**Henry** **HB No. 247**

**(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)**

**TAX/SALES & USE. Excludes from state and local sales and use tax the sales of tangible personal property and services sold by the sponsor at events sponsored by certain nonprofit organizations.**

DIGEST

Present law provides numerous definitions for purposes of sales and use tax levied by the state and its political subdivisions.

Proposed law retains present law and grants an exclusion from state and local sales and use tax for tangible personal property and services sold at events sponsored by a tax exempt nonprofit organization if the event transpires over at least seven days and has an average five-year annual attendance of 300,000 or more and provides La. heritage, culture, crafts, art, food, and music. The exclusion provided in proposed law is limited to sales by or for the benefit of the sponsor of the event.

Present law specifies that the sales and use tax imposed by taxing authorities shall not apply to sales of tangible personal property and services sold at events sponsored by a nonprofit organization when the entire proceeds, except for necessary expenses such as fees paid for guest speakers, chair and table rentals, and food and beverage utility related items connected therewith, are used for educational, charitable, religious, or historical restoration purposes, including the furtherance of the civic, educational, historical, charitable, fraternal, or religious purpose of the organization.

Proposed law retains present law and adds an exclusion from sales and use tax imposed by taxing authorities for the sales of tangible personal property and services sold at an event which is sponsored by a nonprofit organization if the event transpires over at least seven days but not more than ten days and has an average five-year annual attendance of 300,000 or more and provides La. heritage, culture, crafts, art, food, and music, and for which the sponsor has contracted for production management and financing services for the event. Such services are deemed to be necessary expenses of the sponsor for purposes of the event.

Effective October 1, 2011.

(Amends R.S. 47:305.14(A)(1); Adds R.S. 47:301(10)(hh) and (14)(k))

Summary of Amendments Adopted by House

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

1. Added an effective date of Oct. 1, 2011.

House Floor Amendments to the engrossed bill.

1. Added the requirement that an event must be one that transpires over seven days and has a five-year annual average attendance of at least 300,000.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill.

1. Limits the events eligible for the exemption to those which transpire not more than 10 days.


Prepared by Riley Boudreaux.