
DIGEST

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HB 66 Original

2016 Second Extraordinary Session

Jimmy Harris

Abstract: Provides with respect to state and local sales and use tax exemptions for the sale of taxable services and tangible personal property at publicly owned domed stadiums and other facilities.

Domed stadiums and baseball facilities owned by the state or a political subdivision

Present law provides an exemption from state and local sales and use tax for sales at a:

- (1) State-owned domed stadium with a seating capacity of at least 70,000.
- (2) A domed stadium with a seating capacity of at least 12,500 and owned by a local political subdivision.
- (3) A state-owned open baseball site with a seating capacity of at least 10,000 which has a professional sports franchise that participates in Class Triple A professional baseball.

Proposed law changes the seating capacity at a state-owned open baseball site from at least 7,500 to at least 10,000.

Proposed law changes present law by limiting the state and local sales and use tax exemptions for sales at a *state owned* domed stadium facility or baseball site, and the state sales and use tax exemptions for sales at a domed facility *owned by a local political subdivision*, to sales of the following:

- (1) Admission tickets to athletic contests or any large scale bid-upon event, which tickets are sold in the primary ticket market or secondary ticket sales if such sales are made by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in a domed facility or baseball facility, including the sale of parking on adjacent property under the same jurisdiction, in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) 50% of the cost price of admission tickets to events, activities, or enterprises other than

tickets to athletic contests or any large scale bid-upon events, wherever sold.

- (5) Tours of the facility.
- (6) The full price of admission tickets for non-athletic events if the event was under contract on or before July 1, 2016.

Proposed law provides that these exemptions shall apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to a domed facility or baseball facility to which the exemptions apply.

Any other facility owned by the state or a political subdivision

Present law provides an exemption from state sales and use taxes for sales at any publicly owned facility other than a domed stadium or baseball facility ("other public facility") if the local jurisdiction in which the other public facility is located also extends an exemption for such sales from its own sales and use taxes. The only sales taxable at events at these facilities are sales at trade shows.

Proposed law changes present law by limiting the state sales and use tax exemptions for sales at an other public facility to sales of the following:

- (1) Admission tickets to athletic contests or any large scale bid-upon event, which tickets are sold in the primary ticket market or secondary ticket sales if such sales are made by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in such facility in connection with officially sanctioned events affiliated with any athletic contests held at the venues subject to the provisions of R.S. 39:467.
- (3) Sales of goods from a team merchandise store at the facility.
- (4) 50% of the cost price of admission tickets to events, activities, or enterprises other than tickets to athletic contests, wherever sold.
- (5) Tours of the facility.
- (6) The full price of admission tickets for non-athletic events if the event was under contract on or before July 1, 2016.
- (7) Parking as allowed for events pursuant to an existing lease or extension thereof.

Proposed law provides that these exemptions shall apply to any event, activity, or enterprise held in conjunction with an athletic contest held in or adjacent to the facility to which the exemptions apply.

Proposed law establishes legislative intent to prohibit any interpretation of proposed law as imposing any new state or local tax upon admissions, parking, and other transactions at the following events: intercollegiate athletic events, high school athletic events, youth sport events, or events sponsored by a La.-based civic, educational, historical, charitable, fraternal, or religious organization that is a nonprofit organization.

Dedications of tax revenues

Proposed law establishes a dedication and allocation of *state sales and use tax* proceeds, exclusive of the avails of taxes derived from sales at a trade show, in an amount equal to 30% of the avails of the state sales and use tax imposed under R.S. 47:321 (1% tax) which are attributable to sales in a domed stadium with a seating capacity of at least 70,000, to be allocated to the Louisiana School for Math, Science, and the Performing Arts and the New Orleans Center for Creative Arts. Such allocation shall be made after satisfaction of the requirements of the Bond Security and Redemption Fund, and the balance of the collections shall be deposited into the state general fund.

Proposed law establishes the following dedication of *local sales and use tax* proceeds, exclusive of the avails of taxes derived from sales at a trade show:

- (1) 20% of the avails of the sales and use taxes imposed in Orleans Parish by any political subdivision which are attributable to sales at a domed stadium shall be allocated to the New Orleans Council on Aging. Monies to satisfy this dedication shall be derived proportionately from the sales and use tax distributions for the following purposes: 50% from the City of New Orleans General Fund, 30% from the Orleans Parish School Board, and 20% from the Regional Transit Authority.
- (2) For purposes of any parish in which there is located a facility on the property of a public post-secondary educational institution that is subject to the provisions of proposed law, the avails of any sales and use tax imposed by any political subdivision which are attributable to sales at that facility shall be allocated to that institution.
- (3) 66% of the avails of any sales and use tax imposed by any political subdivision which are attributable to sales at the Angola State Penitentiary Rodeo shall be allocated to the West Feliciana School Board, and 34% shall be allocated to the West Feliciana Council on Aging.

Applicable to taxable periods beginning on or after July 1, 2016.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:467, 468 and 469(B); Adds 470 and 470.1)