

Regular Session, 2007

HOUSE BILL NO. 225

BY REPRESENTATIVES ST. GERMAIN, ARNOLD, BADON, BALDONE, CURTIS,
FARRAR, FAUCHEUX, KENNEY, RICHMOND, RITCHIE, JANE SMITH, AND
TOWNSEND

TAX/SALES-USE-EXEMPT: Authorizes an annual "sales tax holiday" for the purchase of
certain hurricane-preparedness items or supplies

1 AN ACT

2 To enact R.S. 47:305.56, relative to sales and use tax; to authorize an annual "sales tax
3 holiday" for purchases of certain hurricane-preparedness items or supplies; to
4 provide for definitions; to provide restrictions on the types and cost of purchases
5 eligible for exemption; 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. 47:305.56 is hereby enacted to read as follows:

9 §305.56. Exemption; annual sales tax holiday; hurricane-preparedness items or
10 supplies; dates; restrictions

11 A.(1) Notwithstanding any other provision of law to the contrary, the sales
12 and use tax levied by the state of Louisiana shall not apply to the first one thousand
13 five hundred dollars of the sales price of purchases of hurricane-preparedness items
14 or supplies as defined in this Subsection that occur during an eligible tax exemption
15 period.

16 (2)(a) For purposes of this Section, "hurricane-preparedness items or
17 supplies" shall include any of the following:

18 (i) Any portable self-powered light source.

19 (ii) Any portable self-powered radio, two-way radio, or weatherband radio.

20 (iii) Any tarpaulin or other flexible waterproof sheeting.

21 (iv) Any ground anchor system or tie-down kit.

- 1 (v) Any gas or diesel fuel tank.
- 2 (vi) Any package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt
3 batteries, excluding automobile and boat batteries.
- 4 (vii) Any cell phone battery and any cell phone charger.
- 5 (viii) Any nonelectric food storage cooler.
- 6 (ix) Any portable generator used to provide light or communications or
7 preserve food in the event of a power outage.
- 8 (x) Any "storm shutter device". The term "storm shutter device" shall
9 include materials and products manufactured, rated, and marketed specifically for
10 the purposes of preventing window damage from storms.
- 11 (xi) Any carbon monoxide detector.
- 12 (xii) Any blue ice product.
- 13 (b) For purposes of this Section, "eligible tax exemption period" shall mean
14 purchases of hurricane-preparedness items or supplies during the last weekend in
15 May of each year beginning at 12:01 a.m. on Friday and ending at 11:59 p.m. on
16 Sunday.
- 17 B. This Section shall apply if and only if during an eligible tax exemption
18 period one of the following occurs:
- 19 (1) Title to or possession of an eligible hurricane-preparedness item or
20 supply is transferred from a selling dealer to a purchaser.
- 21 (2) A customer selects an eligible item from the selling dealer's inventory for
22 layaway that is physically set aside in the selling dealer's inventory for future
23 delivery to that customer.
- 24 (3) The customer makes final payment and withdraws an item from layaway
25 that might have been placed in layaway before the eligible tax exemption period.
- 26 (4) The customer orders and pays for an eligible item and the selling dealer
27 accepts the order for immediate shipment, even if delivery is made after the eligible
28 tax exemption period, provided that the customer has not requested delayed
29 shipment.

1 C. Eligible items that customers purchase during the eligible tax exemption
2 period with "rain checks" shall qualify for exemption, regardless of when the "rain
3 checks" are issued. However, issuance of "rain checks" during the exemption period
4 shall not qualify items for exemption if the otherwise eligible items are actually
5 purchased after conclusion of the eligible tax exemption period.

6 D.(1) When a customer purchases an eligible item during the eligible tax
7 exemption period and exchanges the item without additional cash consideration after
8 conclusion of the eligible tax exemption period for an essentially identical item of
9 different size, color, or other failure, no additional tax is due.

10 (2) When a customer, after conclusion of the eligible tax exemption period
11 returns an eligible item that was purchased during the eligible tax exemption period
12 and receives credit on the purchase of a different item, the appropriate sales tax is
13 due on the purchase of the new item.

14 E. For a sixty-day period after conclusion of the eligible tax exemption
15 period, when a customer returns an item that would qualify for an exemption, no
16 credit or refunds of sales tax shall be given unless the customer provides a receipt or
17 invoice that shows that the state sales tax was paid or the retailer has sufficient
18 documentation that shows that the tax was paid on the specific item. This sixty-day
19 period is not intended to change a dealer's policy concerning the time period during
20 which returns will be accepted.

21 F. The provisions of this Section shall not apply to hurricane-preparedness
22 items or supplies sold at any airport, public lodging establishment or hotel,
23 convenience store, or entertainment complex.

24 Section 2. The secretary of the Department of Revenue is authorized to adopt and
25 promulgate rules for the administration of the provisions of this Act.

26 Section 3. This Act shall become effective upon signature by the governor or, if not
27 signed by the governor, upon expiration of the time for bills to become law without signature
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 2 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.

St. Germain

HB No. 225

Abstract: Authorizes an annual "sales tax holiday" from state sales and use taxes on the first \$1,500 of the purchase price of certain hurricane-preparedness items or supplies during the last weekend in May of each year.

Proposed law provides for an annual "sales tax holiday" during the last weekend of May each year beginning at 12:01 a.m. on Friday and ending at 11:59 p.m. on Sunday, affecting state sales and use taxes on the first \$1,500 of the purchase price on the purchase of certain hurricane-preparedness items or supplies.

Proposed law defines "hurricane-preparedness items or supplies" as any of the following:

- (1) Any portable self-powered light source.
- (2) Any portable self-powered radio.
- (3) Any tarpaulin or other flexible waterproof sheeting.
- (4) Any ground anchor system or tie-down kit.
- (5) Any gas or diesel fuel tank.
- (6) Any package of AAA, AA, C, D, 6-volt, or 9-volt batteries, excluding automobile and boat batteries.
- (7) Any cell phone battery and any cell phone charger.
- (8) Any nonelectric food storage cooler.
- (9) Any portable generator used to provide light or communications or preserve food in the event of a power outage.
- (10) Any "storm shutter device".
- (11) Any carbon monoxide detector.
- (12) Any blue ice product.

Proposed law prohibits hurricane-preparedness items or supplies purchased at airports, public lodging establishments, convenience stores, and entertainment complexes from qualifying for this sales and use tax exemption.

Proposed law provides for the tax treatment of exempt items sold in sets, promotional sales, exchanges, layaways, rainchecks, and rebates.

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

(Adds R.S. 47:305.56)

Summary of Amendments Adopted by House

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

1. Deletes application of this exemption on local sales and use taxes.

2. Provides that the state sales and use tax holiday is applicable on the first \$1,500 of the purchase price of hurricane-preparedness items or supplies.
3. Prohibits hurricane-preparedness items or supplies purchased at convenience stores from qualifying for this sales and use tax exemption.