

CONFERENCE COMMITTEE REPORT

HB 61

2016 First Extraordinary Session

Jay Morris

March 9, 2016

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 61 by Representative Jay Morris, recommend the following concerning the Reengrossed bill:

1. That the set of amendments by the Senate Committee on Revenue and Fiscal Affairs (#518) be adopted.
2. That the set of Senate Floor Amendments by Senator Morrell (#587) be adopted.
3. That the set of Senate Floor Amendments by Senator Alario (#595) be adopted.
4. That the following amendments be adopted:

AMENDMENT NO. 1

In Amendment No. 2 in the set of Senate Floor Amendments by Senator Morrell (#587), on page 1, delete lines 8 through 10 in their entirety and insert the following:

"R.S. 22:270 and R.S. 47:301(7)(h) and (14)(b)(i) and 331(P) and (Q), to enact R.S. 47:302(V), (W), and (X), 321(L), (M), (N), and (O), and 331(S), (T), and (U),"

AMENDMENT NO. 2

In Amendment No. 3 in the set of Senate Floor Amendments by Senator Morrell (#587), on page 1, delete lines 14 through 17 in their entirety and insert the following:

"R.S. 22:270 and R.S. 47:301(7)(h) and (14)(b)(i) and 331(P) and (Q) are hereby amended and reenacted and R.S. 47:302(V), (W), and (X), 321(L), (M), (N), and (O), and 331(S), (T), and (U) are hereby enacted to read as follows:"

AMENDMENT NO. 3

In Amendment No. 3 in the set of Senate Floor Amendments by Senator Alario (#595), on page 1, delete lines 26 and 27 and insert the following:

"(6) Gasoline and other motor fuels subject to the state excise tax on fuel."

AMENDMENT NO. 4

In Amendment No. 3 in the set of Senate Floor Amendments by Senator Alario (#595), on page 1, delete line 29 and insert "R.S. 47:301(10)(g)."

AMENDMENT NO. 5

In Amendment No. 3 in the set of Senate Floor Amendments by Senator Alario (#595), on page 1, delete lines 33 and 34 in their entirety and insert "piggyback trailers as provided in R.S. 47:305.45, and certain trucks and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B)."

AMENDMENT NO. 6

In Amendment No. 3 in the set of Senate Floor Amendments by Senator Alario (#595), on page 2, delete lines 3 and 4 in their entirety and delete line 7 in its entirety and insert "R.S. 47:305.1 (A) and (B)."

AMENDMENT NO. 7

In Amendment No. 3 in the set of Senate Floor Amendments by Senator Alario (#595), on page 2, between lines 24 and 25, insert the following:

"(30) Transactions in interstate commerce and tangible personal property imported into this state, or produced or manufactured in this state, for export as provided in R.S. 47:305(E).

(31) Parish councils on aging in R.S. 47:305.66.

(32) Articles traded in on purchases of tangible personal property as provided in R.S. 47:301(13)(a).

(33) A factory built home as provided in R.S. 47:301(16)(g)."

AMENDMENT NO. 8

In Amendment No. 7 in the set of Senate Floor Amendments by Senator Alario (#595), on page 3, delete line 10 and insert "R.S. 47:301(10)(g)."

AMENDMENT NO. 9

In Amendment No. 7 in the set of Senate Floor Amendments by Senator Alario (#595), on page 3, delete lines 14 and 15 in their entirety and insert "piggyback trailers as provided in R.S. 47:305.45, and certain trucks and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B)."

AMENDMENT NO. 10

In Amendment No. 7 in the set of Senate Floor Amendments by Senator Alario (#595), on page 3, delete lines 27 and 28 in their entirety

AMENDMENT NO. 11

In Amendment No. 7 in the set of Senate Floor Amendments by Senator Alario (#595), on page 3, delete lines 31 and 32 in their entirety and delete line 35 in its entirety and insert "R.S. 47:305.1 (A) and (B)."

AMENDMENT NO. 12

In Amendment No. 7 in the set of Senate Floor Amendments by Senator Alario (#595), on page 3, between lines 52 and 53, insert the following:

"(30) Transactions in interstate commerce and tangible personal property imported into this state, or produced or manufactured in this state, for export as provided in R.S. 47:305(E).

(31) Parish councils on aging in R.S. 47:305.66.

(32) Articles traded in on purchases of tangible personal property as provided in R.S. 47:301(13)(a).

(33) A factory built home as provided in R.S. 47:301(16)(g)."

AMENDMENT NO. 13

In Amendment No. 8 in the set of Senate Floor Amendments by Senator Alario (#595), on page 4, between lines 3 and 4, insert the following:

"(Z) Notwithstanding Subsections (L) and (X) of this Section, purchases, use, and lease of manufacturing machinery and equipment as provided in R.S. 47:301(3)(i)(i), (13)(k), and (28)(a) shall be subject to the tax levied in this Section beginning April 1, 2016, through June 30, 2018."

AMENDMENT NO. 14

In Amendment No. 10 in the set of Senate Floor Amendments by Senator Alario (#595), on page 4, delete line 28 and insert "R.S. 47:301(10)(g)."

AMENDMENT NO. 15

In Amendment No. 10 in the set of Senate Floor Amendments by Senator Alario (#595), on page 4, delete lines 32 and 33 in their entirety and insert "piggyback trailers as provided in R.S. 47:305.45, and certain trucks and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B)."

AMENDMENT NO. 16

In Amendment No. 10 in the set of Senate Floor Amendments by Senator Alario (#595), on page 4, delete lines 49 and 50 in their entirety and delete line 53 in its entirety and insert "R.S. 47:305.1 (A) and (B)."

AMENDMENT NO. 17

In Amendment No. 10 in the set of Senate Floor Amendments by Senator Alario (#595), on page 3, between lines 15 and 16, insert the following:

"(30) Transactions in interstate commerce and tangible personal property imported into this state, or produced or manufactured in this state, for export as provided in R.S. 47:305(E).

(31) Parish councils on aging in R.S. 47:305.66.

(32) Articles traded in on purchases of tangible personal property as provided in R.S. 47:301(13)(a).

(33) A factory built home as provided in R.S. 47:301(16)(g)."

AMENDMENT NO. 18

On page 148, after line 2, insert the following:

"Section 2. R.S. 22:270 is hereby amended and reenacted to read as follows:

§270. Taxes and tax base

A. (1) In lieu of the state income tax and the corporate franchise tax levied in Title 47 of the Louisiana Revised Statutes of 1950, every health maintenance organization authorized and certified to engage in the business of issuing contracts or other evidences or similar forms of coverage to enrollees for health care services or prepaid medical services in this state, including Louisiana partnerships authorized under R.S. 22:244(B), shall pay an annual license tax on the gross amount of its receipts from contracts and other evidences of coverage at the same rate as the license tax on life insurance companies provided in R.S. 22:842 and R.S. 22:844.

(2) Except that the rate for health maintenance organizations with enrollment in coverage in the individual market in Louisiana greater than fifty-five thousand individuals as of December 31, 2015 shall be six hundred dollars for every ten thousand dollars of gross annual premiums collected. For purposes of this Paragraph, "individual market" means the market for health coverage offered to individuals other than in connection with a group plan. The Commissioner of Insurance, in consultation with the Secretary of the Department of Health and Hospitals, shall have the authority, by rule-making pursuant to the Administrative Procedure Act, to prescribe rules in order to implement this provision or to meet the requirements of federal law or regulations, obtain approval from the Centers for Medicare and Medicaid Services, or to ensure federal financial participation. The commissioner shall not adjust the enrollment numbers described in this Paragraph. This Paragraph shall become effective upon the issuance of any required approval by the Centers for Medicare and Medicaid Services, if approval is not received the rate for health maintenance organizations with enrollment in coverage in the individual market in Louisiana greater than fifty-five thousand individuals in effect before the effective date of the Act creating this Paragraph shall apply.

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Respectfully submitted,

Representative Jay Morris

Senator Jean-Paul J. Morrell

Representative Neil C. Abramson

Senator John A. Alario, Jr.

Representative James Morris

Senator Eric Lafleur

CONFERENCE COMMITTEE REPORT DIGEST

HB 61

2016 First Extraordinary Session

Jay Morris

Keyword and oneliner of the instrument as it left the House

TAX/SALES & USE: To provide with respect to the applicability of certain exclusions and exemptions from state sales and use taxes

Report adopts Senate amendments to:

1. Make changes to various exclusions and exemptions to the state sales and use tax.

Report amends Senate amendments to:

1. Make changes to various exclusions and exemptions to the state sales and use tax.

Report amends the bill to:

1. Add provisions relative to certain health maintenance organizations.

Digest of the bill as proposed by the Conference Committee

Present law levies the state sales and use in R.S. 47:302, 321, and 331.

Present law provides for certain exclusions and exemptions to the imposition of the state sales and use tax.

Proposed law provides that the following exclusions and exemptions are the exclusive list that apply:

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

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

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

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

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

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

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

(8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e) and 305(A)(3).

(9) Lease or rentals of railroad rolling stock as provided in R.S. 47:301(4)(k), piggyback trailers as provided in R.S.47:305.45, and railroad green ties as provided in R.S. 47:305.50(F).

(10) Tangible personal property for resale as provided in R.S. 47:301(10)(a)(i).

(11) Feed and feed additives for animals held for business purposes as provided in R.S. 47:305(A)(4).

(12) Farm products produced and used by farmers as provided in R.S. 47:305(B).

- (13) Sales of fertilizers and containers to farmers as provided in R.S. 47:305(D)(1)(f).
- (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.
- (15) Sales of pesticides for agricultural purposes as provided in R.S. 47:305.8.
- (16) Purchases, use, and lease of manufacturing machinery and equipment as provided in R.S. 47:301(3)(i)(i), (13)(k) and (28)(a).
- (17) Sales of materials for further processing as provided in R.S. 47:301(10)(c)(i)(aa).
- (19) Sale of 50-ton vessels and new component parts and sales of certain materials and services to vessels operating in interstate commerce as provided in R.S. 47:305(B).
- (20) Louisiana Tax Free Shopping Program for international visitors as provided in R.S. 51:1301.
- (21) Sales of farm equipment used in poultry production as provided in R.S. 47:301(13)(c).
- (22) Sales of pharmaceuticals administered to livestock for agricultural purposes as provided in R.S. 47:301(16)(f).
- (23) Sales of livestock, poultry and other farm products and sales at public livestock auctions as provided in R.S. 47:305(A)(1) and (2).
- (24) Materials used in the production of crawfish and catfish as provided in R.S. 47:305(A)(5) and (6).
- (25) First fifty thousand dollars of farm equipment purchases as provided in R.S. 47:305.25.
- (26) Fuel used on the farm as provided in R.S. 47:305.37.
- (27) Taxation of electrical cooperatives as provided in R.S. 12:425.
- (28) Overhaul of naval vessels as provided in R.S. 47:301(7)(c) and (14)(h).
- (29) Purchases by state and local governments as provided in R.S. 47:301(8)(c).
- (30) Transactions in interstate commerce and tangible personal property imported into this state, or produced or manufactured in this state, for export as provided in R.S. 47:305(E).
- (31) Parish councils on aging in R.S. 47:305.66.
- (32) Articles traded in on purchases of tangible personal property as provided in R.S. 47:301(13)(a).
- (33) A factory built home as provided in R.S. 47:301(16)(g).