

2016 Second Extraordinary Session

SENATE BILL NO. 3

BY SENATOR MORRELL

TAX/TAXATION. Provides with respect to exemptions from state sales tax. (Item Nos. 7-35) (7/1/16)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:302(X), and the introductory
3 paragraph of R.S. 47:321.1(F), and to enact R.S. 47:302(AA) and 321.1(I), relative
4 to state sales and use tax; to restore certain exemptions applicable to state sales tax;
5 to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. The introductory paragraph of R.S. 47:302(X), and the introductory
8 paragraph of R.S. 47:321.1(F) are hereby amended and reenacted and R.S. 47:302(AA) and
9 321.1(I) are hereby enacted to read as follows:

10 §302. Imposition of tax

11 * * *

12 X. Notwithstanding any other provision of law to the contrary, including but
13 not limited to any contrary provisions of this Chapter, for the period April 1, 2016
14 through July 1, 2018, ~~the following~~ **except as provided in Subsection AA of this**
15 **Section, there shall be no** exclusions and exemptions to the tax levied pursuant to
16 the provisions of this Section ~~shall be the exclusive list of allowable~~ **except for**
17 exemptions and exclusions: **for sales or purchases of the following items:**

* * *

AA. Notwithstanding any other provision of this Chapter to the contrary, including but not limited to the provisions of Subsection X of this Section, for the period July 1, 2016 through July 1, 2018, the following specific exemptions and exclusions shall be applicable to the tax levied pursuant to the provisions of this Section:

(1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).

(2) Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).

(3) Sales by a nonprofit entity which sells donated goods as provided in R.S. 47:301(8)(f).

(4) Isolated or occasional sales by a person not engaged in such business as provided in R.S. 47:301(10)(c)(ii)(bb).

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

(6) Sales of food items by a youth serving organization chartered by the United States Congress as provided in R.S. 47:301(10)(h).

(7) Sales or use of tangible personal property donated to a food bank as provided in R.S. 47:301(10)(j).

(8) Sales, leases, and rentals of firefighting equipment by a volunteer fire department as provided in R.S. 47:301(10)(o).

(9) Sales to a free hospital as provided in R.S. 47:301(10)(p).

(10) Sales to, and leases, rentals, and uses of educational materials and equipment for classroom instruction by a parochial or private elementary or secondary school that complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(10)(q).

(11) Sales by parochial or private elementary or secondary schools that complies with the court order from the Dodd Brumfield decision and Section

1 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(18)(e).

2 (12) Sales to Boys State of Louisiana, Inc. and Girls State of Louisiana,
3 Inc. as provided in R.S. 47:301(10)(r).

4 (13) Sales of admissions to athletic and entertainment events as provided
5 in R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or
6 secondary school.

7 (14) Sales of memberships by and dues paid to a nonprofit civic
8 organization as provided in R.S. 47:301(14)(b)(i).

9 (15) Sales or use of materials used in the collection, separation,
10 treatment, testing, and storage of blood as provided in R.S. 47:301(16)(j).

11 (16) Sales or use of apheresis kits and leuko reduction filters as provided
12 in R.S. 47:301(16)(k).

13 (17) Sales or use of orthotic devices, prescription eye glasses, contact
14 lenses, prosthetic devices, wheelchairs, and wheelchair lifts as provided in R.S.
15 47:305(D)(1)(k).

16 (18) Sales or use of ostomy, colostomy, and ileostomy devices and other
17 appliances and equipment as provided in R.S. 47:305(D)(1)(l).

18 (19) Sales or use of adaptive driving equipment as provided in R.S.
19 47:305(D)(1)(u).

20 (20) Sales of meals by an educational institution, medical facility, or
21 mental institution, or occasional meals furnished by an educational, religious,
22 or medical organization as provided in R.S. 47:305(D)(2).

23 (21) Sales, use, or leases of materials, supplies, and machines by a
24 private individual for home renal dialysis as provided in R.S. 47:305(G).

25 (22) Sales of admissions to entertainment events by a little theater
26 organization as provided in R.S. 47:305.6.

27 (23) Sales of admissions to musical performances by a nonprofit
28 organization as provided in R.S. 47:305.7.

29 (24) Sales of admissions to entertainment events sponsored by a

domestic nonprofit charitable, religious, or educational organization as provided in R.S. 47:305.13.

(25) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization as provided in R.S. 47:305.14(A)(1).

(26) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization as provided in R.S. 47:305.18.

(27) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of vessels by licensed commercial fishermen as provided in R.S. 47:305.20.

(28) Sales or use of butane, propane, or other liquified petroleum gases for private, residential consumption as provided in R.S. 47:305.39.

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§321.1. Imposition of Tax

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F. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provision of this Chapter, except as provided in Subsection I of this Section, there shall be no exemptions or exclusions as defined in R.S. 47:301 to the tax levied pursuant to the provisions of this Section, except for the sales or purchases of the following items:

* * *

I. Beginning July 1, 2016, in addition to those exclusions and exemptions provided in Subsection F of this Section, the following specific exemptions and exclusions shall be applicable to the tax levied pursuant to the provisions of this Section:

(1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).

(2) Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).

(3) Sales, leases, and rentals of firefighting equipment by a volunteer fire

1 department as provided in R.S. 47:301(10)(o).

2 (4) Sales to, and leases, rentals, and uses of educational materials and
3 equipment for classroom instruction by a parochial or private elementary or
4 secondary school that complies with the court order from the Dodd Brumfield
5 decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S.
6 47:301(10)(q).

7 (5) Sales by parochial or private elementary or secondary schools that
8 complies with the court order from the Dodd Brumfield decision and Section
9 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(18)(e).

10 (6) Sales to Boys State of Louisiana, Inc. and Girls State of Louisiana,
11 Inc. as provided in R.S. 47:301(10)(r).

12 (7) Sales of admissions to athletic and entertainment events as provided
13 in R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or
14 secondary school.

15 (8) Sales of memberships by and dues paid to a nonprofit civic
16 organization as provided in R.S. 47:301(14)(b)(i).

17 (9) Sales or use of orthotic devices, prescription eye glasses, contact
18 lenses, prosthetic devices, wheelchairs, and wheelchair lifts as provided in R.S.
19 47:305(D)(1)(k).

20 (10) Sales or use of ostomy, colostomy, and ileostomy devices and other
21 appliances and equipment as provided in R.S. 47:305(D)(1)(l).

22 (11) Sales or use of adaptive driving equipment as provided in R.S.
23 47:305(D)(1)(u).

24 (12) Sales of meals by an educational institution, medical facility, or
25 mental institution, or occasional meals furnished by an educational, religious,
26 or medical organization as provided in R.S. 47:305(D)(2).

27 (13) Sales, use, or leases of materials, supplies, and machines by a
28 private individual for home renal dialysis as provided in R.S. 47:305(G).

29 (14) Sales of admissions to entertainment events by a little theater

organization as provided in R.S. 47:305.6.

(15) Sales of admissions to musical performances by a nonprofit organization as provided in R.S. 47:305.7.

(16) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable, religious, or educational organization as provided in R.S. 47:305.13.

(17) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization as provided in R.S. 47:305.14(A)(1).

(18) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization as provided in R.S. 47:305.18.

(19) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of vessels by licensed commercial fishermen as provided in R.S. 47:305.20.

(20) Sales or use of butane, propane, or other liquified petroleum gases for private, residential consumption as provided in R.S. 47:305.39.

Section 2. This Act shall become effective on July 1, 2016.

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

DIGEST

SB 3 Original

2016 Second Extraordinary Session

Morrell

Present law provides for exclusions from sales tax for sales of materials for further processing and for isolated and occasional sales but does not define these terms.

Proposed law defines sales of raw materials for further processing and for isolated and occasional sales.

Present law suspends several exemptions from state sales tax from April 1, 2016 to June 30, 2018 for purposes of the 2% sales tax imposed by R.S. 47:302.

Proposed law restores 28 suspended sales tax exemptions from the 2% levy beginning July 1, 2016, including the exemption for admissions to athletic and entertainment events held for or by an elementary or secondary school, the exemption for purchases of fishing vessels, supplies, and repairs of vessels by licensed commercial fishermen, and the exemption for sales of butane and propane for private, residential consumption.

Present law imposes a 1% state sales tax on sales of tangible personal property and on sales of taxable services from April 1, 2016 to June 30, 2018.

Present law provides for limited exemptions from the temporary 1% state sales tax.

Proposed law adds 20 additional sales tax exemptions to the exemptions that apply to the temporary 1% sales tax, including the exemption for admissions to athletic and entertainment events held for or by an elementary or secondary school, the exemption for purchases of fishing vessels, supplies, and repairs of vessels by licensed commercial fishermen, and the exemption for sales of butane and propane for private, residential consumption.

Effective July 1, 2016.

(Amends R.S. 47:302(X)(intro para) and 321.1(F)(intro para); adds R.S. 47:302(AA) and 321.1(I))