SLS 14RS-1247 **ENGROSSED**

Regular Session, 2014

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SENATE BILL NO. 604

BY SENATOR MARTINY

ALCOHOLIC BEVERAGES. Provides for the donation of alcoholic beverages to certain organizations. (8/1/14)

AN ACT

2	To amend and reenact R.S. 26:352 and 793(A)(1), relative to the donation of alcoholic
3	beverages; to authorize the donation of alcoholic beverages to certain events and
4	organizations; to provide for certain types of temporary alcoholic beverage permits:
5	and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 26:352 and 793(A)(1) are hereby amended and reenacted to read as
8	follows:
9	§352. Donated beverages of high alcoholic content taxable
10	When a Any person gives away or any dealer may donate alcoholic
11	beverages of high alcoholic content for advertising or for any other purpose, the
12	beverages shall be taxed to a licensed Type A special event or to an unlicensed
13	civic, religious, or charitable organization subject to the payment of any
14	applicable excise taxes.
15	* * *
16	§793. Additional powers of the commissioner
17	A.(1) The commissioner may provide by regulation for the issuance of three-

1 day permits to serve alcoholic beverages at fairs, festivals, civic and fraternal and religious events, Mardi Gras events, and nonprofit functions. The permits shall be 2 3 for a duration of three consecutive days only and no more than twelve such permits may be issued to any one person within a single calendar year. Fees for the permits 4 5 shall be as provided by regulation. (a) There shall be three types of temporary alcoholic beverage permits: 6 7 Type A, Type B, and Type C. 8 (b) Type A permits shall be issued only to nonprofit organizations with 9 tax exempt status under Sections 501(c)(3) and 501(c)(8) of the United States 10 Internal Revenue Code where no transactions exist, whether directly or 11 indirectly, between the licensed tax exempt organizations and any disqualified person as defined by Section 4958(f) of the United States Internal Revenue 12 13 Code. To qualify for this permit, applicants shall submit all documentation as required in the regulations or upon request of the commissioner. Such 14 regulations shall be promulgated in accordance with the Administrative 15 Procedure Act as necessary to implement the provisions of this Subparagraph. 16 (c) Type B permits shall be issued only to nonprofit organizations, which 17 are able to provide some written proof of their nonprofit status, but are unable 18 19 to show written proof of their tax exempt status under Sections 501(c)(3) or 501(c)(8) of the United States Internal Revenue Code. To qualify for this 20 21 permit, applicants shall submit all documentation as required in the regulations or upon the request of the commissioner. Such regulations shall be 22 promulgated in accordance with the Administrative Procedure Act as necessary 23 24 to implement the provisions of this Subparagraph. (d) Type C permits shall be issued to persons holding events where 25 alcoholic beverages are sold or supplied as part of a general admission or other 26 27 type fee, but who do not meet the requirements for Type A or Type B 28 temporary permits. To qualify for this permit, applicants shall submit all 29 documentation as required in the regulations or upon request of the commissioner. Such regulations shall be promulgated in accordance with the
Administrative Procedure Act as necessary to implement the provisions of this

Subparagraph.

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

DIGEST

Martiny (SB 604)

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<u>Present law</u> requires alcoholic beverages of high alcoholic content that are given away for advertising or any other purpose to be taxed.

<u>Proposed law</u> authorizes any person or dealer to donate alcoholic beverages to a licensed Type A special event or an unlicensed civic, religious, or charitable organization subject to the payment of any applicable excise taxes.

<u>Present law</u> authorizes the commissioner to issue by regulation temporary permits for a duration of three consecutive days only and no more than 12 such permits issued to any one person within a single calendar year to serve alcoholic beverages at fairs, festivals, civic and fraternal and religious events, Mardi Gras events, and nonprofit functions, and requires fees for the permits to be provided by regulation.

<u>Proposed law</u> retains <u>present law</u> and creates three types of temporary alcoholic beverage permits.

<u>Proposed law</u> requires Type A permits to be issued only to nonprofit organizations with tax exempt status under certain provisions of the U.S. Internal Revenue Code (IRS), where no transactions exist, whether directly or indirectly, between the licensed tax exempt organizations and any disqualified person as defined under the IRS, and requires the applicants to submit all documentation as required in the regulations promulgated in accordance with the Administrative Procedure Act or upon the request of the commissioner.

<u>Proposed law</u> requires Type B permits to be issued only to nonprofit organizations which are able to provide some written proof of their nonprofit status, but are unable to show written proof of their tax exempt status under the IRS, and requires the applicants to submit all documentation as required in the regulations promulgated in accordance with the Administrative Procedure Act or upon the request of the commissioner.

<u>Proposed law</u> requires Type C permits to be issued to persons holding events where alcoholic beverages are sold or supplied as part of a general admission or other type fee, but who do not meet the requirements for Type A or Type B temporary permits, and requires the applicants to submit all documentation as required in the regulations promulgated in accordance with the Administrative Procedure Act or upon the request of the commissioner.

Effective August 1, 2014.

(Amends R.S. 26:352 and 793(A)(1))