

2016 Second Extraordinary Session

HOUSE BILL NO. 4

BY REPRESENTATIVE JAY MORRIS

TAX/SALES-USE, ST-EXEMPT: Provides for the effectiveness of state sales and use tax exemptions and exclusions for the sales of certain tangible personal property and services (Items #7-34)

1 AN ACT

2 To amend and reenact R.S. 47:302(V)(introductory paragraph) as enacted by Act No. 25 of
3 the 2016 First Extraordinary Session of the Legislature and R.S.
4 47:321.1(F)(introductory paragraph) and to enact R.S. 47:302(AA) and 321.1(F)(66),
5 relative to state sales and use tax; to provide with respect to the effectiveness of
6 exemptions and exclusions for sales of certain tangible personal property and
7 services; to provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:302(V)(introductory paragraph) as enacted by Act No. 25 of the
10 2016 First Extraordinary Session of the Legislature and R.S. 47:321.1(F)(introductory
11 paragraph) are hereby amended and reenacted and R.S. 47:302(AA) and 321.1(F)(66) are
12 hereby enacted to read as follows:

13 §302. Imposition of tax

14 * * *

15 V. Notwithstanding any other provision of law to the contrary, including but
16 not limited to any contrary provisions of this Chapter, for the period April 1, 2016,
17 through July 1, 2018, ~~the following~~ there shall be no exclusions and exemptions to
18 the tax levied pursuant to the provisions of this Section ~~shall be the exclusive list of~~

1 ~~allowable~~ except for exemptions and exclusions: for sales or purchases of the
2 following items and for those items enumerated in Subsection AA of this Section:

3 * * *

4 AA. Notwithstanding any other provision of this Section to the contrary,
5 beginning July 1, 2016, the following specific exclusions and exemptions shall be
6 applicable to the tax levied pursuant to the provisions of this Section:

7 (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit
8 organization as provided in R.S. 47:301(6)(b).

9 (2) Sales of room rentals by a homeless shelter as provided in R.S.
10 47:301(6)(c).

11 (3) Sales by a nonprofit entity that sells donated goods as provided in R.S.
12 47:301(8)(f).

13 (4) Isolated or occasional sales by a person not engaged in such business as
14 provided in R.S. 47:301(10)(c)(ii)(bb).

15 (5) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).

16 (6) Sales of food items by a youth-serving organization chartered by the
17 United States Congress as provided in R.S. 47:301(10)(h).

18 (7) Sales to a food bank or use of tangible personal property donated to a
19 food bank as provided in R.S. 47:301(10)(j) and (18)(a)(i).

20 (8) Sales or purchases of fire-fighting equipment by a volunteer fire
21 department as provided in R.S. 47:301(10)(o).

22 (9) Sales, leases, or rentals of tangible personal property and sales of services
23 to a free hospital as provided in R.S. 47:301(7)(e), (10)(p), and 18(c).

24 (10) Sales, leases, rentals, or use of educational materials and equipment for
25 classroom instruction to a parochial and private elementary and secondary school
26 which complies with the court order from the Dodd Brumfield decision and Section
27 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(7)(f), (10)(q)(ii),
28 and (18)(c)(ii).

1 (11) Sales and use of tangible personal property sold by a parochial and
2 private elementary and secondary school which complies with the court order from
3 the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as
4 provided in R.S. 47:301(10)(q)(i) and (18)(e)(i).

5 (12) Sales, leases, or rentals of tangible personal property to Boys State of
6 Louisiana, Inc., and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g)
7 and (10)(r).

8 (13) Sales of admissions to athletic and entertainment events as provided in
9 R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or secondary
10 school.

11 (14) Sales of memberships by and dues paid to a nonprofit civic organization
12 as provided in R.S. 47:301(14)(b)(i).

13 (15) Sales or use of materials used in the collection of blood as provided in
14 R.S. 47:301(16)(j).

15 (16) Sales or use of apheresis kits and leuko reduction filters as provided in
16 R.S. 47:301(16)(k).

17 (17) Sales or use of orthotic devices, prosthetic devices, and wheelchairs
18 prescribed by physicians, optometrists, or licensed chiropractors as provided in R.S.
19 47:305(D)(1)(k).

20 (18) Sales or use of ostomy, colostomy, and ileostomy devices and other
21 equipment as provided in R.S. 47:305(D)(1)(l).

22 (19) Sales or use of adaptive driving equipment and motor vehicle
23 modifications as provided in R.S. 47:305(D)(1)(u).

24 (20) Sales of meals by an educational institution, medical facility, or mental
25 institution, or occasional meals furnished by an educational, religious, or medical
26 organization as provided in R.S. 47:305(D)(2).

27 (21) Sales, use, or leases of materials, supplies, and machines by a private
28 individual for home renal dialysis as provided in R.S. 47:305(G).

1 (22) Sales of admissions to entertainment events by a Little Theater
2 organization as provided in R.S. 47:305.6.

3 (23) Sales of admissions to musical performances by a nonprofit
4 organization as provided in R.S. 47:305.7.

5 (24) Sales of admissions to entertainment events sponsored by a domestic
6 nonprofit charitable, religious, or educational organization as provided in R.S.
7 47:305.13.

8 (25) Sales of admissions to, parking fees charged at, and tangible personal
9 property sold at events sponsored by a nonprofit organization as provided in R.S.
10 47:305.14(A)(1).

11 (26) Sales of admissions to and parking fees charged at fairs and festivals
12 sponsored by a nonprofit organization as provided in R.S. 47:305.18.

13 (27) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of
14 vessels by licensed commercial fishermen as provided in R.S. 47:305.20.

15 (28) Sales or use of butane, propane, or other liquefied petroleum gases for
16 private, residential consumption as provided in R.S. 47:305.39.

17 * * *

18 §321.1. Imposition of Tax

19 * * *

20 F. Notwithstanding any other provision of law to the contrary, including but
21 not limited to any contrary provision of this Chapter, except as otherwise provided
22 in Paragraph (66) of this Subsection, there shall be no exemptions or exclusions as
23 defined in R.S. 47:301 to the tax levied pursuant to the provisions of this Section,
24 except for the sales or purchases of the following items:

25 * * *

26 (66) Beginning July 1, 2016, in addition to those exclusions and exemptions
27 provided for in Paragraphs (1) through (65) of this Subsection, the following
28 exclusions and exemptions shall be allowable for purposes of the tax levied pursuant
29 to the provisions of this Section:

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (a) Sales of room rentals by a camp or retreat facility owned by a nonprofit
2 organization as provided in R.S. 47:301(6)(b).

3 (b) Sales of room rentals by a homeless shelter as provided in R.S.
4 47:301(6)(c).

5 (c) Sales or purchases of fire-fighting equipment by a volunteer fire
6 department as provided in R.S. 47:301(10)(o).

7 (d) Sales, leases, rentals, or use of educational materials and equipment for
8 classroom instruction to a parochial and private elementary and secondary school
9 which complies with the court order from the Dodd Brumfield decision and Section
10 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(7)(f), (10)(q), and
11 (18)(c).

12 (e) Sales and use of tangible personal property sold by a parochial and
13 private elementary and secondary school which complies with the court order from
14 the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as
15 provided in R.S. 47:301(10)(q) and (18)(e).

16 (f) Sales, leases, or rentals of tangible personal property to Boys State of
17 Louisiana, Inc., and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g)
18 and (10)(r).

19 (g) Sales of admissions to athletic and entertainment events as provided in
20 R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or secondary
21 school.

22 (h) Sales of memberships by and dues paid to a nonprofit civic organization
23 as provided in R.S. 47:301(14)(b)(i).

24 (i) Sales or use of orthotic devices, prosthetic devices, and wheelchairs
25 prescribed by physicians, optometrists, and licensed chiropractors as provided in R.S.
26 47:305(D)(1)(k).

27 (j) Sales or use of ostomy, colostomy, and ileostomy devices and other
28 equipment as provided in R.S. 47:305(D)(1)(l).

1 (k) Sales or use of adaptive driving equipment and motor vehicle
2 modifications as provided in R.S. 47:305(D)(1)(u).

3 (l) Sales of meals by an educational institution, medical facility, or mental
4 institution, or occasional meals furnished by an educational, religious, or medical
5 organization as provided in R.S. 47:305(D)(2).

6 (m) Sales, use, or leases of materials, supplies, and machines by a private
7 individual for home renal dialysis as provided in R.S. 47:305(G).

8 (n) Sales of admissions to entertainment events by a Little Theater
9 organization as provided in R.S. 47:305.6.

10 (o) Sales of admissions to musical performances by a nonprofit organization
11 as provided in R.S. 47:305.7.

12 (p) Sales of admissions to entertainment events sponsored by a domestic
13 nonprofit charitable, religious, or educational organization as provided in R.S.
14 47:305.13.

15 (q) Sales of admissions to, parking fees charged at, and tangible personal
16 property sold at events sponsored by a nonprofit organization as provided in R.S.
17 47:305.14(A)(1).

18 (r) Sales of admissions to and parking fees charged at fairs and festivals
19 sponsored by a nonprofit organization as provided in R.S. 47:305.18.

20 (s) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of
21 vessels by licensed commercial fishermen as provided in R.S. 47:305.20.

22 (t) Sales or use of butane, propane, or other liquefied petroleum gases for
23 private, residential consumption as provided in R.S. 47:305.39.

24 * * *

25 Section 2. This Act shall become effective July 1, 2016.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 4 Original

2016 Second Extraordinary Session

Jay Morris

Abstract: Adds various exemptions and exclusions to the list of state sales and use tax exemptions and exclusions to be given effect beginning July 1, 2016.

Present law establishes a variety of state sales and use tax exclusions and exemptions.

Present law suspends numerous exemptions and exclusions from the state sales and use tax (R.S. 47:302, 321, 321.1, and 331) for two different periods of time, both occurring between April 1, 2016, and June 30, 2018.

Present law provides that the suspension of the following exemptions and exclusions for purposes of two of the tax levies, R.S. 47:321 and 331, expires June 30, 2016. The suspension with respect to the other two tax levies, R.S. 47:302 and 321.1 remains effective through June 30, 2018.

Proposed law changes present law for purposes of exemptions and exclusions to the state sales and use taxes imposed under R.S. 47:302, beginning July 1, 2016, by adding the following exemptions and exclusions to the list of exemptions and exclusions that remain in effect through June 30, 2018:

- (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization.
- (2) Sales of room rentals by a homeless shelter.
- (3) Sales by a nonprofit entity which sells donated goods.
- (4) Isolated or occasional sales by a person not engaged in such business.
- (5) Sales of human tissue transplants.
- (6) Sales of food items by a youth-serving organization chartered by the U. S. Congress.
- (7) Sales to a food bank or use of tangible personal property donated to a food bank.
- (8) Sales or purchases of fire-fighting equipment by a volunteer fire department.
- (9) Sales of tangible personal property and services to a free hospital.
- (10) Sales, leases, or rentals of educational materials and equipment to a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (11) Sales and use of tangible personal property sold by a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (12) Sales, leases, or rentals of tangible personal property to Boys State of La., Inc., and Girls State of La., Inc.

- (13) Sales of admissions to athletic and entertainment events held for or by an elementary or secondary school.
- (14) Sales of memberships by and dues paid to a nonprofit civic organization.
- (15) Sales or use of materials used in the collection of blood.
- (16) Sales or use of apheresis kits and leuko reduction filters.
- (17) Sales or use of orthotic devices, prosthetic devices, and wheelchairs.
- (18) Sales or use of ostomy, colostomy, and ileostomy devices and other equipment.
- (19) Sales or use of adaptive driving equipment and motor vehicle modifications.
- (20) Sales of meals by an educational institution, medical facility, or other institution.
- (21) Sales, use, or leases of materials, supplies, and machines by a private individual for home renal dialysis.
- (22) Sales of admissions to entertainment events by a Little Theater organization.
- (23) Sales of admissions to musical performances by a nonprofit organization.
- (24) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable, religious, or educational organization.
- (25) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization.
- (26) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization.
- (27) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of vessels by licensed commercial fishermen.
- (28) Sales or use of butane, propane, or other liquefied petroleum gases for private, residential consumption.

Present law imposes a 1% temporary state sales and use tax (R.S. 47:321.1) for the period from April 1, 2016, through June 30, 2018. The following exemptions and exclusions from state sales and use tax are not applicable for purposes of the new tax.

Proposed law changes present law for purposes of exemptions and exclusions to the 1% temporary state sales and use tax imposed under R.S. 47:321.1 by adding the foregoing exclusions and exemptions to the list of state sales and use tax exemptions and exclusions to be given effect beginning July 1, 2016:

- (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization.
- (2) Sales of room rental by a homeless shelter.
- (3) Sales or purchases of fire-fighting equipment by a volunteer fire department.
- (4) Sales, leases, or rentals of educational materials and equipment to a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.

- (5) Sales and use of tangible personal property sold by a parochial and private elementary and secondary school which complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (6) Sales, leases, or rentals of tangible personal property to Boys State of La., Inc., and Girls State of La., Inc.
- (7) Sales of admissions to athletic and entertainment events for or by an elementary or secondary school.
- (8) Sales of memberships by and dues paid to a nonprofit civic organization.
- (9) Sales or use of orthotic devices, prosthetic devices, and wheelchairs.
- (10) Sales or use of ostomy, colostomy, and ileostomy devices and other equipment.
- (11) Sales or use of adaptive driving equipment and motor vehicle modifications.
- (12) Sales of meals by an educational institution, medical facility, or other institution.
- (13) Sales, use, or leases of materials, supplies, and machines by a private individual for home renal dialysis.
- (14) Sales of admissions to entertainment events by a Little Theater organization.
- (15) Sales of admissions to musical performances by a nonprofit organization.
- (16) Sales of admissions to entertainment events sponsored by a domestic nonprofit charitable, religious, or educational organization.
- (17) Sales of admissions to, parking fees charged at, and tangible personal property sold at events sponsored by a nonprofit organization.
- (18) Sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization.
- (19) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs of vessels by licensed commercial fishermen.
- (20) Sales or use of butane, propane, or other liquefied petroleum gases for private, residential consumption.

Effective July 1, 2016.

(Amends R.S. 47:302(V)(intro. para.) as enacted by Act No. 25 of the 2016 1st E.S. and R.S. 47:321.1(F)(intro.para.); Adds R.S. 47:302(AA) and 321.1(F)(66))