

Regular Session, 2013

HOUSE BILL NO. 418

BY REPRESENTATIVE EDWARDS

TAX/SALES & USE: Provides with respect to the state and local sales and use tax exemption for sales at certain events sponsored by nonprofit organizations

1 AN ACT

2 To amend and reenact R.S. 47:305.14(C), relative to sales and use tax; to provide with
3 respect to the exemption for sales of tangible personal property and services at events
4 sponsored by certain nonprofit organizations; to provide with regard to exemption
5 certificates; to authorize reviews for compliance; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:305.14(C) is hereby amended and reenacted to read as follows:

8 §305.14. Exclusions and exemptions; nonprofit organizations; nature of exemption;
9 limitations; qualifications; newspapers; determination of tax exempt status

10 * * *

11 C.(1) An annual exemption certificate ~~must~~ shall be obtained from the
12 collector of revenue, under such regulations as he shall prescribe, in order for
13 nonprofit organizations to qualify for the exemption provided in this ~~section~~ Section.
14 Any event held pursuant to such annual exemption certificate shall be subject to
15 review for compliance with the provisions of law and regulations governing this
16 exemption.

17 (2) In the event the collector of revenue denies tax exempt status under this
18 section, the organization may appeal such ruling to the Louisiana Board of Tax
19 Appeals, which may overrule the collector of revenue and grant tax exempt status if

1 the Louisiana Board of Tax Appeals determines that the denial of tax exempt status
2 by the collector of revenue was arbitrary, capricious, or unreasonable.

3 (3) Provided however, that any organization which endorses any candidate
4 for political office or otherwise is involved in political activities shall not be eligible
5 for the exemption herein provided.

6 * * *

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)]

Edwards

HB No. 418

Abstract: For purposes of the existing state and local sales and use tax exemption for sales occurring at events sponsored by nonprofit organizations, requires that the exemption certificate be obtained annually.

Present law provides an exemption from state and local sales and use tax on sales occurring at events sponsored by nonprofit domestic, civic, educational, historical, charitable, fraternal, or religious organizations. Present law requires that an exemption certificate be obtained from the secretary of the Dept. of Revenue in order for any such organization to qualify for the tax exemption.

Proposed law retains present law and requires that the exemption certificate be obtained annually. Further, proposed law provides that the Dept. of Revenue may review transactions from any event held pursuant to the authority granted by an exemption certificate.

(Amends R.S. 47:305.14(C))

Summary of Amendments Adopted by House

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

1. Deleted provisions authorizing qualification for the sales and use tax exemption for one event per quarter without the necessity of obtaining an exemption certificate.
2. Added the requirement for an annual exemption certificate, and also provides that the Dept. of Revenue may review transactions from events held pursuant to an exemption certificate.