

2016 Second Extraordinary Session

HOUSE BILL NO. 53

BY REPRESENTATIVE ABRAMSON

TAX: Provides with respect to sales of certain services and tangible personal property at certain publicly owned facilities (Item #35)

1 AN ACT

2 To amend and reenact R.S. 39:467 and 468, relative to sales of certain services and tangible
3 personal property at certain facilities owned by the state or a political subdivision;
4 to impose a local public entertainment facility access charge; to provide for the
5 collection and use of certain state and local revenues; to provide for exemptions from
6 certain taxes and charges; to provide for effectiveness; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:467 and 468 are hereby amended and reenacted to read as
10 follows:

11 CHAPTER 3-G. ~~TAX EXEMPTIONS~~, PUBLICLY-OWNED
12 FACILITIES, SALES OF SERVICES AND PROPERTY; ACCESS CHARGE; SALES
13 AND USE TAX; EXEMPTIONS

14 §467. ~~Tax exemption~~, Sales of services and tangible personal property at a publicly
15 owned domed stadium facilities; facility or baseball facilities facility; local
16 public entertainment facility access charge; sales and use tax; exemptions

17 A. Definitions. For purposes of this Chapter the following terms and phrases
18 shall have the following meanings:

19 (1) "Event" means any event, activity, or enterprise, excluding a trade show.

1 (2) "Locally owned domed facility" means a domed arena facility and
2 adjacent and connected facilities which are under the jurisdiction of any political
3 subdivision or any commission of such political subdivision if the domed arena
4 facility on such property has a seating capacity of at least twelve thousand five
5 hundred and is located within a parish with a population of more than one hundred
6 eighty-five thousand according to the most recent federal decennial census, or the
7 publicly owned property on which the facilities are located.

8 (3) "Sales" means sales of taxable services and tangible personal property
9 at an event at a locally owned domed facility, a state-owned domed facility or
10 baseball facility, or any other facility owned and operated by or for the state, or any
11 of its agencies, boards, or commissions, or by any political subdivision or on the
12 publicly owned property on which the facility is located.

13 (4) "State-owned domed facility or baseball facility" means a public facility
14 or site that is owned and operated by or for the state, or any of its agencies, boards,
15 or commissions and is located within a body politic and corporate and political
16 subdivision of the state composed of more than one parish and that meets either of
17 the following criteria:

18 (a) A domed facility which has a seating capacity of at least seventy
19 thousand, or the publicly owned property on which the facility is located.

20 (b) An open baseball site, or the property on which the site is located, which
21 site has a seating capacity of at least seven thousand five hundred, and has a
22 professional sports franchise that participates in Class Triple-A professional baseball.

23 (5) "Trade show" means a trade show or other event at which the sale of
24 goods is the primary purpose of the event.

25 ~~(a) Any event, activity, or enterprise, or the right of admission thereto,~~
26 ~~conducted in any domed stadium facility owned and operated by or for the state, or~~
27 ~~any of its agencies, boards, or commissions, which facility has a seating capacity of~~
28 ~~at least seventy thousand and is located within a body politic and corporate and~~
29 ~~political subdivision of the state composed of more than one parish, or any sale,~~

1 ~~service, or other transaction occurring in such facility, or on the publicly owned~~
2 ~~property on which the facility is located, including without limitation the sale of~~
3 ~~admission tickets to events, activities, or enterprises, wherever sold; parking; and~~
4 ~~tours of the facility shall be exempt from all present and future taxes levied by the~~
5 ~~state or by any local taxing authority, including but not limited to the sales, use,~~
6 ~~amusement, or any other tax.~~

7 B. State-owned facility. (1) Sales occurring at an event at a state-owned
8 domed facility or baseball facility shall be exempt from sales and use taxes imposed
9 by a political subdivision, but the exemption shall not extend to sales at trade shows.
10 Such sales shall be subject to the state sales and use taxes and to the local public
11 entertainment facility access charge, hereinafter referred to as "local access charge",
12 which is hereby imposed upon sales at the rate of four percent of the retail price of
13 the sale, with all such taxes and charges subject to the exemptions established in
14 Paragraph (2) of this Subsection.

15 (2) Exemptions. The following sales shall be exempt from state sales and
16 use taxes and the local access charge:

17 (a) Admission tickets to athletic contests or any large scale bid-upon events
18 sold in either of the following:

19 (i) The primary ticket market.

20 (ii) Secondary market ticket sales by a nonprofit host organization.

21 (b) Any sale, service, or other transaction, including the sale of parking, and
22 for purposes of a state-owned baseball facility parking on adjacent property under
23 the same jurisdiction, such sales occurring in the facility in connection with athletic
24 contests or any large scale bid-upon events.

25 (c) Sales of goods from a team merchandise store at the facility.

26 (d) Fifty percent of the cost price of admission tickets to events, activities,
27 or enterprises other than tickets to athletic contests or any large scale bid-upon
28 events, wherever sold.

29 (e) Tours of the facility.

1 (f) The full price of admission on tickets for non-athletic events if the event
2 was under contract on or before September 1, 2016.

3 (3) The state sales and use taxes and the local access charge imposed on such
4 sales shall be collected and enforced pursuant to the provisions of Chapter 2 of
5 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 insofar as such
6 provisions are not in conflict with this Subsection, with the local access charge
7 treated in the same manner as state sales and use taxes. All tax and local access
8 charge proceeds shall be remitted to the secretary of the Department of Revenue,
9 who shall collect the local access charge as an agent of local government. The
10 secretary may assess a collection fee in an amount not to exceed one and one-half of
11 one percent of the proceeds of the local access charge.

12 (4) Disposition of state tax proceeds. Of the monies remaining after
13 satisfaction of the requirements of Article VII, Section 9(B) of the Constitution of
14 Louisiana concerning the Bond Security and Redemption Fund, and R.S. 47:318(A)
15 concerning support of economic development, an amount equal to thirty percent of
16 the proceeds of the tax imposed under R.S. 47:321 on sales occurring at the state-
17 owned domed facility described in Subparagraph (A)(4)(a) of this Section shall be
18 allocated one-half to the Louisiana School of Math, Science, and the Arts, and one-
19 half to the New Orleans Center for Creative Arts. All monies remaining thereafter
20 shall be deposited into the state general fund. For purposes of this allocation, on the
21 last day of November of each year the secretary of the Department of Revenue shall
22 provide to the chairman of the Joint Legislative Committee on the Budget and the
23 commissioner of administration an official estimate of the amount of state revenues
24 received within the previous twelve months which were derived from the tax
25 imposed pursuant to R.S. 47:321 from sales at the state-owned domed facility
26 described in Subparagraph (A)(4)(a) of this Section. The estimate shall be utilized
27 by the commissioner of administration in the preparation of the following year's
28 executive budget in which a recommendation shall be made to appropriate such
29 amounts as may be necessary to provide for this allocation.

1 (5) Disposition of local access charge proceeds:

2 (a) The secretary shall distribute the local access charge proceeds quarterly
3 to the parish governing authority of each parish in which the local access charges
4 were collected.

5 (b) Within fourteen days thereafter, the parish governing authority shall
6 distribute the local access charge proceeds, at no charge, to the following entities
7 within the parish, in the following order:

8 (i) If the local access charge proceeds were derived from activity occurring
9 at a facility located on the property of a public post-secondary educational institution
10 located in the parish, all proceeds attributable to activity at that facility shall be
11 distributed to that institution.

12 (ii) After satisfaction of the requirements of Item (i) of this Subparagraph,
13 all remaining local access charge proceeds shall be distributed to the parish council
14 on aging, except as follows:

15 (aa) Of the total local access charge proceeds distributed to Orleans Parish,
16 twenty percent shall be allocated to the New Orleans Council on Aging.

17 (bb) Of the total local access charge proceeds derived from sales at the
18 Angola State Penitentiary Rodeo, sixty-six percent shall be allocated to the West
19 Felician School Board, and thirty-four percent shall be allocated to the West
20 Felician Council on Aging.

21 ~~(b) Any event, activity, or enterprise, or the right of admission thereto,~~
22 ~~conducted on any property which contains a domed arena facility and adjacent and~~
23 ~~connected facilities which is under the jurisdiction of any political subdivision or any~~
24 ~~commission of such political subdivision if the domed arena facility on such property~~
25 ~~has a seating capacity of at least twelve thousand five hundred and is located within~~
26 ~~a parish with a population of more than one hundred eighty-five thousand and less~~
27 ~~than two hundred fifty thousand according to the most recent federal decennial~~
28 ~~census, or any sale, service, rental, or other transaction occurring in any such~~
29 ~~facilities or on the publicly owned property on which the facilities are located,~~

1 ~~including without limitation the sale of food, drink, merchandise, services of any~~
2 ~~kind, admission tickets to events, activities, or enterprises, wherever sold; parking,~~
3 ~~including any parking on property under the jurisdiction of such commission for an~~
4 ~~event or activity; and tours of the facilities shall be exempt from all present and~~
5 ~~future taxes the local public entertainment facility access charge, and for purposes~~
6 ~~of sales and use taxes levied by the state of Louisiana, including but not limited to~~
7 ~~the sales, use, amusement, or any other tax.~~

8 ~~(2) Any event, activity, enterprise, or the right of admission thereto,~~
9 ~~conducted in any open baseball site owned and operated by and for the state, or any~~
10 ~~of its agencies, boards, or commissions, which site has a seating capacity of at least~~
11 ~~ten thousand, has a professional sports franchise that participates in Class Triple A~~
12 ~~professional baseball and is located within a body politic and corporate and political~~
13 ~~subdivision of the state composed of more than one parish, or any sale, service, or~~
14 ~~other transaction occurring in such facility or on the publicly owned property on~~
15 ~~which the site is located, including without limitation the sale of admission tickets~~
16 ~~to events, activities, or enterprises, wherever sold, parking, and tours of the site shall~~
17 ~~be exempt from all present and future taxes levied by the state or by any local taxing~~
18 ~~authority, including but not limited to the sales, use, amusement, or any other tax.~~

19 C. Locally owned domed facility. Sales occurring at an event at a locally
20 owned domed facility shall be exempt from the local access charge, and for purposes
21 of state sales and use taxes the following exemptions shall apply:

22 (1) Admission tickets to athletic contests or any large scale bid-upon events
23 sold in either of the following:

24 (i) The primary ticket market.

25 (ii) Secondary market ticket sales by a nonprofit host organization.

26 (2) Any sale, service, or other transaction occurring in such facility,
27 including the sale of parking on adjacent property under the same jurisdiction, in
28 connection with athletic contests or any large scale bid-upon events.

29 (3) Sales of goods from a team merchandise store at the facility.

1 (4) Fifty percent of the cost price of admission tickets to events, activities,
2 or enterprises other than tickets to athletic contests or any large scale bid-upon
3 events, wherever sold.

4 (5) Tours of the facility.

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

7 D. The exemptions established in this Section shall apply to any event,
8 activity, or enterprise held in conjunction with athletic events or any large scale bid-
9 upon event or other event allowed under an existing lease or an extension thereof,
10 inclusive of activities within and adjacent to the facility to which the exemptions
11 apply.

12 ~~B. This exemption~~ E. The exemptions established in this Section shall not
13 extend to any sale of ~~goods or other~~ services or tangible personal property ~~at a trade~~
14 ~~show or other event at which the sale of such goods or property is the primary~~
15 ~~purpose of the show or event~~ not specifically provided for in this Section.

16 F. The provisions of this Section shall not be interpreted as either imposing
17 or rendering the following activities subject to the imposition of any state or local
18 tax:

19 (1) Sales of admission tickets and parking for intercollegiate athletic events
20 sponsored or promoted by a Louisiana-based college or university, including any
21 conferences, leagues, and associations in which they participate, and a nonprofit
22 corporation affiliated with such college or university.

23 (2) Sales of admission tickets and parking for high school athletic events
24 sponsored or promoted by a Louisiana high school, including any conferences,
25 leagues, and associations in which they participate.

26 (3) Sales of admission tickets and parking for youth sports events sponsored
27 or promoted by a Louisiana-based youth sports league or association.

28 (4) Sales of admission tickets and parking for events sponsored by a
29 Louisiana-based civic, educational, historical, charitable, fraternal, or religious

1 organization that is a nonprofit organization to the extent provided by applicable
 2 laws.

3 ~~§468. Tax exemption, publicly-owned facility~~ Sales of services and tangible
 4 personal property at certain public facilities; local public facility access
 5 charge; sales and use tax; exemptions

6 ~~Any event, activity, or enterprise, or the right of admission thereto, conducted~~
 7 ~~in any publicly-owned~~ A. The provisions of this Section shall apply to any public
 8 facility that is not subject to the provisions of R.S. 39:467. Sales occurring at an
 9 event conducted at a facility owned and operated by or for the state, or any of its
 10 agencies, boards, or commissions, or by any political subdivision, ~~or any sale,~~
 11 ~~service, or other transaction occurring in such facility~~ or on the publicly-owned
 12 publicly owned property on which the facility is located, hereinafter referred to
 13 collectively as "facility", including without limitation the sale of admission tickets
 14 ~~to events, activities, or enterprises, wherever sold; parking; and tours of the facility~~
 15 shall be exempt from all present and future taxes levied by the state and political
 16 subdivisions including but not limited to the sales, use, amusement, or any other tax;
 17 ~~provided however, that such exemption shall not apply unless the local taxing~~
 18 ~~authority first exempts from any tax levied by that authority such events, activities,~~
 19 ~~enterprises, sales, services, or other transaction occurring within all publicly-owned~~
 20 ~~facilities within the jurisdiction of said local taxing authority. However, this~~
 21 ~~exemption shall not extend to any sale of goods or other tangible personal property~~
 22 ~~at a trade show or other event at which the sale of such goods or property is the~~
 23 ~~primary purpose of the show or event.~~ to the extent provided for in Subsection B of
 24 this Section.

25 B.(1) Beginning July 1, 2016, sales at an event at a facility located in a
 26 parish in which there was no local sales and use tax imposed on those sales on June
 27 1, 2016, shall be exempt from local sales and use tax, but the exemption shall not
 28 extend to sales at a trade show. The sales shall be subject to the local public
 29 entertainment facility access charge, hereinafter referred to as "local access charge",

1 which is hereby imposed upon such sales at the rate of four percent of the retail price
2 of the sale, subject to the exemptions established in Paragraph (2) of this Subsection.

3 (2) Beginning September 1, 2016, the following exemptions shall apply to
4 sales occurring at an event at a facility subject to the provisions of Paragraph (1) of
5 this Subsection for purposes of the state sales and use taxes and the local access
6 charge:

7 (a) Admission tickets to athletic events sold in either of the following:

8 (i) The primary ticket market.

9 (ii) Secondary market ticket sales by a nonprofit host organization.

10 (b) Any sale, service, or other transaction occurring in such facility in
11 connection with officially sanctioned events affiliated with athletic contests held at
12 a facility subject to the provisions of R.S.39:467.

13 (c) Sales of goods from a team merchandise store at the facility.

14 (d) Fifty percent of the cost price of admission tickets to events, activities,
15 or enterprises other than tickets to athletic events, wherever sold.

16 (e) Tours of the facility.

17 (f) The full price of admission on tickets for non-athletic events if the event
18 was under contract on or before September 1, 2016.

19 (g) Parking pursuant to events allowed under an existing lease or extension
20 thereof.

21 C. The imposition and collection of state sales and use taxes and the local
22 access charge on sales occurring at a facility shall be an obligation collected and
23 accounted for in the same manner as is provided for a facility that is subject to the
24 provisions of R.S. 39:467(B)(3). The disposition of the proceeds of the local access
25 charge shall be conducted in the same manner as is provided for a facility that is
26 subject to the provisions of R.S. 39:467(B)(5).

27 D. The exemptions provided in this Section shall apply to any event, activity,
28 or enterprise held in conjunction with athletic events or any large scale bid-upon
29 event or other event allowed under an existing lease or an extension thereof,

1 inclusive of activities within and adjacent to the facility to which the exemptions
2 apply.

3 E. The provisions of this Section shall not be interpreted as either imposing
4 or rendering the following activities subject to the imposition of any state or local
5 tax:

6 (1) Sales of admission tickets and parking for intercollegiate athletic events
7 sponsored or promoted by a Louisiana-based college or university, including any
8 conferences, leagues, and associations in which they participate, and a nonprofit
9 corporation affiliated with such a college or university.

10 (2) Sales of admission tickets and parking for high school athletic events
11 sponsored or promoted by a Louisiana high school, including any conferences,
12 leagues, and associations in which they participate.

13 (3) Sales of admission tickets and parking for youth sports events sponsored
14 or promoted by a Louisiana-based youth sports league or association.

15 (4) Sales of admission tickets and parking for events sponsored by a
16 Louisiana-based civic, educational, historical, charitable, fraternal, or religious
17 organization that is a nonprofit organization to the extent provided by applicable
18 laws.

19 Section 2. The provisions of this Act shall be applicable to all taxable periods
20 beginning on or after September 1, 2016.

21 Section 3. This Act shall become effective upon signature by the governor or, if not
22 signed by the governor, upon expiration of the time for bills to become law without signature
23 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
24 vetoed by the governor and subsequently approved by the legislature, this Act shall become
25 effective on the day following such approval.

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 53 Reengrossed

2016 Second Extraordinary Session

Abramson

Abstract: Provides with respect to taxes and charges imposed upon sales of taxable services and tangible personal property at a domed stadium, baseball facility, or other facility owned by the state or a political subdivision.

**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 of taxable services and tangible personal property occurring at events conducted at a domed stadium facility or baseball facility, and the publicly owned property on which the facility is located, hereinafter "domed stadium or baseball facility sales". The exemption does not apply to domed stadium or baseball facility sales occurring at a trade show at which the sale of goods is the primary purpose of the show.

Proposed law establishes definitions for "event", "state-owned domed stadium or baseball facility", "sales", "locally owned domed stadium", and "trade show".

Proposed law retains present law with respect to local sales and use taxes.

Proposed law imposes a local public entertainment facility access charge, hereinafter "local access charge", upon domed stadium or baseball facility sales which is equal to four percent of the retail price of the service or property sold. The imposition of the access charge is subject to the same exemptions as the state sales and use taxes.

Proposed law changes present law concerning state sales and use taxes by limiting the exemptions for domed stadium or baseball facility sales to the following:

- (1) Admission tickets to athletic contests or any large scale bid-upon event sold in either:
 - (a) The primary ticket market.
 - (b) Secondary market ticket sales by a nonprofit host organization.
- (2) Any sale, service, or other transaction occurring in connection with athletic contests or any large scale bid-upon events.
- (3) Sales of tangible personal property 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 Sept. 1, 2016.

Proposed law provides for the collection, administration, and enforcement of the state sales and use taxes and the local access charge, by the secretary of the Dept. of Revenue, hereinafter "secretary". The secretary shall collect the local access charge as an agent of local government and may assess a collection fee of no more than 1.5% of the amounts collected. The secretary is required to distribute the local access charge proceeds quarterly

to the parish governing authority of each parish in which the local access charges were collected.

Proposed law provides for the disposition of a portion of the state sales and use tax proceeds from domed stadium or baseball facility sales. After satisfaction of the requirements of the Bond Redemption and Security Fund, and dedications of state sales and use tax monies to economic development as provided in present law, an amount equal to 30% of the proceeds of the 1% state sales and use tax imposed under R.S. 47:321 upon sales at a state-owned domed facility as described in proposed law shall be allocated 50% to the La. School of Math, Science, and the Arts and 50% to the New Orleans Center for Creative Arts. For purposes of this allocation, the secretary of the Dept. of Revenue is required to report annually on the amount of monies collected from such source so that the commissioner of administration can include in the following year's executive budget a recommendation for an appropriation sufficient to provide for this allocation.

Proposed law provides for the disposition of the local access charge proceeds from domed stadium or baseball facility sales. Within 14 days of receipt of such monies from the secretary, the parish governing authority is required to distribute the local access charge proceeds, at no charge, to the following entities within the parish, in the following order:

- (1) If the local access charge proceeds were derived from activity occurring at a facility located on the property of a public post-secondary educational institution located in the parish, all proceeds attributable to activity at that facility shall be distributed to that institution.
- (2) After satisfaction of the requirements of (1), all remaining local access charge proceeds shall be distributed to the parish council on aging, except as follows:
 - (a) Of the proceeds in Orleans Parish, 20% shall be allocated to the New Orleans Council on Aging.
 - (b) Of the proceeds derived from sales at the Angola Penitentiary Rodeo, 66% shall be allocated to the West Feliciana School Board, and 34% shall be allocated to the West Feliciana Council on Aging.

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.

Any other facility owned by the state or a political subdivision

Present law provides an exemption from state sales tax for sales at other publicly owned facilities if the local jurisdiction in which the facility is located elects to exempt these sales. The only taxable sales are sales at trade shows at which the sale of goods is the primary purpose of the show.

Proposed law applies to any facility owned by the state or a political subdivision which is not a domed stadium or baseball facility, hereinafter "facility".

Proposed law changes present law for purposes of local sales and use tax by providing that beginning Sept. 1, 2016, sales at an event at a facility located in a parish in which there was no local sales and use tax imposed on those sales on June 1, 2016, shall be exempt from local sales and use tax, but the exemption shall not extend to sales at a trade show. Further, proposed law provides that such sales shall be subject to a local public entertainment facility access charge, hereinafter "local access charge" equal to four percent of the retail price of

the service or property sold. The imposition of the access charge is subject to the same exemptions as the state sales and use taxes.

Proposed law provides that for purposes of sales at a facility where the local access charge is imposed the exemptions applicable for purposes of state sales and use taxes and the local access charge shall be limited to those listed above for domed stadiums and baseball facilities, except that the exemption for tickets to large scale bid-upon events shall not be included for purposes of these types of facilities.

Proposed law changes present law for state sales and use taxes by removing the contingency for there to be a local exemption for sales at a facility in order for state sales and use tax exemptions to be in effect.

Proposed law provides that the collection, administration, and enforcement of state sales and use taxes and local access charge proceeds, and the disposition of local access charge proceeds, from sales at a facility shall be the same as for state sales and use taxes and local access charge proceeds collected on sales at a state-owned domed stadium or baseball facility.

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.

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

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

(Amends R.S. 39:467 and 468)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Change the maximum rate for the collection fee which may be charged by the Dept. of Revenue for collection of the local access charge from 0.5% to 1.5%.
2. Specify that the allocation of state sales and use tax revenues for the La. School for Math, Science, and the Arts and the New Orleans Center for Creative Arts shall be split 50% and 50%.
3. Add a specific allocation for the local access charge proceeds collected at the Angola Penitentiary Rodeo to be allocated 66% to the West Feliciana School Board and 34% to the West Feliciana Council on Aging.
3. Change the use of the local access charge proceeds in Orleans Parish from the early childhood care and education network established in Orleans Parish by the B.E.S.E board to a 20% allocation for the New Orleans Council on Aging.
4. Change the timing for application of proposed law from July 1, 2016, to Sept. 1, 2016.