

2016 Second Extraordinary Session

HOUSE BILL NO. 66

BY REPRESENTATIVE JIMMY HARRIS

TAX/SALES-USE-EXEMPT: Provides relative to state and local sales and use tax exemptions for sales at publicly owned domed stadium facilities, baseball facilities, and other facilities (Item #35)

1 AN ACT

2 To amend and reenact R.S. 39:467, 468, and 469(B), and to enact R.S. 39:470 and 470.1,
3 relative to sales and use taxes; to provide with respect to exemptions and rebates
4 relative to taxes on certain sales of property and services at certain public facilities;
5 to provide for the dedication and allocation of certain tax revenues; to provide for
6 effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:467, 468, and 469(B) are hereby amended and reenacted, and R.S.
9 39:470 and 470.1 are hereby enacted to read as follows:

10 §467. Tax exemption, domed stadium facilities; baseball facilities

11 A.(1)(a) ~~Any event, activity, or enterprise, or the right of admission thereto,~~
12 Events, activities, or enterprises conducted in any domed stadium facility owned and
13 operated by or for the state, or any of its agencies, boards, or commissions, which
14 facility has a seating capacity of at least seventy thousand and is located within a
15 body politic and corporate and political subdivision of the state composed of more
16 than one parish, ~~or any sale, service, or other transaction occurring in such facility~~
17 or on the publicly owned property on which the facility is located, including ~~without~~
18 ~~limitation~~ the sale of admission tickets to events, activities, or enterprises, wherever
19 sold; ~~parking, and tours of the facility,~~ shall be exempt from ~~all present and future~~

1 sales and use and amusement taxes levied by the state or by any local taxing
2 authority, ~~including but not limited to the sales, use, amusement, or any other tax.~~
3 specifically as follows:

4 (i) Admission tickets to athletic contests or any large scale bid-upon events
5 sold in the primary ticket market and any secondary ticket sales of such tickets made
6 by a nonprofit host organization.

7 (ii) Any sale, service, or other transaction, including the sale of parking,
8 occurring in such facility in connection with athletic contests or any large scale bid-
9 upon events.

10 (iii) Sales of goods from a team merchandise store at the facility.

11 (iv) Fifty percent of the cost price of admission tickets to events, activities,
12 or enterprises other than tickets to athletic contests or any large scale bid-upon
13 events, wherever sold.

14 (v) Tours of the facility.

15 (vi) The full price of admission on tickets for non-athletic events if the event
16 was under contract on or before July 1, 2016.

17 ~~(b) Any event, activity, or enterprise, or the right of admission thereto,~~
18 Events, activities, or enterprises conducted on any property which contains a domed
19 arena facility and adjacent and connected facilities which is under the jurisdiction of
20 any political subdivision or any commission of such political subdivision if the
21 domed arena facility on such property has a seating capacity of at least twelve
22 thousand five hundred and is located within a parish with a population of more than
23 one hundred eighty-five thousand ~~and less than two hundred fifty thousand~~ according
24 to the most recent federal decennial census, ~~or any sale, service, rental, or other~~
25 ~~transaction occurring in any such facilities~~ or on the publicly owned property on
26 which the facilities are located, including ~~without limitation the sale of food, drink,~~
27 ~~merchandise, services of any kind,~~ admission tickets to events, activities, or
28 enterprises, wherever sold; ~~parking, including any parking on property under the~~
29 ~~jurisdiction of such commission for an event or activity, and tours of the facilities~~

1 shall be exempt from ~~all present and future~~ sales and use and amusement taxes levied
2 by the state of Louisiana, ~~including but not limited to the sales, use, amusement, or~~
3 ~~any other tax.~~ specifically as follows:

4 (i) Admission tickets to athletic contests or any large scale bid-upon events
5 sold in the primary ticket market and any secondary ticket sales of such tickets made
6 by a nonprofit host organization.

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

10 (iii) Sales of goods from a team merchandise store at the facility.

11 (iv) Fifty percent of the cost price of admission tickets to events, activities,
12 or enterprises other than tickets to athletic contests, wherever sold.

13 (v) Tours of the facility.

14 (vi) The full price of admission on tickets for non-athletic events if the event
15 was under contract on or before July 1, 2016.

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

1 (i) Admission tickets to athletic contests or any large scale bid-upon events
2 sold in the primary ticket market and any secondary ticket sales of such tickets made
3 by a nonprofit host organization.

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

7 (iii) Sales of goods from a team merchandise store at the facility.

8 (iv) Fifty percent of the cost price of admission tickets to events, activities,
9 or enterprises other than tickets to athletic events or any large scale bid-upon event
10 or other event allowed under and existing lease or an extension thereof, wherever
11 sold.

12 (v) Tours of the facility.

13 (vi) The full price of admission on tickets for non-athletic events if the event
14 was under contract on or before July 1, 2016.

15 (3) The exemptions provided in this Section shall apply to any event, activity,
16 or enterprise held in conjunction with athletic events or any large scale bid-upon
17 event or other event allowed under and existing lease or an extension thereof,
18 inclusive of activities within and adjacent to the facility to which the exemptions
19 apply.

20 B. ~~This~~ Except as provided for in R.S. 39:470.1 or other applicable laws, 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~~ or services not specifically provided in
24 Subsection A of this Section.

25 §468. Tax exemption, publicly-owned facility

26 ~~Any event, activity, or enterprise, or the right of admission thereto,~~

27 A. The provisions of this Section shall apply to any facility not subject to the
28 provisions of R.S. 39:467.

1 (1)(a) Events, activities, or enterprises conducted in any publicly-owned
2 facility owned and operated by or for the state, or any of its agencies, boards, or
3 commissions, or by any political subdivision, ~~or any sale, service, or other~~
4 ~~transaction occurring in such facility~~ or on the publicly-owned property on which the
5 facility is located, the sale of admission tickets to events, activities, or enterprises,
6 wherever sold; ~~parking; and tours of the facility,~~ shall be exempt from all ~~present and~~
7 ~~future~~ sales and use and amusement taxes levied by the state, ~~including but not~~
8 ~~limited to the sales, use, amusement, or any other tax; provided however, that such~~
9 specifically as follows:

10 (i) Admission tickets to athletic contests events sold in the primary ticket
11 market and any secondary ticket sales of such tickets made by a nonprofit host
12 organization.

13 (ii) Any sale, service, or other transaction occurring in such facility in
14 connection with officially sanctioned events affiliated with any athletic contests held
15 at the venues subject to the provisions of R.S. 39:467.

16 (iii) Sales of goods from a team merchandise store at the facility.

17 (iv) Fifty percent of the cost price of admission tickets to events, activities,
18 or enterprises other than tickets to athletic contests, wherever sold.

19 (v) Tours of the facility.

20 (vi) The full price of admission on tickets for non-athletic events if the event
21 was under contract on or before July 1, 2016.

22 (vii) Parking as allowed for events pursuant to an existing lease or extension
23 thereof

24 (b) This exemption shall not apply unless the local taxing authority first
25 exempts from any tax levied by that authority such rights of admission to events,
26 activities, and enterprises, ~~sales, services, or other transaction~~ occurring within all
27 publicly-owned facilities within the jurisdiction of ~~said~~ the local taxing authority.

1 which were derived from the tax imposed pursuant to R.S. 47:321 from sales at the
2 state owned domed facility described R.S. 39:467(A)(1)(a). The estimate shall be
3 utilized by the commissioner of administration in the preparation of the following
4 year's executive budget in which a recommendation shall be made to appropriate
5 such amounts as may be necessary to provide for this allocation.

6 B. The following allocations of sales and use taxes imposed by a political
7 subdivision shall not include the avails of taxes collected upon sales at trade shows
8 or other events at which the sale of such goods or property is the primary purpose of
9 the event.

10 (1) Twenty percent of the avails of the sales and use taxes imposed in
11 Orleans Parish by any political subdivision which are attributable to sales in a domed
12 stadium as described in Subsection A shall be distributed to the New Orleans
13 Council on Aging. Monies to satisfy this dedication shall be derived proportionately
14 from the sales and use tax distributions for the following purposes: fifty percent
15 from the City of New Orleans General Fund, thirty percent from the Orleans Parish
16 School Board, and twenty percent from the Regional Transit Authority.

17 (2) For purposes of any parish in which there is located a facility on the
18 property of a public post-secondary educational institution that is subject to the
19 provisions of this Section, the avails of any sales and use tax imposed by any
20 political subdivision which are attributable to sales at that facility shall be allocated
21 to that institution.

22 (3) Notwithstanding any provision of law to the contrary, sixty-six percent
23 of the avails of any sales and use tax imposed by any political subdivision which are
24 attributable to sales at the Angola State Penitentiary Rodeo shall be allocated to the
25 West Feliciana School Board and thirty-four percent shall be allocated to the West
26 Feliciana Council on Aging.

27 §470.1. Legislative intent

1 The provisions of R.S. 39:467 through 469, shall not be interpreted as either
2 imposing or rendering the following activities subject to the imposition of sales, use,
3 amusement or other taxes levied by the state or by any local taxing authority:

4 (a) Sales of admission tickets and parking for intercollegiate athletic events
5 sponsored or promoted by Louisiana-based colleges or universities, including any
6 conferences, leagues and associations in which they participate, and nonprofit
7 corporations affiliated with such colleges or universities.

8 (b) Sales of admission tickets and parking for high school athletic events
9 sponsored or promoted by Louisiana high schools, including any conferences,
10 leagues and associations in which they participate.

11 (c) Sales of admission tickets and parking for youth sports events sponsored
12 or promoted by Louisiana-based youth sports leagues and associations.

13 (d) Sales of admission tickets and parking for events sponsored by Louisiana-
14 based civic, educational, historical, charitable, fraternal, or religious organizations
15 that are nonprofit organizations to the extent provided by applicable laws.

16 Section 2. The provisions of this Act shall be applicable to all taxable periods
17 beginning on or after July 1, 2016.

18 Section 3. This Act shall become effective upon signature by the governor or, if not
19 signed by the governor, upon expiration of the time for bills to become law without signature
20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
22 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 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)