale of any  
11 tangible personal property which is sold in order to be leased or rented in an arm's  
12 length transaction in the form of tangible personal property.

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

1 (v) Became null and void on June 30, 2006. See Acts 2002, 1st Ex. Sess.,  
2 No. 3.

3 (vi) Solely for purposes of the payment of state sales and use tax, until  
4 January 1, 2007, the term "sale at retail" shall not include purchases made in  
5 connection with the filming or production of a motion picture by a motion picture  
6 production company which has been relieved from the payment of state sales and use  
7 tax under the provisions of Chapter 12 of Subtitle II of this Title, also known as the  
8 "Louisiana Motion Picture Incentive Act". This exclusion shall be retroactively  
9 revoked if it is determined that a motion picture production company that has been  
10 relieved from payment of state sales and use tax under Chapter 12 failed to meet the  
11 conditions of such relief.

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

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

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

22 (bb) Solely for purposes of the sales and use tax levied by the state, natural  
23 gas when used in the production of iron in the process known as the "direct reduced  
24 iron process" is not a catalyst and is recognized by the legislature to be a material for  
25 further processing into an article of tangible personal property for sale at retail.

26 (ii)(aa) Solely for purposes of the sales and use tax levied by the state, the  
27 term "sale at retail" does not include sales of electricity for chlor-alkali  
28 manufacturing processes.

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

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

7 (e) The term "sale at retail" does not include the sale of raw agricultural  
8 commodities, including but not limited to feed, seed, and fertilizer, to be utilized in  
9 preparing, finishing, manufacturing, or producing crops or animals for market. The  
10 Department of Agriculture and Forestry may develop and promulgate guidelines to  
11 determine who meets this definition. Any person meeting such guidelines shall  
12 receive a certificate from the Department of Agriculture and Forestry indicating that  
13 such person is eligible to purchase such items without paying tax thereon.

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

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

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

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

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

3 (i) The term "sale at retail" does not include the purchase of a new school  
4 bus or a used school bus which is less than five years old by an independent operator,  
5 when such bus is to be used exclusively in a public school system. This exclusion  
6 shall apply to all sales and use taxes levied by any local political subdivision.

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

9 (k) The term "sale at retail" shall not include the sale of airplanes or airplane  
10 equipment or parts to a commuter airline domiciled in Louisiana.

11 (l) Solely for purposes of the state sales and use tax imposed under R.S.  
12 47:302, 321, and 331, the term "sale at retail" shall not include the sale of a pollution  
13 control device or system. Pollution control device or system shall mean any tangible  
14 personal property approved by the Department of Revenue and the Department of  
15 Environmental Quality and sold or leased and used or intended for the purpose of  
16 eliminating, preventing, treating, or reducing the volume or toxicity or potential  
17 hazards of industrial pollution of air, water, groundwater, noise, solid waste, or  
18 hazardous waste in the state of Louisiana. For the purposes of any sales and use tax  
19 levied by a political subdivision, the term "sale at retail" shall include the sale of a  
20 pollution control device or system. In order to qualify, the pollution control device  
21 or system must demonstrate either: a net decrease in the volume or toxicity or  
22 potential hazards of pollution as a result of the installation of the device or system;  
23 or that installation is necessary to comply with federal or state environmental laws  
24 or regulations.

25 (m) For purposes of sales and use taxes imposed or levied by the state or any  
26 political subdivision, the term "sale at retail" shall not include the sales of Louisiana-  
27 manufactured or Louisiana-assembled passenger aircraft with a maximum capacity  
28 of eight persons, if, after all transportation, including transportation by the purchaser,  
29 has been completed, the aircraft is ultimately received by the purchaser outside of

1 Louisiana. The place at which the aircraft is ultimately received shall be considered  
2 as the place at which the aircraft is stored after all transportation has been completed.

3 (n) ~~For purposes of sales and use taxes imposed or levied by the state or any~~  
4 ~~political subdivision thereof~~ For purposes of the sales and use taxes imposed by the  
5 state under R.S. 47:302, 321, and 331, and the sales and use taxes imposed by any  
6 political subdivision, the term "sale at retail" shall not include the sales of pelletized  
7 paper waste when purchased for use as combustible fuel by an electric utility or in  
8 an industrial manufacturing, processing, compounding, reuse, or production process,  
9 including the generation of electricity or process steam, at a fixed location in this  
10 state. However, such sale shall not be excluded unless the purchaser has signed a  
11 certificate stating that the fuel purchased is for the exclusive use designated herein.  
12 For purposes of this Subparagraph, "pelletized paper waste" means pellets produced  
13 from discarded waste paper that has been diverted or removed from solid waste  
14 which is not marketable for recycling and which is wetted, extruded, shredded, or  
15 formulated into compact pellets of various sizes for use as a supplemental fuel in a  
16 permitted boiler.

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

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

25 (q) For purposes of state and political subdivision sales and use tax, the term  
26 "sale at retail" shall not include:

27 (i) The sale of tangible personal property by approved parochial and private  
28 elementary and secondary schools which comply with the court order from the Dodd  
29 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, or students,



1 administrators, or teachers, or other employees of the school, if the money from such  
2 sales, less reasonable and necessary expenses associated with the sale, is used solely  
3 and exclusively to support the school or its program or curricula. This exclusion  
4 shall not be construed to allow tax-free sales to students or their families by  
5 promoters or regular commercial dealers through the use of schools, school faculty,  
6 or school facilities.

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

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

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

1           (t) ~~For purposes of sales and use taxes levied by the state or any political~~  
2 ~~subdivision of the state~~ For purposes of the sales and use taxes imposed by the state  
3 under R.S. 47:302, 321, and 331, and the sales and use taxes imposed by any  
4 political subdivision, the term "sale at retail" shall not include the transfer of title to  
5 or possession of telephone directories by an advertising company that is not affiliated  
6 with a provider of telephone services if the telephone directories will be distributed  
7 free of charge to the recipients of the telephone directories.

8           (u) For purposes of sales and use taxes levied and imposed by local  
9 governmental subdivisions, school boards, and other political subdivisions whose  
10 boundaries are not coterminous with those of the state, "sale at retail" by a person  
11 shall not mean or include the sale of tangible personal property if such sale is made  
12 under the provisions of Medicare.

13           (v) ~~For purposes of the imposition of sales and use taxes imposed or levied~~  
14 ~~by all taxing authorities in the state~~ For purposes of the sales and use taxes imposed  
15 by the state under R.S. 47:302, 321, and 331, and the sales and use taxes imposed by  
16 any political subdivision, in the case of the sale or other disposition by a dealer of  
17 any cellular, PCS, or wireless telephone, or any electronic accessories that are  
18 physically connected with such telephones and personal communication devices used  
19 in connection with the sale or use of mobile telecommunications services, the term  
20 "retail sale" or "sale at retail" shall mean and include the sale or any other disposition  
21 of such cellular, PCS, or wireless telephone, any electronic accessories that are  
22 physically connected with such telephones and personal communication devices by  
23 the dealer to the purchaser, but shall not mean or include the withdrawal, use,  
24 distribution, consumption, storage, donation, or any other disposition of any such  
25 cellular, PCS, or wireless telephone, any electronic accessories that are physically  
26 connected with such telephones, and personal communication devices by the dealer.

27           (w) For purposes of the imposition of sales and use taxes imposed or levied  
28 by any political subdivision of the state, in the case of the sale or other disposition  
29 by a dealer of any cellular telephone, PCS telephone, wireless telephone, or other

1 wireless personal communication device that is used in connection with the sale or  
2 use of mobile telecommunications services, or any electronic accessory that is  
3 physically connected with any such telephone or personal communication device, the  
4 term "retail sale" or "sale at retail" shall mean and include the sale or any other  
5 disposition of any such telephone, other personal communication device, or  
6 electronic accessory.

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

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

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

14 (y)(i) Solely for the purposes of sales and use taxes levied by the state ~~or any~~  
15 ~~political subdivision whose boundaries are coterminous with those of the state~~ under  
16 R.S. 47:302, 321, and 331, the term "sale at retail" shall not include the sale of  
17 manufacturing machinery and equipment used or consumed in this state to  
18 manufacture, produce, or extract unblended biodiesel.

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

21 (aa) "Manufacturing machinery and equipment" means tangible property  
22 used or consumed, or held for use or consumption, as an integral part of a biodiesel  
23 manufacturing, production, or extraction facility, process, or item of equipment.  
24 Property shall be considered to be an integral part of such biodiesel manufacturing,  
25 production, or extraction facility, process, or item of equipment only if such property  
26 is used or consumed directly in the manufacturing, production, or extraction process  
27 or is part of, physically attached to, or otherwise directly associated with such  
28 property. Property, the installation of which is reasonably necessary for the proper  
29 installation, operation, maintenance of property which directly results in such

1 manufacturing, production, or extraction shall be considered as directly associated  
2 with such property.

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

8 ~~(z) Solely for the purposes of sales and use taxes levied by the state or any~~  
9 ~~political subdivision whose boundaries are coterminous with those of the, the term~~  
10 ~~"sale at retail" shall not include the sale of any alternative substance when such~~  
11 ~~alternative substance is used as a fuel by a manufacturer. "Alternative substance"~~  
12 ~~means any substance other than oil and natural gas and any product of oil and natural~~  
13 ~~gas. "Alternative substance" shall include petroleum coke, landfill gas, reclaimed~~  
14 ~~or waste oil, unblended biodiesel, or tire-derived fuel, but not coal, lignite, refinery~~  
15 ~~gas, nuclear fuel, or electricity. "Manufacturer" means a person whose principal~~  
16 ~~activity is manufacturing and who is assigned by the Louisiana Workforce~~  
17 ~~Commission a North American Industrial Classification System code with the~~  
18 ~~agricultural, forestry, fishing, and hunting Sector 11 or the manufacturing Sectors 31-~~  
19 ~~33 as they existed in 2002.~~

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

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

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

5 (bb) For purposes of sales and use taxes imposed or levied by the state under  
6 R.S. 47:302, 321, and 331, the terms "retail sale" and "sale at retail" shall not include  
7 sales of natural gas to be held, used, or consumed in providing natural gas storage  
8 services or operating natural gas storage facilities.

9 (cc) For purposes of the sales and use tax imposed by the state or any  
10 political subdivision of the state, the terms "retail sale" or "sale at retail" shall not  
11 mean or include the purchase of textbooks and course-related software by a private  
12 postsecondary academic degree-granting institution, accredited by a national or  
13 regional commission that is recognized by the United States Department of  
14 Education and is licensed by the Board of Regents, which institution has its main  
15 location within this state and offers only online instruction, when all of the following  
16 apply:

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

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

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

24 (dd) For purposes of sales and use taxes imposed or levied by the state, the  
25 terms "retail sale" or "sale at retail" shall not include the purchase of food items for  
26 school lunch or breakfast programs by nonpublic elementary or secondary schools  
27 which participate in the National School Lunch and School Breakfast programs or  
28 the purchase of food items by nonprofit corporations which serve students in

1 nonpublic elementary or secondary schools and which participate in the National  
2 School Lunch and School Breakfast programs.

3 (ee)(i) Solely for the purposes of the imposition of the state sales and use tax  
4 imposed under R.S. 47:302, 321, and 331, the term "retail sale" and "sale at retail"  
5 shall not include the sale of any storm shutter device.

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

9 (iii) The secretary of the Department of Revenue, in consultation with the  
10 Department of Insurance, shall promulgate such rules and regulations in accordance  
11 with the Administrative Procedure Act as may be necessary to carry out the  
12 provisions of this Subparagraph.

13 (ff) For purposes of sales taxes imposed by the state or any political  
14 subdivision of the state, the term "retail sale" or "sale at retail" shall not include sales  
15 of tangible personal property by the Military Department, state of Louisiana, which  
16 occur on an installation or other property owned or operated by the Military  
17 Department.

18 (gg) For purposes of sales and use tax imposed by the state under R.S.  
19 47:302, 321, and 331 or any political subdivision of the state, the term "sale at retail"  
20 shall not include the sale of anthropogenic carbon dioxide for use in a qualified  
21 tertiary recovery project approved by the assistant secretary of the office of  
22 conservation of the Department of Natural Resources pursuant to R.S. 47:633.4.

23 (hh) For purposes of sales and use tax imposed by the state, ~~any political~~  
24 ~~subdivision whose boundaries are coterminous with those of the state~~ under R.S.  
25 47:302, 321, and 331, or any other political subdivision, the term "sale at retail" shall  
26 not include the sale of tangible personal property at an event providing Louisiana  
27 heritage, culture, crafts, art, food, and music which is sponsored by a domestic  
28 nonprofit organization that is exempt from tax under Section 501(c)(3) of the  
29 Internal Revenue Code. The provisions of this Subparagraph shall apply only to an

1 event which transpires over a minimum of seven but not more than twelve days and  
2 has a five-year annual average attendance of at least three hundred thousand over the  
3 duration of the event. For purposes of determining the five-year annual average  
4 attendance, the calculation shall include the total annual attendance for each of the  
5 five most recent years. The provisions of this Subparagraph shall apply only to sales  
6 by the sponsor of the event.

7 (11) "Retailer" means and includes every person engaged in the business of  
8 making sales at retail or for distribution, or use or consumption, or storage to be used  
9 or consumed in this state.

10 (12) "Sale" means any transfer of title or possession, or both, exchange,  
11 barter, conditional or otherwise, in any manner or by any means whatsoever, of  
12 tangible personal property, for a consideration, and includes the fabrication of  
13 tangible personal property for consumers who furnish, either directly or indirectly,  
14 the materials used in fabrication work, and the furnishing, preparing or serving, for  
15 a consideration, of any tangible personal property, consumed on the premises of the  
16 person furnishing, preparing or serving such tangible personal property. A  
17 transaction whereby the possession of property is transferred but the seller retains  
18 title as security for the payment of the price shall be deemed a sale.

19 (13)(a) "Sales price" means the total amount for which tangible personal  
20 property is sold, less the market value of any article traded in including any services,  
21 except services for financing, that are a part of the sale valued in money, whether  
22 paid in money or otherwise, and includes the cost of materials used, labor or service  
23 costs, except costs for financing which shall not exceed the legal interest rate and a  
24 service charge not to exceed six percent of the amount financed, and losses; provided  
25 that cash discounts allowed and taken on sales shall not be included, nor shall the  
26 sales price include the amount charged for labor or services rendered in installing,  
27 applying, remodeling, or repairing property sold.

28 (b) The term "sales price" shall not include any amount designated as a cash  
29 discount or a rebate by the vendor or manufacturer of any new vehicle subject to the

1 motor vehicle license tax. For purposes of this Paragraph "rebate" means any  
2 amount offered by a vendor or manufacturer as a deduction from the listed retail  
3 price of the vehicle.

4 (c) "Sales price", solely for purposes of the state sales and use taxes imposed  
5 under R.S. 47:302, 321, and 331 shall not include the first fifty thousand dollars of  
6 the sale price of new farm equipment used in poultry production.

7 (d) Notwithstanding any other provision of law to the contrary, solely for  
8 purposes of state sales and use taxes imposed under R.S. 47:302, 321, and 331 and  
9 political subdivision sales and use tax, the "sales price" of refinery gas, except for  
10 feedstock, not ultimately consumed as an energy source by the person who owns the  
11 facility in which the refinery gas is created as provided for in Subparagraph (18)(d)  
12 of this Section, but sold to another person, whether at retail or wholesale, shall be  
13 fifty-two cents per thousand cubic feet multiplied by a fraction the numerator of  
14 which shall be the posted price for a barrel of West Texas Intermediate Crude Oil on  
15 December first of the preceding calendar year and the denominator of which shall  
16 be twenty-nine dollars, and provided further that such sales price shall be the  
17 maximum value placed upon refinery gas by the state and by any political  
18 subdivision under any authority or grant of power to levy and collect sales or use  
19 taxes, and such sale shall be taxable.

20 (e) The term "sales price", solely for purposes of the ~~sales tax imposed by~~  
21 ~~the state~~ sales and use taxes imposed under R.S. 47:302, 321, and 331 and those of  
22 its political subdivisions, shall exclude any amount that a manufacturer pays directly  
23 to a dealer of the manufacturer's product for the purpose of reducing and that actually  
24 results in an equivalent reduction in the retail "sales price" of that product. This  
25 exclusion shall not apply to the value of the manufacturer's coupons that dealers  
26 accept from purchasers as part payment of the "sales price" and that are redeemable  
27 by the dealers through manufacturers or their agents. The value of such coupons is  
28 deemed to be part of the "sales price" of the product purchased through the use of the  
29 coupons.



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

4 (g) For Solely for purposes of the imposition of ~~sales and use taxes imposed~~  
5 ~~or levied by all~~ state sales and use taxes imposed under R.S. 47:302, 321, and 331  
6 and those of all other taxing authorities in the state, in the case of the retail sale by  
7 a dealer of any cellular, PCS, or wireless telephone, any electronic accessories that  
8 are physically connected with such telephones and personal communications devices  
9 used in connection with the sale or use of mobile telecommunications services, as  
10 defined in R.S. 47:301(10)(v), the term "sales price" shall mean and include only the  
11 amount of money, if any, actually received by the dealer from the purchaser for each  
12 such cellular, PCS, or wireless telephone and any electronic accessories that are  
13 physically connected with such telephones and personal communication devices, but  
14 shall not include (i) any amount received by the dealer from the purchaser for  
15 providing mobile telecommunications services, or (ii) any commissions, fees,  
16 rebates, or other amounts received by the dealer from any source other than the  
17 purchaser as a result of or in connection with the sale of the cellular, PCS, or wireless  
18 telephone, any electronic accessories that are physically connected with such  
19 telephones and personal communication devices.

20 (h) For Solely for the purpose of ~~the imposition of sales and use tax imposed~~  
21 ~~or levied by all~~ state sales and use taxes imposed by the state under R.S. 47:302, 321,  
22 and 331 and those of all other taxing authorities in the state of any cellular, PCS, or  
23 wireless telephone used in connection with the sale or use of mobile  
24 telecommunications services, as defined in R.S. 47:301(10)(v), after January 1, 2002,  
25 the term "sales price" shall mean and include the greater of (i) the amount of money  
26 actually received by the dealer from the purchaser for each such telephone, or (ii)  
27 twenty-five percent of the cost of such telephone to the dealer, but shall not include  
28 any amount received by the dealer from the purchaser for providing mobile  
29 telecommunications services or any commissions, fees, rebates, or other amounts

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

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

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

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

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

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

28 (k)(i) For purposes of the imposition of the sales tax levied by the state and  
29 any political subdivision whose boundaries are coterminous with those of the state,

1 the sales price of machinery and equipment purchased by a manufacturer for use in  
2 a plant facility predominately and directly in the actual manufacturing for  
3 agricultural purposes or the actual manufacturing process of an item of tangible  
4 personal property, which is for ultimate sale to another and not for internal use, at  
5 one or more fixed locations within Louisiana shall be reduced as follows:

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

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

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

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

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

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

18 (ii) For purposes of this Subparagraph, "machinery and equipment",  
19 "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant  
20 facility", and "used directly" shall have the same meaning as defined in R.S.  
21 47:301(3)(i)(ii).

22 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or  
23 equipment as defined herein without payment of the tax imposed by R.S. 47:302,  
24 321, and 331 before receiving a certificate of exclusion from the secretary of the  
25 Department of Revenue certifying that he is a manufacturer as defined herein.

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

1 (l)(i) ~~For~~ Solely for purposes of the payment of the state sales and use tax  
2 imposed under R.S. 47:302, 321, and 331 and the sales and use tax levied by any  
3 political subdivision, the term "sales price" shall not include the price of specialty  
4 items sold to members for fund-raising purposes by nonprofit carnival organizations  
5 domiciled within Louisiana and participating in a parade sponsored by a carnival  
6 organization.

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

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

16 (m) ~~For~~ Solely for purposes of the sales and use tax imposed by the state ~~or~~  
17 ~~any political subdivision whose boundaries are coterminous with those of the state~~  
18 under R.S. 47:302, 321, and 331, the "sales price" of electric power or energy, or  
19 natural gas for the period beginning July 1, 2007, and thereafter, sold for use by  
20 paper or wood products manufacturing facilities shall not include any of such price.

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

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

23 (b)(i) The sale of admissions to places of amusement, to athletic  
24 entertainment other than that of schools, colleges, and universities, and recreational  
25 events, and the furnishing, for dues, fees, or other consideration of the privilege of  
26 access to clubs or the privilege of having access to or the use of amusement,  
27 entertainment, athletic, or recreational facilities; but the term "sales of services" shall  
28 not include membership fees or dues of nonprofit, civic organizations, including by

1 way of illustration and not of limitation the Young Men's Christian Association, the  
2 Catholic Youth Organization, and the Young Women's Christian Association.

3 (ii) Places of amusement shall not include "museums", which are hereby  
4 defined as public or private nonprofit institutions which are organized on a  
5 permanent basis for essentially educational or aesthetic purposes and which use  
6 professional staff to do all of the following:

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

8 (bb) Care for those objects.

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

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

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

13 (bb) Aquariums and zoological parks.

14 (cc) Botanical gardens and arboretums.

15 (dd) Nature centers.

16 (ee) Planetariums.

17 (iv) For purposes of the sales and use taxes of all tax authorities in the state,  
18 the term "places of amusement" as used herein shall not include camp and retreat  
19 facilities owned and operated by nonprofit organizations exempt from federal income  
20 tax under Section 501(a) of the Internal Revenue Code as an organization described  
21 in Section 501(c)(3) of the Internal Revenue Code provided that the net revenue  
22 derived from the organization's property is devoted wholly to the nonprofit  
23 organization's purposes.

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

26 (d) The furnishing of printing or overprinting, lithographic, multilith, blue  
27 printing, photostating or other similar services of reproducing written or graphic  
28 matter.

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

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

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

14 (bb)(I) For purposes of the sales and use tax levied by the state and by tax  
15 authorities in East Feliciana Parish, charges for the furnishing of repairs to tangible  
16 personal property shall be excluded from sales of services, as defined in this  
17 Subparagraph, when the repaired property is (1) delivered to a common carrier or to  
18 the United States Post Office for transportation outside the state, or (2) delivered  
19 outside the state by use of the repair dealer's own vehicle or by use of an independent  
20 trucker. However, as to aircraft, delivery may be by the best available means. This  
21 exclusion shall not apply to sales and use taxes levied by any other parish,  
22 municipality or school board. However, any other parish, municipality or school  
23 board may apply the exclusion as defined in this Subparagraph to sales or use taxes  
24 levied by any such parish, municipality, or school board. Offshore areas shall not  
25 be considered another state for the purpose of this Subparagraph.

26 (II) For purposes of the sales and use tax levied by the tax authorities in  
27 Calcasieu Parish, charges for the furnishing of repairs to aircraft shall be excluded  
28 from sales of services, as defined in this Subparagraph, provided that the repairs are

1 performed at an airport with a runway that is at least ten thousand feet long, one  
2 hundred sixty feet wide, and fourteen inches thick.

3 (ii) For the purposes of this Subparagraph, tangible personal property shall  
4 include machinery, appliances, and equipment which have been declared immovable  
5 by declaration under the provisions of Article 467 of the Louisiana Civil Code, and  
6 things which have been separated from land, buildings, or other constructions  
7 permanently attached to the ground or their component parts as defined in Article  
8 466 of the Civil Code.

9 (iii)(aa) For purposes of the sales and use taxes imposed by the state or any  
10 of its political subdivisions, sale of services shall not include the labor, or sale of  
11 materials, services, and supplies, used for the repairing, renovating, or converting of  
12 any drilling rig, or machinery and equipment which are component parts thereof,  
13 which is used exclusively for the exploration or development of minerals outside the  
14 territorial limits of the state in Outer Continental Shelf waters.

15 (bb) For the purposes of this Subitem, "drilling rig" means any unit or  
16 structure, along with its component parts, which is used primarily for drilling,  
17 workover, intervention or remediation of wells used for exploration or development  
18 of minerals and "component parts" means any machinery or equipment necessary for  
19 a drilling rig to perform its exclusive function of exploration or development of  
20 minerals.

21 (h) The term "sale of service" shall not include an action performed pursuant  
22 to a contract with the United States Department of the Navy for construction or  
23 overhaul of U.S. Naval vessels.

24 (i) Solely for purposes of the sales and use tax levied by the state, the  
25 furnishing of telecommunications services for compensation, in accordance with the  
26 provisions of R.S. 47:301.1. Local political subdivisions are prohibited from levying  
27 a sales and use tax on telecommunications services not in effect on July 1, 1990,  
28 provided, however, that the provisions of this Subparagraph shall not be construed  
29 to prohibit the levy or collection of any franchise, excise, gross receipts, or similar

1 tax or assessment by any political subdivision of the state as defined in Article VI,  
2 Section 44(2) of the Constitution of Louisiana.

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

9 (k) ~~For~~ Solely for purposes of sales and use tax imposed by the state under  
10 R.S. 47:302, 321, and 331, any political subdivision whose boundaries are  
11 coterminous with those of the state, or any other political subdivision, the term "sales  
12 of services" shall not mean or include admission charges for, outside gate admissions  
13 to, or parking fees associated with an event providing Louisiana heritage, culture,  
14 crafts, art, food, and music which is sponsored by a domestic nonprofit organization  
15 that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code. The  
16 provisions of this Subparagraph shall apply only to an event which transpires over  
17 a minimum of seven but not more than twelve days and has a five-year annual  
18 average attendance of at least three hundred thousand over the duration of the event.  
19 For purposes of determining the five-year annual average attendance, the calculation  
20 shall include the total annual attendance for each of the five most recent years. The  
21 provisions of this Subparagraph shall apply only to admission charges for, outside  
22 gate admissions to, or parking fees associated with an event when the charges and  
23 fees are payable to or for the benefit of the sponsor of the event.

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



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

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

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

6 (ii) ~~Gold~~, Solely for purposes of sales and use taxes imposed by the state  
7 under R.S. 47:302, 321, and 331, gold, silver, or numismatic coins, or platinum,  
8 gold, or silver bullion.

9 (iii) Proprietary geophysical survey information or geophysical data analysis  
10 furnished under a restricted use agreement even though transferred in the form of  
11 tangible personal property.

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

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

21 (ii) Prepaid calling services and prepaid wireless calling services shall be  
22 subject to the tax imposed by this Chapter if the sale takes place in this state. If the  
23 customer physically purchases a prepaid calling service or prepaid wireless calling  
24 service at the vendor's place of business, the sale is deemed to take place at the  
25 vendor's place of business. If the customer does not physically purchase the service  
26 at the vendor's place of business, the sale of a prepaid calling service or prepaid  
27 wireless calling service is deemed to take place at the first of the following locations  
28 that applies to the sale:

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

1 (bb) The customer's billing address.

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

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

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

13 (f) The term "tangible personal property" shall not include pharmaceuticals  
14 administered to livestock used for agricultural purposes, except as otherwise  
15 provided in this Subparagraph. Only pharmaceuticals not included in the term  
16 "tangible personal property" shall be registered with the Louisiana Department of  
17 Agriculture and Forestry. Legend drugs administered to livestock used for  
18 agricultural purposes are not required to be registered, but such legend drugs that are  
19 not registered shall be "tangible personal property".

20 (g)(i) Notwithstanding the provisions of R.S. 9:1149.1 et seq., except as  
21 otherwise provided in this Subparagraph, the term "tangible personal property" shall  
22 not include factory built homes.

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

26 (aa) A structure built to federal construction standards as defined in Section  
27 5402 of Title 42 of the United States Code.

28 (bb) A residential structure built to the Louisiana State Uniform Construction  
29 Code.

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

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

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

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

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

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

27 (iii) Solely for purposes of the imposition of the sales and use tax levied by  
28 the state or any political subdivision whose boundaries are coterminous with those  
29 of the state, for the period beginning July 1, 2004, and ending on June 30, 2005, the

1 term "tangible personal property" shall not include three-quarters of the cost price  
2 of custom computer software.

3 (iv) Solely for purposes of the imposition of the sales and use tax levied by  
4 the state under R.S. 47:302, 321, and 331 or any political subdivision whose  
5 boundaries are coterminous with those of the state, for all taxable periods beginning  
6 on or after July 1, 2005, the term "tangible personal property" shall not include  
7 custom computer software.

8 (i) Solely for purposes of the imposition of the state sales and use tax  
9 imposed under R.S. 47:302, 321, and 331, the term "tangible personal property" shall  
10 not include digital television conversion equipment and digital radio conversion  
11 equipment as defined in this Section.

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

13 (aa) DTV transmitter and RF system.

14 (bb) Transmission line.

15 (cc) DTV antenna.

16 (dd) Tower.

17 (ee) Existing tower structural upgrade.

18 (ff) Advanced TV receiver (STL receiver).

19 (gg) Decoder (digital to analog converter for NTSC).

20 (hh) DTV transmission system test and monitoring.

21 (ii) Digital video/audio master control switcher.

22 (jj) Analog to digital conversion.

23 (kk) High definition up-converters.

24 (ll) High definition bypass switcher.

25 (mm) Down converters for standard definition.

26 (nn) Advanced TV transmitter (STL transmitter).

27 (oo) Advanced TV signal encoder.

28 (pp) DTV transmission monitoring.

29 (qq) High definition digital video switcher and DVE.

- 1 (rr) High definition studio cameras.
- 2 (ss) High definition graphics/graphic generator.
- 3 (tt) High definition video monitoring.
- 4 (uu) Conversion gear.
- 5 (vv) High definition recorder/players, including tape, disk, etc.
- 6 (ww) High definition video/audio signal router.
- 7 (xx) High definition video/audio media server.
- 8 (yy) MPEG or HDTV digital receivers for program content.
- 9 (zz) High definition recorder/players, including tape, disk, etc.
- 10 (aaa) High definition video/audio media server and workstations.
- 11 (bbb) Digital EAS encoder/decoder.
- 12 (ccc) High definition camcorder, including tape, disk, etc.
- 13 (ddd) Advanced TV transmitters, including microwave.
- 14 (ii) "Digital radio conversion equipment" shall include the following:
- 15 (aa) IBOC transmitter.
- 16 (bb) IBOC main channel and IBOC combiner.
- 17 (cc) IBOC compatible antenna.
- 18 (dd) Tower.
- 19 (ee) IBOC coaxial bypass switcher.
- 20 (ff) Digital STL.
- 21 (gg) STL heliax transmission line.
- 22 (hh) STL antenna.
- 23 (ii) Digital console.
- 24 (jj) EAS insertion.
- 25 (kk) AES EBU conversion equipment.
- 26 (ll) IBOL transmission testing and monitoring equipment.
- 27 (mm) Digital processor.
- 28 (iii) The exclusion from state sales and use tax authorized by this
- 29 Subparagraph shall only apply to the first purchase of each enumerated item by an

1 individual taxpayer who holds a Federal Communications Commission license  
2 issued pursuant to 47 CFR Part 73. Individual taxpayers operating under several  
3 broadcaster licenses shall be allowed one purchase of each enumerated item per  
4 license. Each subsequent purchase of any of the enumerated items by the same  
5 taxpayer or license holder shall be subject to sales and use tax.

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

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

12 (vi) Local taxing authorities are hereby authorized to provide an exemption  
13 from any local sales and use tax liability to any taxpayers holding a Federal  
14 Communications Commission license issued pursuant to 47 CFR Part 73 which has  
15 purchased any of the equipment listed in Item (i) or (ii) of this Subparagraph. Local  
16 taxing authorities are further authorized to provide a credit against any tax liability  
17 for the amount of local sales tax paid by taxpayers holding Federal Communications  
18 Commission licenses issued pursuant to 47 CFR Part 73 on any equipment listed in  
19 Item (i) or (ii) of the Subparagraph purchased subsequent to January 1, 1999, but  
20 prior to June 25, 2002.

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

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

27 (j) The term "tangible personal property", for purposes of the payment of  
28 sales and use taxes levied by all tax authorities in the state, shall not include

1 materials used directly in the collection, separation, treatment, testing, and storage  
2 of blood by nonprofit blood banks and nonprofit blood collection centers.

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

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

13 (m)(i) Notwithstanding any other provision of law to the contrary, solely for  
14 purposes of the sales and use tax levied by the state ~~or any political subdivision~~  
15 ~~whose boundaries are coterminous with those of the state~~ under R.S. 47:302, 321,  
16 and 331, the term "tangible personal property" shall not include machinery and  
17 equipment used by a motor vehicle manufacturer with a North American Industry  
18 Classification System (NAICS) Code beginning with 3361, or by a glass container  
19 manufacturer with a NAICS Code of 327213. This exclusion shall be subject to the  
20 definitions and requirements of Item (3)(i)(ii) of this Section.

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

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

1 (n)(i) For purposes of the imposition of the sales and use tax levied by the  
2 state, the term "tangible personal property" shall not include machinery and  
3 equipment purchased by the owner of a radio station located within the state that is  
4 licensed by the Federal Communications Commission for radio broadcasting, if the  
5 owner is either of the following:

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

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

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

15 (o)(i) ~~For~~ Solely for purposes of the imposition of the sales and use tax  
16 levied by the state ~~and any political subdivision whose boundaries are coterminous~~  
17 ~~with those of the state~~ under R.S. 47:302, 321, and 331, the term "tangible personal  
18 property" shall not include machinery and equipment as defined in and subject to the  
19 requirements of R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the  
20 Public Service Commission or the council of the City of New Orleans. For the  
21 purposes of this Paragraph, the term "utility" shall mean a person regulated by the  
22 Public Service Commission or the council of the City of New Orleans who is  
23 assigned a North American Industrial Classification System Code 22111, Electric  
24 Power Generation, as it existed in 2002. Such utility shall also be considered a  
25 "manufacturer" for purposes of R.S. 47:301(3)(i)(ii).

26 (ii) For purposes of this Subparagraph, a political subdivision whose  
27 boundaries are not coterminous with those of the state may provide for a sales and  
28 use tax exclusion for machinery and equipment as defined in and subject to the



1 requirements of R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the  
2 Public Service Commission or the council of the city of New Orleans.

3 (p) ~~For~~ Solely for purposes of sales and use taxes imposed by the state under  
4 R.S. 47:302, 321, and 331 or any of its political subdivisions, the term "tangible  
5 personal property" shall not include newspapers.

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

11 (17) "Off-road vehicle" is any vehicle manufactured for off-road use which  
12 is issued a manufacturer's statement of origin that cannot be issued a registration  
13 certificate and license to operate on the public roads of this state because at the time  
14 of manufacture the vehicle does not meet the safety requirements prescribed by R.S.  
15 32:1301 through 1310. This includes vehicles that are issued a title only by the  
16 Department of Public Safety and Corrections, public safety services, such as all  
17 terrain vehicles and recreational and sport vehicles, but it shall not include off-road  
18 vehicles used for farm purposes, farm equipment, or heavy construction equipment.

19 (18)(a)(i) Solely for purposes of the imposition of the state sales and use tax,  
20 "use" means and includes the exercise of any right or power over tangible personal  
21 property incident to the ownership thereof, except that it shall not include the sale at  
22 retail of that property in the regular course of business or the donation to a school in  
23 the state which meets the definition provided in R.S. 17:236 or to a public or  
24 recognized independent institution of higher education in the state of property  
25 previously purchased for resale in the regular course of a business. The term "use"  
26 shall not include the purchase, the importation, the consumption, the distribution, or  
27 the storage of automobiles to be leased in an arm's length transaction, nor shall the  
28 term "use" include the donation of food items to a food bank as defined in R.S.  
29 9:2799(B).

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

10           (iii) The term "use", for purposes of sales and use taxes imposed by the state  
11 on the use for rental of automobiles which take place on or after January 1, 1991, and  
12 by political subdivisions on such use on or after July 1, 1996, and state sales and use  
13 taxes imposed on the use for lease or rental of tangible personal property other than  
14 automobiles which take place on or after July 1, 1991, shall not include the purchase,  
15 the importation, the consumption, the distribution, or the storage of tangible personal  
16 property to be leased or rented in an arm's length transaction as tangible personal  
17 property. For purposes of the imposition of the tax levied by any political  
18 subdivision of the state, for the period beginning July 1, 1999, and ending on June  
19 30, 2000, the term "use" shall not include one-fourth of the cost price of any tangible  
20 personal property which is purchased, imported, consumed, distributed, or stored and  
21 which is to be leased or rented in an arm's length transaction in the form of tangible  
22 personal property. For purposes of the imposition of the tax levied by any political  
23 subdivision of the state, for the period beginning July 1, 2000, and ending on June  
24 30, 2001, the term "use" shall not include one-half of the cost price of any tangible  
25 personal property which is purchased, imported, consumed, distributed, or stored and  
26 which is to be leased or rented in an arm's length transaction in the form of tangible  
27 personal property. For purposes of the imposition of the tax levied by any political  
28 subdivision of the state, for the period beginning July 1, 2001, and ending on June  
29 30, 2002, the term "use" shall not include three-fourths of the cost price of any

1 tangible personal property which is purchased, imported, consumed, distributed, or  
2 stored and which is to be leased or rented in an arm's length transaction in the form  
3 of tangible personal property. Beginning July 1, 2002, for purposes of the imposition  
4 of the tax levied by any political subdivision of the state, the term "use" shall not  
5 include the purchase, the importation, the consumption, the distribution, or the  
6 storage of any tangible personal property which is to be leased or rented in an arm's  
7 length transaction in the form of tangible personal property.

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

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

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

23 (ii) In the political subdivision of the principal location of the business if the  
24 vehicle is purchased for commercial use, unless the vehicle purchased for  
25 commercial use is assigned, garaged, and used outside of such political subdivision,  
26 in which case the use shall be deemed a use in the political subdivision where the  
27 vehicle is assigned, garaged, and used.

28 (c) For purposes of state and political subdivision sales and use tax, "use"  
29 shall not include the exercise of any right or power by a free hospital over items,

1 including but not limited to supplies and equipment, which are reasonably necessary  
2 for the operation of the free hospital.

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

9 (ii) Except as provided in Item (iii) of this Subparagraph for refinery gas,  
10 solely for purposes of state sales and use taxes imposed under R.S. 47:302, 321, and  
11 331 and political subdivision use tax, "use" shall not include the storage,  
12 consumption, or the exercise of any other right of ownership over tangible personal  
13 property which is created or derived as a residue or byproduct of such processing.  
14 Such residue or byproduct shall include but shall not be limited to catalyst cracker  
15 coke derived from crude oil, wood chips, bark, and liquor derived from the  
16 processing of sawlogs or pulpwood timber, or bagasse derived from sugarcane.

17 (iii) Notwithstanding any other provision of law to the contrary, and  
18 notwithstanding the provisions of this Subparagraph, "use" shall include the exercise  
19 of any right of ownership over the consumption, the distribution, and the storage for  
20 use or consumption in this state of refinery gas, except the sale to another person,  
21 whether at retail or wholesale, only if the refinery gas is ultimately consumed as an  
22 energy source by the person who owns the facility in which it is created and is not  
23 sold. Notwithstanding any other law to the contrary, the use of refinery gas shall be  
24 taxed at the cost price value provided in Subparagraph (3)(f) of this Section. If  
25 refinery gas, except for feedstock, is sold to another person, whether at retail, or  
26 wholesale, such sale shall be taxable and the sales price value shall be as provided  
27 for in Subparagraph (13)(d) of this Section. The provisions of this Item shall not  
28 apply to feedstocks.

1 (e) For purposes of state and political subdivision sales and use tax, "use"  
2 shall not include the purchase of or the exercise of any right or power over:

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

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

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

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

22 (h) ~~For~~ Solely for purposes of sales and use taxes levied by the state under  
23 R.S. 47:302, 321, and 331 or any political subdivision of the state, the term "use"  
24 shall not include the exercise of any right of ownership in or the distribution of  
25 telephone directories acquired by an advertising company that is not affiliated with  
26 a provider of telephone services if the telephone directories will be distributed free  
27 of charge to the recipients of the telephone directories.

28 (i) ~~For~~ Solely for purposes of the imposition of sales and use taxes imposed  
29 ~~or levied by all~~ by the state under R.S. 47:302, 321, and 331 or by any other taxing

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

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

18 (k) Solely for purposes of the sales and use tax levied by the state ~~or any~~  
19 ~~political subdivision whose boundaries are coterminous with those of the state~~ under  
20 R.S. 47:302, 321, and 331, the term "use" shall not include the purchase, the use, the  
21 consumption, the distribution, the storage for use or consumption, or the exercise of  
22 any right or power over manufacturing machinery and equipment used or consumed  
23 in this state to manufacture, produce or extract unblended biodiesel.

24 ~~(l) Solely for the purposes of sales and use taxes levied by the state or any~~  
25 ~~political subdivision whose boundaries are coterminous with those of the state, the~~  
26 ~~term "use" shall not include the use, the consumption, the distribution, the storage~~  
27 ~~for use or consumption in this state, or the exercise of any right or power over an~~  
28 ~~alternative substance as that term is defined in Subparagraph (10)(z) of this Section~~  
29 ~~when such alternative substance is used as a fuel by a manufacturer. "Manufacturer"~~

1        ~~means a person whose principal activity is manufacturing and who is assigned by the~~  
2        ~~Louisiana Workforce Commission a North American Industrial Classification~~  
3        ~~System code with the agricultural, forestry, fishing, and hunting Sector 11 or the~~  
4        ~~manufacturing Sectors 31-33 as they existed in 2002.~~

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

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

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

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

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

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

28               (o) Solely for purposes of the imposition of the state sales and use tax under  
29       R.S. 47:302, 321, and 331, the term "use" shall not include the purchase or use of any

1 storm shutter device as defined and provided for in Subparagraph (10)(ee) of this  
2 Section.

3 (p) ~~For~~ Solely for purposes of sales and use tax imposed by the state under  
4 R.S. 47:302, 321, and 331 or any political subdivision of the state, the term "use"  
5 shall not mean or include the purchase, importation, storage, distribution or exercise  
6 of any right or power over anthropogenic carbon dioxide used in a qualified tertiary  
7 recovery project approved by the assistant secretary of the office of conservation of  
8 the Department of Natural Resources pursuant to R.S. 47:633.4.

9 (19) "Use tax" includes the use, the consumption, the distribution, and the  
10 storage as herein defined. No use tax shall be due to or collected by:

11 (a) The state on tangible personal property used, consumed, distributed, or  
12 stored for use or consumption in the state if the sale of such property would have  
13 been exempted or excluded from sales tax at the time such property became subject  
14 to the taxing jurisdiction of the state.

15 (b) Any political subdivision on tangible personal property used, consumed,  
16 distributed, or stored for use or consumption in such political subdivision if the sale  
17 of such property would have been exempted or excluded from sales tax at the time  
18 such property became subject to the taxing jurisdiction of the political subdivision.

19 (20) "Drugs" includes all pharmaceuticals and medical devices which are  
20 prescribed for use in the treatment of any medical disease.

21 (21) "Free hospital" means a hospital that does not charge any patients for  
22 health care provided by the hospital.

23 (22) The term "computer software" means a set of statements, data, or  
24 instructions to be used directly or indirectly in a computer in order to bring about a  
25 certain result in any form in which those statements, data, or instructions may be  
26 embodied, transmitted, or fixed, by any method now known or hereafter developed,  
27 regardless of whether the statements, data, or instructions are capable of being  
28 perceived by or communicated to humans. Computer software includes all types of  
29 software including operational, applicational, utilities, compilers, and all other forms.



1           (23)(a) The term "custom computer software" means computer software  
2 prepared, created, adapted, or modified to the special order of a particular purchaser,  
3 licensee, or user; or to meet the specific needs or requirements of a particular  
4 purchaser, licensee, or user, regardless of the means by or through which such  
5 computer software is furnished, delivered, or transmitted, and regardless of whether  
6 such software incorporates or consists of preexisting routines, utilities, or other  
7 computer software components.

8           (b) In order to be considered "custom computer software", the computer  
9 software must require preparation, creation, adaption, or modification by the vendor  
10 in order to be used in a specific work environment or to perform a specific function  
11 for the user.

12           (c) Updates, upgrades, and new versions of custom computer software shall  
13 be considered custom computer software, provided such upgrades, updates, and new  
14 versions meet the definition of custom computer software contained in this Chapter.

15           (24) The term "news publication" shall mean any printed periodical that:

16           (a) Appears at regular intervals.

17           (b) Contains reports of a varied character, such as political, social, cultural,  
18 sports, moral, religious, or other subjects of general public interest.

19           (c) Contains not more than seventy-five percent advertising.

20           (d) Is not owned or published as an auxiliary to another nonpublishing  
21 business, organization, or entity.

22           (25) "Taxing authority" shall mean and include both the state and a statewide  
23 political subdivision and any political subdivision of the state authorized under the  
24 Constitution or laws of the state of Louisiana to levy and collect a sales and use tax,  
25 unless the context indicates otherwise. For purposes of the Uniform Local Sales Tax  
26 Code provided for in Chapter 2D of this Subtitle, "taxing authority" shall mean any  
27 political subdivision of the state authorized under the Constitution or laws of the  
28 state of Louisiana to levy and collect a sales and use tax, except a statewide political  
29 subdivision.

1 (26) "Taxing jurisdiction" shall mean the area within the physical boundaries  
2 of the taxing authority.

3 (27) "Tax", "sales and use tax", and "sales tax" shall mean the sales and use  
4 tax imposed by the state pursuant to the provisions of this Chapter and Chapter 2-A  
5 and 2-B of this Subtitle and the tax imposed by political subdivisions under the  
6 constitution or laws of this state authorizing the imposition of a sales and use tax.

7 (28)(a) For purposes of the imposition of the lease or rental tax levied by the  
8 state ~~and any political subdivision whose boundaries are coterminous with those of~~  
9 ~~the state~~, the "gross proceeds", "monthly lease or rental price paid", and "monthly  
10 lease or rental price contracted or agreed to be paid" for machinery and equipment  
11 used by a manufacturer in a plant facility predominately and directly in the actual  
12 manufacturing for agricultural purposes or the actual manufacturing process of an  
13 item of tangible personal property, including, but not limited to rubber tired farm  
14 tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers,  
15 attachments and sprayers, clippers, cultivators, discs, plows, and spreaders, which  
16 is for ultimate sale to another and not for internal use, at one or more fixed locations  
17 within Louisiana shall be reduced as follows:

18 (i) For the period ending on June 30, 2005, by five percent.

19 (ii) For the period beginning July 1, 2005, and ending on June 30, 2006, by  
20 nineteen percent.

21 (iii) For the period beginning July 1, 2006, and ending on June 30, 2007, by  
22 thirty-five percent.

23 (iv) For the period beginning July 1, 2007, and ending on June 30, 2008, by  
24 fifty-four percent.

25 (v) For the period beginning July 1, 2008, and ending on June 30, 2009, by  
26 sixty-eight percent.

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

1 (b) For purposes of this Paragraph, "machinery and equipment",  
2 "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant  
3 facility", and "used directly" shall have the same meaning as defined in R.S.  
4 47:301(3)(i)(ii).

5 (c) No person shall be entitled to purchase, use, lease, or rent machinery or  
6 equipment as defined herein without payment of the tax imposed by R.S. 47:302,  
7 321, and 331 before receiving a certificate of exclusion from the secretary of the  
8 Department of Revenue certifying that he is a manufacturer as defined herein.

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

12 (e) The manufacturer's exemption certificate granted by the Department of  
13 Revenue shall serve as a substitute for the sales tax exemption for certain farm  
14 equipment.

15 \* \* \*

16 §305. Exclusions and exemptions from the tax

17 A.

18 \* \* \*

19 (2) The gross proceeds derived from the sale in this state of livestock at  
20 public sales sponsored by breeders' or registry associations or livestock auction  
21 markets are exempted from the sales and use tax levied by the state only. When  
22 public sales of livestock are made to consumers by any person other than through a  
23 public sale sponsored by a breeders' or registry association or a livestock auction  
24 market, they are not exempted from the sales and use tax imposed by the state. ~~This~~  
25 Solely for purposes of the state sales and use taxes imposed under R.S. 47:302, 321,  
26 and 331, and those of any political subdivision this Section shall be construed as  
27 exempting race horses entered in races and claimed at any racing meet held in  
28 Louisiana, whether the horse claimed was owned by the original breeder or not.

29 \* \* \*

1 C. ~~For purposes of the sales and use tax of all taxing authorities~~ Solely for  
2 purposes of the state sales and use taxes imposed under R.S. 47:302, 321, and 331,  
3 and those of any political subdivision, where a part of the cost price of a motor  
4 vehicle is represented by a motor vehicle returned to the dealer's inventory, the use  
5 tax is payable on the total cost price less the wholesale value of the article returned.

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

10 (a) Gasoline.

11 (b) Steam, solely for purposes of the state sales and use taxes, shall be  
12 exempt from the state sales and use tax imposed under R.S. 47:302, 321, and 331,  
13 except as may otherwise be provided for with respect to R.S. 47:331 pursuant to  
14 HCR No. 8 of the 2015 Regular Session.

15 (c) Water ~~(not including , excluding~~ excluding mineral water or carbonated water or  
16 any water put in bottles, jugs, or containers, ~~all of which are not exempted~~) as  
17 provided in Article VII, Section 2.2 of the Constitution of Louisiana, except as may  
18 otherwise be provided for with respect to R.S. 47:331 pursuant to HCR No. 8 of the  
19 2015 Regular Session.

20 (d) Electric power or energy and any materials or energy sources used to fuel  
21 the generation of electric power for resale or used by an industrial manufacturing  
22 plant for self-consumption or cogeneration, solely for purposes of the state sales and  
23 use taxes, shall be exempt from the state sales and use tax imposed under R.S.  
24 47:302, 321, and 331, except as may otherwise be provided for with respect to R.S.  
25 47:331 pursuant to HCR No. 8 of the 2015 Regular Session.

26 (e) Repealed by Acts 2007, No. 480, §2.

27 (f) Fertilizer and containers used for farm products when sold directly to the  
28 farmer.

1 (g) Natural gas, as provided in Article VII, Section 2.2. of the Constitution  
2 of Louisiana, except as may otherwise be provided for with respect to R.S. 47:331  
3 pursuant to HCR No. 8 of the 2015 Regular Session.

4 (h) All energy sources when used for boiler fuel except refinery gas, solely  
5 for purposes of the state sales and use taxes imposed under R.S. 47:302, 321, and  
6 331, and those of any political subdivision.

7 (i) ~~New~~ Solely for purposes of the state sales and use taxes imposed under  
8 R.S. 47:302, 321, and 331, and those of any political subdivision, new trucks, new  
9 automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn  
10 from stock by factory authorized new truck, new automobile, new aircraft dealers,  
11 and factory-authorized dealers of new boats, vessels, or other water craft, and used  
12 trucks and used automobiles withdrawn from stock by new or used motor vehicle  
13 dealers, which are withdrawn for use as demonstrators.

14 (j) Solely for purposes of the state sales and use tax, drugs prescribed by a  
15 physician or dentist.

16 (k)(i) Solely for purposes of the state sales and use tax, orthotic, including  
17 prescription eyeglasses and contact lenses, and prosthetic devices and wheelchairs  
18 and wheelchair lifts prescribed by physicians, optometrists or licensed chiropractors  
19 for personal consumption or use.

20 (ii) Solely for purposes of the sales and use tax of political subdivisions, the  
21 sale to, or the purchase by, an individual or by a medical service provider such as a  
22 physician, clinic, surgical center, or other healthcare facility of a prosthetic device  
23 which is sold or purchased with the intention of being personally used or consumed  
24 by individuals pursuant to a prescription by a physician when the individual is  
25 covered by the state of Louisiana Medicaid insurance program or a Medicaid  
26 insurance program administered by a third party on behalf of the state of Louisiana.

27 (l) Solely for purposes of the state sales and use tax, the sale or purchase of  
28 any ostomy, ileostomy or colostomy device or any other appliance including  
29 catheters or any related item which is required as the result of any surgical procedure

1 by which an artificial opening is created in the human body for the elimination of  
2 natural waste.

3 (m) Solely for purposes of the state sales and use tax, patient aids prescribed  
4 by a physician or a licensed chiropractor for home use.

5 (n) Solely for purposes of the state sales and use tax, food sold for  
6 preparation and consumption in the home including by way of extension and not of  
7 limitation bakery products.

8 (o) Solely for purposes of the state sales and use tax, dairy products.

9 (p) Solely for purposes of the state sales and use tax, soft drinks.

10 (q) Solely for purposes of the state sales and use tax, fresh fruits and  
11 vegetables.

12 (r) Solely for purposes of the state sales and use tax, package foods requiring  
13 further preparation by the purchaser.

14 (s) Solely for purposes of the state sales and use tax, any and all medical  
15 devices used exclusively by the patient in the medical treatment of various diseases  
16 or administered exclusively to the patient by a physician, nurse, or other health care  
17 professional or health care facility in the medical treatment of various diseases under  
18 the supervision of and prescribed by a licensed physician.

19 (t) Orthotic devices, prosthetic devices, prostheses and restorative materials  
20 utilized by or prescribed by dentists in connection with health care treatment or for  
21 personal consumption or use and any and all dental devices used exclusively by the  
22 patient or administered exclusively to the patient by a dentist or dental hygienist in  
23 connection with dental or health care treatment. Notwithstanding any other  
24 provision of law to the contrary, the exemptions from the state sales and use tax  
25 provided in this Subparagraph shall be applicable to any sales and use tax levied by  
26 any local governmental subdivision or school board.

27 (u) Solely for purposes of the state sales and use tax, adaptive driving  
28 equipment and motor vehicle modifications prescribed for personal use by a

1 physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the  
2 state.

3 (2)(a) ~~Sales~~ Solely for purposes of state sales and use taxes imposed under  
4 R.S. 47:302, 321, and 331, sales of meals furnished as follows shall be exempt:

5 \* \* \*

6 F. The sales, use and lease taxes imposed by the state under R.S. 47:302,  
7 321, and 331, and those of any other taxing authorities shall not apply to the amounts  
8 paid by radio and television broadcasters for the right to exhibit or broadcast  
9 copyrighted material and the use of film, video or audio tapes, records or any other  
10 means supplied by licensors thereof in connection with such exhibition or broadcast  
11 and the sales and use tax shall not apply to licensors or distributors thereof.

12 G. The sales, use, and lease taxes imposed by taxing authorities shall not  
13 apply to the purchase or rental by private individuals of machines, parts therefor, and  
14 materials and supplies which a physician has prescribed for home renal dialysis.

15 H. "Demonstrators" as used in Subsection D of this Section for purposes of  
16 the sales and use tax levied ~~by all~~ by the state under R.S. 47:302, 321, and 331, and  
17 those of any other taxing authorities shall mean all of the following:

18 \* \* \*

19 I. The sales and use taxes imposed by the state of Louisiana under R.S.  
20 47:302, 321, and 331 or any of its political subdivisions shall not apply to the labor,  
21 or sale of materials, services, and supplies, used for repairing, renovating or  
22 converting of any drilling rig, or machinery and equipment which are component  
23 parts thereof, which is used exclusively for the exploration or development of  
24 minerals outside the territorial limits of the state in Outer Continental Shelf waters.  
25 For the purposes of this Subsection, "drilling rig" means any unit or structure, along  
26 with its component parts, which is used primarily for drilling, workover, intervention  
27 or remediation of wells used for exploration or development of minerals. For  
28 purposes of this Subsection, "component parts" means any machinery or equipment

1 necessary for a drilling rig to perform its exclusive function of exploration or  
2 development of minerals.

3 §305.1. Exclusions and exemptions; ships and ships' supplies

4 A. The tax imposed by ~~taxing authorities~~ the state under R.S. 47:302, 321,  
5 and 331 and any sales and use tax imposed by a political subdivision shall not apply  
6 to sales of materials, equipment, and machinery which enter into and become  
7 component parts of ships, vessels, or barges, including commercial fishing vessels,  
8 drilling ships, or drilling barges, of fifty tons load displacement and over, built in  
9 Louisiana nor to the gross proceeds from the sale of such ships, vessels, or barges  
10 when sold by the builder thereof.

11 B. The taxes imposed by ~~taxing authorities~~ the state under R.S. 47:302, 321,  
12 and 331 and any sales and use tax imposed by a political subdivision shall not apply  
13 to materials and supplies purchased by the owners or operators of ships, barges, or  
14 vessels, including drilling ships, operating exclusively in foreign or interstate  
15 coastwise commerce, where such materials and supplies are loaded upon any such  
16 ship, barge, or vessel for use or consumption in the maintenance and operation  
17 thereof; nor to repair services performed upon such ships, barges, or vessels  
18 operating exclusively in foreign or interstate coastwise commerce; nor to the  
19 materials and supplies used in such repairs where such materials and supplies enter  
20 into and become a component part of such ships, barges, or vessels; nor to laundry  
21 services performed for the owners or operators of such ships, barges, or vessels  
22 operating exclusively in foreign or interstate coastwise commerce, where the  
23 laundered articles are to be used in the course of the operation of such ships, barges,  
24 or vessels.

25 \* \* \*

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1 §305.6. Exclusions and exemptions; Little Theater tickets

2 The sales tax imposed by ~~taxing authorities~~ the state under R.S. 47:302, 321,  
3 and 331 and any sales and use tax imposed by a political subdivision shall not apply  
4 to the sale of admission tickets by Little Theater organizations.

5 §305.7. Exclusions and exemptions; tickets to musical performances of nonprofit  
6 musical organizations

7 The sales tax imposed by ~~taxing authorities~~ the state under R.S. 47:302, 321,  
8 and 331 and any sales and use tax imposed by a political subdivision shall not apply  
9 to the sale of admission tickets by domestic nonprofit corporations or by any other  
10 domestic nonprofit organization known as a symphony organization or as a society  
11 or organization engaged in the presentation of musical performances; provided that  
12 this Section shall not apply to performances given by out-of-state or nonresident  
13 symphony companies, nor shall this Section apply to any performance intended to  
14 yield a profit to the promoters thereof.

15 \* \* \*

16 §305.9. Exclusions and exemptions; motion picture film rental

17 The sales and use taxes imposed by the State of Louisiana under R.S. 47:302,  
18 321, and 331 or any such taxes imposed by any parish or municipality within the  
19 state shall not apply to the amount paid by the operator of a motion picture theatre  
20 to a distributing agency for use of films of photoplay.

21 \* \* \*

22 §305.13. Exclusions and exemptions; admissions to entertainments furnished by  
23 certain domestic nonprofit corporations

24 The sales tax imposed by ~~taxing authorities~~ the state under R.S. 47:302, 321,  
25 and 331 and any sales and use tax imposed by a political subdivision shall not apply  
26 to the sale of admissions to entertainment events furnished by recognized domestic  
27 nonprofit charitable, educational and religious organizations when the entire  
28 proceeds from such sales, except for necessary expenses connected with the

1 entertainment events, are used for the purposes for which the organizations  
2 furnishing the events were organized.

3 §305.14. Exclusions and exemptions; nonprofit organizations; nature of exemption;  
4 limitations; qualifications; newspapers; determination of tax exempt status

5 A.(1)(a) The sales and use taxes imposed by the state under R.S. 47:302,  
6 321, and 331, and those imposed by any other taxing authorities shall not apply to  
7 sales of tangible personal property at, or admission charges for, outside gate  
8 admissions to, or parking fees associated with, events sponsored by domestic, civic,  
9 educational, historical, charitable, fraternal, or religious organizations, which are  
10 nonprofit, when the entire proceeds, except for necessary expenses such as fees paid  
11 for guest speakers, chair and table rentals, and food and beverage utility related items  
12 connected therewith, are used for educational, charitable, religious, or historical  
13 restoration purposes, including the furtherance of the civic, educational, historical,  
14 charitable, fraternal, or religious purpose of the organization. In addition,  
15 newspapers published in this state by religious organizations shall also be exempt  
16 from such taxes, provided that the price paid for the newspaper or a subscription to  
17 the newspaper does not exceed the cost to publish such newspaper.

18 (b) Notwithstanding any other provision of this Section, the sales and use tax  
19 imposed by the state under R.S. 47:302, 321, and 331, and those imposed by any  
20 other taxing authorities shall not apply to an event sponsored by a domestic nonprofit  
21 organization that is exempt from tax under Section 501(c)(3) of the Internal Revenue  
22 Code when the event provides Louisiana heritage, culture, crafts, art, food, and  
23 music, and the sponsor has contracted for production management and financing  
24 services for the event. Such services shall constitute necessary expenses of the  
25 sponsor for purposes of the event. The provisions of this Subparagraph shall apply  
26 only to the sales of tangible personal property and admission charges for, outside  
27 gate admissions to, or parking fees associated with an event when the sales, charges,  
28 and fees are payable to or for the benefit of the sponsor of the event. The provisions  
29 of this Subparagraph shall apply only to an event which transpires over a minimum

1 of seven but not more than twelve days and has a five-year annual average  
2 attendance of at least three hundred thousand over the duration of the event. For  
3 purposes of determining the five-year annual average attendance, the calculation  
4 shall include the total annual attendance for each of the five most recent years.

5 \* \* \*

6 (5) Notwithstanding any other provision of law to the contrary, for purposes  
7 of state sales and use taxes imposed under R.S. 47:302, 321, and 331 and political  
8 subdivision sales and use tax, "sales and use" shall not mean the purchase of tangible  
9 personal property or taxable services, by nonprofit literacy organizations in  
10 compliance with the court order from the Dodd Brumfield decision and Section  
11 501(c)(3) of the Internal Revenue Code, limited to books, workbooks, computers,  
12 computer software, films, videos, and audio tapes.

13 \* \* \*

14 §305.16. Exclusions and exemptions; cable television installation and repair

15 The sales and use taxes imposed by the state under R.S. 47:302, 321, and 331  
16 or by any political subdivision thereof shall not apply to necessary fees incurred in  
17 connection with the installation and service of cable television. Such exemption  
18 shall not apply to purchases made by any cable television system, but shall only  
19 apply to funds collected from the subscriber for regular service, installation and  
20 repairs.

21 \* \* \*

22 §305.19. Exclusions and exemptions; leased vessels used in the production of  
23 minerals

24 The taxes imposed by ~~taxing authorities~~ the state under R.S.47:302, 321, and  
25 331 and any sales and use tax imposed by a political subdivision shall not apply to  
26 those vessels which are leased for use offshore beyond the territorial limits of this  
27 state for the production of oil, gas, sulphur, and other minerals or for the providing  
28 of services to those engaged in such production.

1 §305.20. Exclusions and exemptions; Louisiana commercial fishermen

2 A. A Louisiana resident, domiciled in Louisiana, who possesses such valid  
3 Louisiana commercial fishing license(s) as may be necessary for commercial fishing  
4 ventures, including but not limited to a vessel license issued pursuant to R.S. 56:304,  
5 and who is an owner of a vessel operated primarily for the conduct of commercial  
6 fishing as a trade or business and which the Louisiana Department of Wildlife and  
7 Fisheries determines will be predominantly and principally used for commercial  
8 fishing ventures and whose catch is for human consumption shall be exempt from  
9 state sales, use, lease, and services taxes imposed under R.S. 47:302, 321, and 331,  
10 as set forth in Subsection C of this Section. Possession of a commercial fishing  
11 license issued by the Department of Wildlife and Fisheries shall not be used as the  
12 sole determination that a vessel will be used predominantly and principally for  
13 commercial fishing ventures. This exemption shall also apply to facilities which  
14 process the catch from owners of commercial fishing vessels for which this  
15 exemption is granted when such vessels are owned by, or leased or contracted  
16 exclusively to, the seafood processing facility.

17 \* \* \*

18 G.(1) Except as provided for in Paragraph (2) of this Subsection, this  
19 exemption applies only to sales and use tax imposed by the state of Louisiana under  
20 R.S. 47:302, 321, and 331 and does not apply to such taxes authorized and levied by  
21 any school board, municipality, or other local taxing authority notwithstanding any  
22 other provision of law to the contrary, specifically but not exclusively R.S.  
23 47:337.8(B).

24 \* \* \*

25 §305.26. Exclusions and exemptions; new vehicles furnished by dealers for driver  
26 education purposes

27 Solely for purposes of the sales or use tax levied by the state under R.S.  
28 47:302, 321, and 331, such tax shall not be due on vehicles furnished by a dealer in  
29 new vehicles when withdrawn from inventory and furnished to a secondary school,

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1 college, or public school board on a free loan basis for exclusive use in a driver  
2 education program licensed by the Department of Public Safety and Corrections,  
3 public safety services.

4 \* \* \*

5 §305.28. Exclusions and exemptions; gasohol

6 A. The sales or use taxes imposed by the state of Louisiana under R.S.  
7 47:302, 321, and 331 or any such taxes imposed by any parish or municipality or  
8 other local entity within the state shall not apply to the sale at retail, the use, the  
9 consumption, the distribution, and the storage, to be used or consumed in this state,  
10 of any motor fuel known as gasohol, containing a blend of at least ten percent  
11 alcohol, if the alcohol therein has been produced, fermented, and distilled in  
12 Louisiana from agricultural commodities. Alcohol to be used in gasohol must have  
13 been rendered unsuitable for human consumption at the time of its manufacture or  
14 immediately thereafter.

15 \* \* \*

16 §305.33. Exclusions and exemptions; nonprofit retirement centers

17 The sales and use taxes imposed by the state of Louisiana under R.S. 47:302,  
18 321, and 331 shall not apply to purchases of materials for the construction of and  
19 supplies for the operation of any not-for-profit retirement center owned or operated  
20 by any public trust authority or duly incorporated not-for-profit corporation. A  
21 retirement center for purposes of this Section is defined as any multipurpose facility  
22 which houses as a permanent residence senior citizens who are sixty-two years of  
23 age or older, which provides housing for the elderly, and which provides  
24 intermediate health care.

25 \* \* \*

26 §305.41. Exclusions and exemptions; Ducks Unlimited; Bass Life

27 The sales and use tax imposed by the state of Louisiana under R.S. 47:302,  
28 321, and 331 or any of its local governmental subdivisions or school boards shall not  
29 apply to either the sales of Ducks Unlimited or Bass Life or any of their chapters or

1 any rental or purchase of property or services by Ducks Unlimited or Bass Life or  
2 any of their chapters.

3 §305.42. Exclusions and exemptions; tickets to ballet performances of nonprofit  
4 ballet organizations

5 Solely for purposes of the sales and use taxes levied by the state, such sales  
6 and use tax imposed by ~~R.S. 47:302(A) and R.S. 47:321(A)~~ R.S. 47:302, 321, and  
7 331 shall not apply to the sale of admission tickets by any domestic nonprofit  
8 organization engaged in the preparation and presentation of any dance, drama, or any  
9 of the performing arts.

10 §305.43. Exclusions and exemptions; nonprofit organizations dedicated to the  
11 conservation of fish or migratory waterfowl; nature of exemption;  
12 limitations; qualifications

13 \* \* \*

14 B. Purchases by any organization qualifying hereunder shall be exempt from  
15 the payment of any sales or use taxes imposed by the state under R.S. 47:302, 321,  
16 and 331 and those taxes of any of its political subdivisions.

17 \* \* \*

18 §305.49. Catalog distribution; exemption

19 Notwithstanding any provision of law to the contrary, no sales or use tax shall  
20 be imposed by the state ~~or~~ under R.S. 47:302, 321, and 331 ~~or by~~ any political  
21 subdivision on the value of catalogs distributed, or intended for distribution in the  
22 state, without charge to the recipient.

23 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;  
24 railroad ties

25 A.(1) The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.  
26 47:302, 321, and 331 ~~or by~~ any of its local political subdivisions shall not apply to  
27 trucks with a gross weight of twenty-six thousand pounds or more and to trailers if  
28 such trucks and trailers are used at least eighty percent of the time in interstate  
29 commerce and whose activities are subject to the jurisdiction of the United States

1 Department of Transportation. The determination of whether a truck is used at least  
2 eighty percent of the time in interstate commerce shall be based solely on the actual  
3 mileage of such truck; however, no truck shall have more than twenty percent  
4 Louisiana intrastate miles.

5 (2)(a) The sales and use tax imposed by the state ~~or~~ under R.S. 47:302, 321,  
6 and 331 or by any of its political subdivisions shall not apply to the purchase, use,  
7 or lease of a qualifying truck or to the purchase, use, or lease of a qualifying trailer  
8 purchased, imported, or leased, with or without a qualifying truck, for use with a  
9 qualifying truck.

10 \* \* \*

11 B. The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.  
12 47:302, 321, and 331 or by any of its local political subdivisions shall not apply to  
13 contract carrier buses if such buses are used at least eighty percent of the time in  
14 interstate commerce.

15 \* \* \*

16 F. The sales and use tax imposed by the state, ~~its statewide taxing authorities,~~  
17 under R.S. 47:302, 321, and 331 or any of its political subdivisions shall not apply  
18 to the "sales price" or "cost price" of railroad ties that a railroad purchases prior to  
19 long-term preservative treatment and installs into the railroad's track system outside  
20 the taxing jurisdiction of the respective taxing authority, whether it be the state, a  
21 statewide taxing authority, or a political subdivision.

22 §305.51. Exemption; utilities used by steelworks and blast furnaces

23 A. The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.  
24 47:302, 321, and 331 or by any of its political subdivisions shall not apply to sales  
25 or purchases of utilities used by steelworks, blast furnaces, coke ovens, or rolling  
26 mills with more than one hundred twenty-five full-time employees, which are  
27 classified by the Louisiana Workforce Commission within Sector 331111 of the  
28 North American Industry Classification System as it existed in 2002. However, this

1 exemption shall not apply to utilities used in and around the production of coke in  
2 oil refineries and the use of coke in oil refineries and other chemical processes.

3 \* \* \*

4 §305.54. Exemption; Annual Louisiana Sales Tax Holidays Act

5 \* \* \*

6 B.(1) Notwithstanding any other provisions of law to the contrary, the sales  
7 tax levied by the state of Louisiana under R.S. 47:302, 321, and 331 and its political  
8 subdivisions whose boundaries are coterminous with those of the state shall not  
9 apply to the first two thousand five hundred dollars of the sales price or cost price  
10 of any consumer purchases of tangible personal property that occur on the first  
11 consecutive Friday and Saturday of August each year.

12 \* \* \*

13 §305.56. Exemption; off-road vehicles; out-of-state buyers

14 The sales and use tax imposed by the state of Louisiana under R.S. 47:302,  
15 321, and 331 shall not apply to the sale of off-road vehicles when purchased by a  
16 buyer who, at the time of purchase, presents proof to the seller that he is domiciled  
17 in another state and signs an affidavit that he has paid or will pay the sales and use  
18 tax on the off-road vehicle in the state in which he is domiciled within sixty days  
19 after the date of purchase or delivery, whichever is later; provided that the state in  
20 which the buyer is domiciled provides a similar exemption. A valid out-of-state  
21 driver's license or state-issued picture identification card shall constitute sufficient  
22 proof that the buyer is domiciled in another state.

23 §305.57. Exemptions; sale of art work

24 A. The sales and use taxes imposed by the state of Louisiana ~~or~~ under R.S.  
25 47:302, 321, and 331 ~~or by any of its political subdivisions~~ shall not apply to the sale  
26 of original, one-of-a-kind works of art from an established location within the  
27 boundaries of a cultural product district.

28 \* \* \*



1 §305.58. Exemption; annual sales tax holiday; hurricane-preparedness items or  
2 supplies; dates; restrictions

3 A.(1) Notwithstanding any other provision of law to the contrary, the sales  
4 and use tax levied by the state of Louisiana under R.S. 47:302, 321, and 331 shall not  
5 apply to the first one thousand five hundred dollars of the sales price of purchases  
6 of hurricane-preparedness items or supplies as defined in this Subsection that occur  
7 during an eligible tax exemption period.

8 \* \* \*

9 §305.59. Exemption; charitable residential construction

10 The sales and use tax imposed by the state of Louisiana ~~and~~ under R.S.  
11 47:302, 321, and 331 and by all of its tax authorities shall not apply to the sale of  
12 construction materials to Habitat for Humanity affiliates, Fuller Center for Housing  
13 covenant partners located in this state, or the Make it Right Foundation when such  
14 materials are intended for use in constructing new residential dwellings in this state.

15 \* \* \*

16 §305.61. Exemption; certain water conservation equipment; Sparta Groundwater  
17 Conservation District

18 A. The sales and use tax imposed by ~~all tax authorities in the state~~ under R.S.  
19 47:302, 321, and 331 shall not apply to sales of water conservation equipment for use  
20 within the Sparta Groundwater Conservation District. Only persons defined as  
21 "users" under R.S. 38:3087.133(7) shall be eligible for this exemption.

22 \* \* \*

23 §305.62. Exemption; Annual Louisiana Second Amendment Weekend Holiday

24 \* \* \*

25 B.(1) Notwithstanding any other provisions of law to the contrary, the sales  
26 and use tax levied by the state of Louisiana ~~and~~ under R.S. 47:302, 321, and 331 and  
27 the sales and use taxes levied by its political subdivisions shall not apply to the sales  
28 price or cost price of any consumer purchases of firearms, ammunition, and hunting

1 supplies that occur each calendar year on the first consecutive Friday through Sunday  
2 of September.

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 47:302, 321, and 331 and the sales and use taxes imposed by all of its tax authorities  
8 shall not apply to the sale of construction materials to Hands on New Orleans and  
9 Rebuilding Together New Orleans covenant partners located in this state when such  
10 materials are intended for use in either constructing, rehabilitating, or renovating  
11 residential dwellings in this state which were destroyed or damaged by Hurricane  
12 Katrina or Hurricane Rita.

13 \* \* \*

14 §305.67. Exemption; breastfeeding items

15 The sales and use tax imposed by the state of Louisiana under R.S. 47:302,  
16 321, and 331 shall not apply to the purchase of breastfeeding items. For purposes of  
17 this Section, breastfeeding items shall include breastpumps and accessories,  
18 replacement parts, storage bags and accessories, and nursing bras.

19 §305.68. Exemption; Fore!Kids Foundation

20 The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S. 47:302,  
21 321, and 331 ~~or by~~ any political subdivisions shall not apply to the purchase, use, or  
22 rental of materials, services, property, and supplies, by the Fore!Kids Foundation,  
23 whose primary purpose is to fund children's service organizations from monies raised  
24 from golfing events.

25 \* \* \*

26 §305.70. Exemption; "Make It Right Foundation"

27 The sales and use tax imposed by the state of Louisiana ~~or~~ under R.S.  
28 47:302, 321, and 331 ~~or by~~ any political subdivision shall not apply to the sale of

1 construction materials to the "Make It Right Foundation" when such materials are  
2 intended for use in constructing new residential dwellings in this state.

3 §305.71. Exemption; St. Bernard Project, Inc.

4 The sales and use tax imposed by the state of Louisiana under R.S. 47:302,  
5 321, and 331 or any political subdivision as defined in R.S. 47:337.6 shall not apply  
6 to the sale of construction materials to the St. Bernard Project, Inc. when such  
7 materials are intended for use in rehabilitating existing residential dwellings or  
8 constructing new residential dwellings in this state.

9 \* \* \*

10 §315.1. Sales tax refund

11 A. In the event tangible personal property, a part of and used in or about a  
12 person's home, apartment or homestead, in this state on which Louisiana sales tax  
13 has been paid by the owner of the property is destroyed by a natural disaster  
14 occurring in an area in Louisiana subsequently determined by the president of the  
15 United States to warrant assistance by the federal government, the owner thereof  
16 who was the purchaser who paid the Louisiana sales tax shall be entitled to  
17 reimbursement of the amount of the tax paid under R.S. 47:302, 321, and 331 on  
18 such tangible personal property destroyed for which no reimbursement was received  
19 by insurance or otherwise. Upon receipt of a notarized statement of the owner as to  
20 the amount of the taxes paid under the provisions of this Chapter on tangible  
21 personal property destroyed as aforesaid, the collector shall make refund to said  
22 owner in the amount to which he is entitled.

23 \* \* \*

24 §315.2. Sales tax refund; new housing construction

25 A. Any person who restores, renovates, or rehabilitates an existing structure  
26 or builds or causes the building of a new house and associated improvements in an  
27 approved housing development area pursuant to the provisions of R.S. 40:582.1  
28 through 582.7 shall be entitled to a refund of the amount of tax paid under the  
29 provisions of ~~this Chapter and under the provisions of Chapter 2-A and Chapter 2-B~~

1 ~~of Sub-Title II of Title 47 of the Louisiana Revised Statutes of 1950~~ R.S. 47:302,  
2 321, and 331 as a consequence of the purchase of materials used in the construction  
3 of such new house upon showing that he has complied with the provisions of R.S.  
4 40:582.7.

5 \* \* \*

6 §318. Disposition of collections

7 A. All monies collected under this Chapter shall be immediately paid into  
8 the state treasury, upon receipt, and first credited to the Bond Security and  
9 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of  
10 Louisiana; then an amount equal to four-tenths of one percent of all monies collected  
11 under this Chapter, and Chapters 2-A and 2-B of this Subtitle, and R.S. 51:1286 shall  
12 be used as provided in this Section. The dedication of revenues provided for in this  
13 Subsection shall in no way be interpreted to include any monies collected pursuant  
14 to the taxes imposed under R.S. 47:321.1.

15 \* \* \*

16 §321.1. Imposition of Tax

17 A. In addition to the tax levied by R.S. 47:302(A), 321A), and 331(A) and  
18 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an  
19 additional tax upon the sale at retail, the use, the consumption, the distribution, and  
20 the storage for use or consumption in this state of each item or article of tangible  
21 personal property as defined in Chapter 2 of this Subtitle. The levy of said tax shall  
22 be as follows:

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

27 (2) At the rate of one percent of the cost price of each item or article of  
28 tangible personal property when the same is not sold but is used, consumed,

1 distributed, or stored for use or consumption in this state, provided that there shall  
2 be no duplication of the tax.

3 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and  
4 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a  
5 tax upon the lease or rental within this state of each item or article of tangible  
6 personal property, as defined by Chapter 2 of this Subtitle; the levy of the tax to be  
7 as follows:

8 (1) At the rate of one percent of the gross proceeds derived from the lease  
9 or rental of tangible personal property, as defined in Chapter 2 of this Subtitle, where  
10 the lease or rental of such property is in an established business, or part of an  
11 established business, or the same is incidental or germane to the business.

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

15 C. In addition to the tax levied on sales of services by R.S. 47:302(C),  
16 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,  
17 there is hereby levied a tax upon all sales of services in this state, as those services  
18 are defined by Chapter 2 of this Subtitle, at the rate of one percent of the amounts  
19 paid or charged for the services.

20 D. The tax levied herein shall be collected from the dealer or wholesaler as  
21 provided for and as defined by Chapter 2 of this Subtitle; shall be paid at the time  
22 and in the manner provided therein; shall be in addition to all other taxes, whether  
23 levied in the form of sales, excise, license, or privilege taxes; and shall be in addition  
24 to taxes levied under the provisions of Chapter 2 of this Subtitle.

25 E. The provisions of this Section shall be inapplicable, inoperative, and of  
26 no effect on October 1, 2017.

27 F. Notwithstanding any other provision of law to the contrary, including but  
28 not limited to any contrary provision of this Chapter, there shall be no exemptions

1 or exclusions as defined in R.S. 47:301 to the tax levied pursuant to the provisions  
2 of this Section, except for the sales or purchases of the following items:

3 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through  
4 (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the Constitution of  
5 Louisiana.

6 (2) Natural gas, as provided in Article VII, Section 2.2 of the Constitution  
7 of Louisiana.

8 (3) Electricity, as provided in Article VII, Section 2.2 of the Constitution of  
9 Louisiana.

10 (4) Water, as provided in Article VII, Section 2.2 of the Constitution of  
11 Louisiana.

12 (5) Prescription drugs, as provided in Article VII, Section 2.2 of the  
13 Constitution of Louisiana.

14 (6) Fuel that is subject to the road-use excise tax, as provided in Article VII,  
15 Section 27 of the Constitution of Louisiana.

16 (7) Sales to the United States government and its agencies, as provided in  
17 R.S. 301(10)(g).

18 (8) Other constructions permanently attached to the ground, as provided in  
19 R.S. 47:301(16)(l).

20 (9) Installation charges on tangible personal property, as provided in R.S.  
21 47:301(13)(a).

22 (10) Installation of oil field board roads, as provided in R.S. 47:301(13)(c).

23 (11) Transactions involving the construction or overhaul of United States  
24 Navy vessels, as provided in R.S. 47:301(7)(c) and (14)(h).

25 (12) Property purchased for exclusive use outside the state, as provided in  
26 R.S. 47:305.10.

27 (13) Purchases and leases of durable medical equipment under the provisions  
28 of Medicare, as provided in R.S. 47:315.3.

29 (14) Sales of human tissue transplants, as provided in R.S. 47:301(10)(d).

- 1           (15) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)  
2           and 305(A)(3).
- 3           (16) Sales of food by youth serving organizations chartered by congress, as  
4           provided in R.S. 47:301(10)(h).
- 5           (17) Tangible personal property sold to food banks as provided in R.S.  
6           47:301(10)(j).
- 7           (18) Materials used in the collection of blood as provided in R.S.  
8           47:301(16)(j).
- 9           (19) Aphaeresis kits and leuko reduction filters as provided in R.S.  
10          47:301(16)(k).
- 11          (20) Donation to schools and food banks from resale inventory as provided  
12          in R.S. 47:301(18)(a).
- 13          (21) Manufacturers rebates on new motor vehicles as provided in R.S.  
14          47:301(3)(i).
- 15          (22) Lease or rentals of railroad rolling stock as provided in R.S.  
16          47:301(4)(k).
- 17          (23) Purchases and leases by free hospitals as provided in R.S. 47:301(7),  
18          (10)(r) and (18)(f).
- 19          (24) Purchases by nonprofit entities that sell donated goods as provided in  
20          R.S. 47:301(8)(f).
- 21          (25) Tangible personal property for resale as provided in R.S.  
22          47:301(10)(a)(i).
- 23          (26) Purchases of property for lease or rental as provided in La. R.S.  
24          47:301(10)(a)(iii) and (18)(a)(iii).
- 25          (27) Isolated or occasional sales of tangible personal property as provided  
26          in R.S. 47:301(1) and (10)(c)(ii)(bb).
- 27          (28) Use of motor vehicles in Louisiana by active duty military as provided  
28          in La. R.S. 47:303(A) and 305.48.

- 1           (29) Purchases made with food stamps and WIC as provided in R.S.  
2           47:305.46.
- 3           (30) Articles traded in on purchases of tangible personal property as  
4           provided in R.S. 47:301(13)(a).
- 5           (31) Donations of toys as provided in R.S. 47:301(10)(z)(aa)(i) and (18)(m).
- 6           (32) Stocks, bonds, notes or other obligations or securities as provided in  
7           R.S. 47:301(16)(b)(i).
- 8           (33) Credit for sales and use taxes paid to other states on tangible personal  
9           property imported in Louisiana as provided in R.S. 47:303(A)(3)(a).
- 10          (34) Work product of certain professionals as provided in R.S.  
11          47:301(16)(e).
- 12          (35) Purchases by regionally accredited independent educational institutions  
13          as provided in R.S. 47:301(8)(b).
- 14          (36) Sales through coin-operated vending machines as provided in R.S.  
15          47:301(10)(b)(i).
- 16          (37) Purchases by a private postsecondary academic degree-granting  
17          institution as provided in R.S. 47:301(10)(cc) and as provided in R.S. 47:301(18)(n).
- 18          (38) Purchases of food items for school lunch or breakfast programs by  
19          nonpublic elementary or secondary schools as provided in R.S. 47:301(10)(dd).
- 20          (39) Repair services performed in Louisiana when the repaired property is  
21          exported as provided in R.S. 47:301(14)(g)(i)(bb).
- 22          (40) Funeral directing services as provided in R.S. 47:301(14)(j).
- 23          (41) Feed and feed additives for animals held for business purposes as  
24          provided in R.S. 47:305(A)(4).
- 25          (42) Farm products produced and used by farmers as provided in R.S.  
26          47:305(B).
- 27          (43) Sales of fertilizers and containers to farmers as provided in R.S.  
28          47:305(D)(1)(f).
- 29          (44) Sales of seeds for planting crops as provided in R.S. 47:305.3.



1           (45) Sales of pesticides for agricultural purposes as provided in R.S.  
 2           47:305.8.

3           G. The avails of the tax collected under this Section shall be deposited  
 4           immediately into the state treasury, and, after compliance with the requirements of  
 5           Article VII, Section 9(B) of the Constitution of Louisiana, the state treasurer shall  
 6           pay the remainder of the monies into the state general fund.

7           Section 2. This Act shall be effective for taxable periods beginning on April 1, 2016.

8           Section 3. This Act shall become effective upon signature by the governor or, if not  
 9 signed by the governor, upon expiration of the time for bills to become law without signature  
 10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 12 effective on the day following such approval.

#### 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 62 Reengrossed

2016 First Extraordinary Session

Jackson

**Abstract:** Imposes a one percent state sales and use tax, beginning April 1, 2016, and ending September 30, 2017, and provides with respect to the tax base.

Proposed 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. The tax shall be levied beginning April 1, 2016, and will cease to be effective on October 1, 2017.

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 present constitution for the Bond Security and Redemption Fund. Of that amount, \$2 million is deposited into the Marketing Fund, which is 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 a special treasury fund to support a wide variety of economic development activities.

Proposed law adds to present law by specifying that the tax established under proposed law shall not be subject to the dedication of revenues for economic development.

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":

Regarding the cost of certain publishing of free news publications, the cost is limited to the lesser of the printing cost paid to unrelated third parties, less any itemized freight charges for shipping and any itemized charges for paper and ink, or, payments to a dealer or distributor as consideration.

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 "lease or rental":

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

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

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

Lease of a crane with an operator.

Pallets used by a manufacturer for packaging.

## (3) From the definition of "retail sale":

Pollution control equipment.

Equipment and devices associated with the wireless communication devices and wireless telephone service.

Pelletized paper waste used as fuel for power generation.

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).

Storm shutter devices.

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).

## (4) 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.

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.

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

Equipment and devices associated with the wireless communication devices and wireless telephone service.

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).

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

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

Custom computer software.

Equipment used for digital television conversion.

Machinery and equipment used by a motor vehicle manufacturer, glass manufacturer, or public utility in New Orleans.

Newspapers.

(7) From the definition of "use":

Rental of motor vehicles and other tangible personal property.

Free telephone directories used for advertising.

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

Property created or derived as a residue or byproduct of certain manufacturing processes.

Equipment and devices associated with the wireless communication devices and wireless telephone service.

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 existing 4% state sales and use tax.

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

- (1) Racehorses purchased at a claiming race or other sale.
- (2) Steam, water, electric power, and natural gas, boiler fuel utilized for nonresidential purposes (business utilities).
- (3) Water other than mineral, carbonated, and bottled water.
- (4) 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.
- (5) Boiler fuel.
- (6) New motor vehicles, 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.
- (7) Meals furnished by educational institutions, hospitals, nursing homes, adult continuing care retirement communities, mental institutions, and boarders of rooming houses.
- (8) Sales of 50-ton vessels and new component parts and sales of certain materials and services to vessels operating in interstate commerce.
- (9) 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.
- (10) Admissions to nonprofit entertainment.
- (11) Amounts paid by a motion picture theater for film rental.
- (12) Purchases by a nonprofit literacy organizations.
- (13) Sale of materials, services, and supplies, used for repairing, renovating or converting of any drilling rig, or machinery and equipment which are component parts thereof, which is used exclusively for the exploration or development of minerals outside the territorial limits of the state in Outer Continental Shelf waters.
- (14) Vessels leased for offshore use.
- (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) Amounts paid by a radio and television broadcasters for the right to air content.
- (17) Little theater.

- (18) 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.
- (19) Installation and service of cable television equipment fees paid by a subscriber.
- (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) 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.
- (23) Gasohol.
- (24) Ducks Unlimited, and other organizations promoting migratory water fowl.
- (25) Catalogs.
- (26) 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.
- (27) Purchase of certain contract carrier buses used 80% of the time in interstate commerce.
- (28) Railroad ties to be modified for installation at a location outside of the taxing jurisdiction.
- (29) Utilities, including electricity, used by steelworks and blast furnaces.
- (30) Purchases of certain items of tangible personal property, made on the first consecutive Friday and Saturday of August each year.
- (31) Sale of original, one-of-a-kind art from an established location within the boundaries of a cultural product district.
- (32) 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.
- (33) Purchases of construction supplies by Habitat for Humanity affiliates, Fuller Center for Housing covenant partners, and the Make it Right Foundation.
- (34) Purchase of certain water conservation equipment for use within the Sparta Groundwater Conservation District.
- (35) Purchases of firearms, ammunition, and hunting supplies for the first consecutive Friday through Sunday of September.
- (36) 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.

- (37) Offroad vehicles purchased by a resident of another state.
- (38) Breastfeeding items.
- (39) Purchase, use, or rental of materials, services, property, and supplies by the Fore!Kids Foundation.
- (40) Purchase of certain construction supplies by the Make it Right Foundation.
- (41) Purchase of certain construction supplies by the St. Bernard Project, Inc.

Proposed law limits the applicability of the exemptions provided in present law to the existing 4% state sales and use tax rate (R.S. 47:302, 321, and 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 existing 4% state sales and use tax rate (R.S. 47:302, 321, and 331).

Present law authorizes a refund of state sales and use taxes paid on housing materials destroyed in a natural disaster.

Proposed law limits the refund provided in present law to the 4% state sales and use tax rate (R.S. 47:302, 321, and 331).

Proposed law repeals obsolete provisions concerning the Sparta Groundwater District, vehicle modifications for persons with certain disabilities.

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

(Amends R.S. 47:301(1) through (28), 305(A)(2), (C), (D)(1), (2)(a)(intro. para.), (F), (G), (H)(intro. para.) and (I), 305.1(A) and (B), 305.6, 305.7, 305.9, 305.13, 305.14(A)(1) and (5), 305.16, 305.19, 305.20(A) and (G)(1), 305.26, 305.28(A), 305.33, 305.41, 305.42, 305.43(B), 305.44(A), 305.49, 305.50(A)(1) and (2)(a), (B), and (F), 305.51(A), 305.54(B)(1), 305.56, 305.57(A), 305.58(A)(1), 305.59, 305.61(A), 305.62(B)(1), 305.65(A), 305.67, 305.68, 305.70, 305.71, 315.1(A), 315.2(A); Adds R.S. 47:321.1; Repeals R.S. 47:305.60, and 305.69)

#### Summary of Amendments Adopted by House

##### The House Floor Amendments to the original bill:

1. Add a sunset on the new tax.
2. Restore applicability of exclusions for manufacturing machinery and equipment thereby excluding this equipment from the new tax levy..