HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 247 by Representative Henry

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

Synopsis of Senate Amendments

1. Adds a limitation that the events eligible for the exemption are those which transpire over a minimum of seven but not more than 12 days.

Digest of Bill as Finally Passed by Senate

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 but not more than 12 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 but not more than 12 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))