SLS 19RS-357 ORIGINAL

2019 Regular Session

SENATE BILL NO. 85

1

BY SENATOR BARROW

TAX EXEMPTIONS. Exempts from sales and use tax textbooks required for a course offered by a public or nonpublic postsecondary educational institution. (7/1/19)

AN ACT

| 2 | To enact R.S. 47:302(BB)(110), 305.4, 321(P)(111), 321.1(I)(111), 331(V)(111), and |
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| 3 | 337.9(D)(34), relative to state and local sales and use tax exemptions; to provide a |
| 4 | sales tax exemption for certain purchases of postsecondary textbooks and |
| 5 | instructional materials; to provide for an effective date; and to provide for related |
| 6 | matters. |
| 7 | Be it enacted by the Legislature of Louisiana: |
| 8 | Section 1. R.S. 47:302(BB)(110), 305.4, 321(P)(111), 321.1(I)(111), 331(V)(111), |
| 9 | and 337.9(D)(34) are hereby enacted to read as follows: |
| 10 | §302. Imposition of tax |
| 11 | * * * |
| 12 | BB. Notwithstanding any other provision of law to the contrary, including but |
| 13 | not limited to any contrary provisions of this Chapter, beginning July 1, 2018, |
| 14 | through June 30, 2025, there shall be no exemptions and no exclusions to the tax |
| 15 | levied pursuant to the provisions of this Section, except for the retail sale, use, |
| 16 | consumption, distribution, or storage for use or consumption of the following: |
| 17 | * * * |

| 1 | (110) Purchases of postsecondary textbooks or instructional materials as |
|----|---|
| 2 | provided in R.S. 47:305.4. |
| 3 | * * * |
| 4 | §305.4. Postsecondary textbook and instructional materials exemption |
| 5 | A. The sales and use tax levied by the state and its political subdivisions |
| 6 | shall not apply to the purchase of textbooks or instructional materials that are |
| 7 | required or recommended for use in a postsecondary course in which the |
| 8 | purchaser is enrolled and that is offered by the postsecondary educational |
| 9 | institution in which the purchaser is enrolled. |
| 10 | B. Definitions. |
| 11 | (1) For purposes of this Section, the term "instructional materials" |
| 12 | means educational materials, in printed or digital format, that are required or |
| 13 | recommended for use in a course in any field of study. |
| 14 | (2) For purposes of this Section, the term "postsecondary educational |
| 15 | institution" includes public and nonpublic postsecondary educational |
| 16 | institutions. |
| 17 | (3) For purposes of this Section, the term "textbook" means new or used |
| 18 | required or recommended manual of instruction or any instructional materials |
| 19 | for any field of study. |
| 20 | C. The student shall provide a physical or an electronic copy of proof of |
| 21 | enrollment to the dealer to prove that the student qualifies for the exemption at |
| 22 | the time of purchase. Proof of enrollment includes both a valid student |
| 23 | identification card and an applicable course syllabus or list of required and |
| 24 | recommended textbooks and instructional materials. |
| 25 | D. The dealer shall maintain proper documentation, as prescribed by the |
| 26 | rule of the secretary of the Department of Revenue, to identify either complete |
| 27 | transactions or portion of a transaction which involves the sale of tax-exempted |
| 28 | textbooks and instructional materials. |
| 29 | E. The secretary of the Department of Revenue may promulgate rules |

| 1 | in accordance with the Administrative Procedures Act to administer this |
|----|---|
| 2 | Section. |
| 3 | * * * |
| 4 | §321. Imposition of tax |
| 5 | * * * |
| 6 | P. Notwithstanding any other provision of law to the contrary, including but |
| 7 | not limited to any contrary provisions of this Chapter, beginning July 1, 2018, |
| 8 | through June 30, 2025, there shall be no exemptions and no exclusions to the tax |
| 9 | levied pursuant to the provisions of this Section, except for the retail sale, use, |
| 10 | consumption, distribution, or storage for use or consumption of the following: |
| 11 | * * * |
| 12 | (111) Purchases of postsecondary textbooks or instructional materials |
| 13 | as provided in R.S. 47:305.4. |
| 14 | * * * |
| 15 | §321.1 Imposition of tax |
| 16 | * * * |
| 17 | I. Notwithstanding any other provision of law to the contrary, including but |
| 18 | not limited to any contrary provisions of this Chapter, beginning July 1, 2018, |
| 19 | through June 30, 2025, there shall be no exemptions and no exclusions to the tax |
| 20 | levied pursuant to the provisions of this Section, except for the retail sale, use, |
| 21 | consumption, distribution, or storage for use or consumption of the following: |
| 22 | * * * |
| 23 | (111) Purchases of postsecondary textbooks or instructional materials |
| 24 | as provided in R.S. 47:305.4. |
| 25 | * * * |
| 26 | §331. Imposition of tax |
| 27 | * * * |
| 28 | V. Notwithstanding any other provision of law to the contrary, including but |
| 29 | not limited to any contrary provisions of this Chapter, beginning July 1, 2018, |

| 1 | through June 30, 2025, there shall be no exemptions and no exclusions to the tax |
|----|---|
| 2 | levied pursuant to the provisions of this Section, except for the retail sale, use, |
| 3 | consumption, distribution, or storage for use or consumption of the following: |
| 4 | * * * |
| 5 | (111) Purchases of postsecondary textbooks or instructional materials |
| 6 | as provided in R.S. 47:305.4. |
| 7 | * * * |
| 8 | §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other |
| 9 | exemptions applicable |
| 10 | * * * |
| 11 | D. * * * |
| 12 | (34) R.S. 47:305.4, "keywords": certain postsecondary textbooks and |
| 13 | instructional materials. |
| 14 | * * * |
| 15 | Section 2. This Act shall become effective on July 1, 2019. |
| | |
| | |

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 85 Original

2019 Regular Session

Barrow

Proposed law provides an exemption from state and local sales and use tax for purchases of textbooks or instructional materials that are required or recommended for use in a course offered by a postsecondary educational institution in which the purchaser is enrolled.

Proposed law authorizes the secretary of revenue to promulgate rules to provide for the application of the exemption.

Present law provides the exclusive list of state sales and use tax exemptions applicable until July 1, 2025.

Proposed law adds the exemption for purchases of postsecondary textbooks and instructional materials to the list of applicable state sales and use tax exemptions.

<u>Present law</u> provides the exclusive list of applicable local sales and use tax exemptions.

Proposed law adds the exemption for purchases of postsecondary textbooks and instructional materials to the list of applicable local sales and use tax exemptions.

Adds (R.S. 47:302(BB)(110), 305.4, 321(P)(111), 321.1(I)(111), 331(V)(111), and 337.9(D)(34))

Page 4 of 4

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.