DIGEST

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Landry HB No. 508

Abstract: Exempts from state sales and use tax the purchase of motor vehicles for use by persons with orthopedic disabilities.

Proposed law provides an exemption from state sales and use tax for the purchase of a motor vehicle that has been or will be modified in accordance with a medical prescription for use by a person who is permanently, orthopedically disabled at the time of purchase.

Proposed law excludes from the exemption travel trailers or other vehicles not designed to transport people.

Proposed law defines "orthopedically disabled" as a person who has permanent, limited movement of body extremities and loss of physical functions which prevent the person from either operating or being transported, in a reasonable manner, in a motor vehicle that has not been specially modified.

Proposed law provides a list of vehicle modifications relevant to the exemption, including wheelchair lifts, hoists, attached ramps, wheelchair hold-down clamps, special seat restraints, and the alteration of conventional brake, acceleration, or steering systems.

Proposed law provides that the exemption entitles the purchaser to a rebate of the state sales and use tax paid on the vehicle which may only be claimed after the vehicle modifications have been completed.

Proposed law provides that the claiming of a rebate shall be made pursuant to a procedure established by rule of the Dept. of Revenue. Information which may be required from a purchaser who requests a rebate includes documentation evidencing the person's disability, the prescription for modifications, the purchase of a vehicle, and the modification of the vehicle.

Proposed law authorizes the secretary of the Dept. of Revenue to pay rebates from general collections.

Proposed law is applicable to purchases made on or after Jan. 1, 2010.

Effective October 1, 2011.

(Adds R.S. 47:305.66)

Summary of Amendments Adopted by House

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

1. Changed the tax exemption from the state taxes on purchase of adaptive devices and modifications made to a motor vehicle for use by a disabled person to the state taxes on purchase of a motor vehicle which has been or will be modified for use by a person who is orthopedically disabled.

2. Provided a definition of "orthopedically disabled", and added additional vehicle modifications to the list of modifications which are relevant to the exemption.

3. Added a procedure for claiming the exemption through a request made to the Dept. of Revenue for a rebate of state sales and use taxes paid on the purchase of the vehicle.

4. Added authorization for the payment of rebates from general collections.

5. Added an effective date of Oct. 1, 2011, and applicability of proposed law to purchases made on and after Jan. 1, 2010.