

RÉSUMÉ DIGEST

ACT 6 (SB 15)

2016 Second Extraordinary Session

Morrell

Prior law provided for numerous exclusions and exemptions from state sales and use tax for various transactions involving nonprofit organizations.

Prior law suspended several state sales tax exemptions relating to sales by nonprofit organizations from April 1, 2016, to June 30, 2018, for purposes of the 2% sales tax imposed by R.S. 47:302, and from April 1, 2016, to June 30, 2016, for purposes of each of the 1% state sales tax levies in R.S. 47:321 and 331. These exemptions will be fully restored on July 1, 2018.

New law retains these provisions but requires that certain nonprofits that sell exempt tangible personal property and services be subject to an annual reporting requirement based on transactions occurring during the previous fiscal year, beginning July 1st of the preceding year and ending on June 30th of the current year.

New law requires that the annual report contain the name of the organization, its federal and state tax identification numbers, the annual gross sales of tangible personal property or services that are not subject to the sales and use taxes, and additional information as required by the secretary of the Department of Revenue to determine the annual sales tax revenue loss to the state due to the exemptions or exclusions.

New law requires that the annual report is due on September 30th of each year and requires that it be submitted electronically to the secretary.

New law specifically lists the transactions by nonprofits that are to be reported.

New law provides that these reporting requirements do not apply to nonprofit entities and their affiliates that are exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code.

Effective on July 1, 2016.

(Adds R.S. 47:306.4)