

Regular Session, 2013

SENATE BILL NO. 82

BY SENATOR MILLS

TAX/SALES. Phases in an exemption from local sales tax on certain inhibitors and complex biologics if the Revenue Estimating Conference estimates a certain percentage increase in state general sales tax. (7/1/13)

1 AN ACT
2 To enact R.S. 47:337.11.4, relative to the sales and use tax of political subdivisions of the
3 state; to provide for a conditional phased-in exemption for certain inhibitors and
4 complex biologics; and to provide for related matters.
5 Be it enacted by the Legislature of Louisiana:
6 Section 1. R.S. 47:337.11.4 is hereby enacted to read as follows:
7 **§337.11.4. Phased-in exemption; certain inhibitors and complex biologics**
8 **A.(1) If the executive director of the Louisiana Association of Tax**
9 **Administrators determines that the estimate of the item "Sales Tax - General"**
10 **for an upcoming fiscal year in the last official forecast of the Revenue**
11 **Estimating Conference prior to the beginning of that fiscal year shows a growth**
12 **that equals at least two percent of the estimate of the item "Sales Tax -**
13 **General" for the current fiscal year in which the estimate is made, then fifty**
14 **percent of the sales or cost price of the certain inhibitors and complex biologics**
15 **provided for in this Section shall be exempt from the sales and use tax imposed**
16 **by all political subdivisions in the state beginning January first of the calendar**
17 **year occurring during the upcoming fiscal year. One hundred percent of the**

1 **sales or cost price of the certain inhibitors and complex biologics provided for**
 2 **in this Section shall be exempt from the sales and use tax imposed by all**
 3 **political subdivisions in the state beginning on January first of the next calendar**
 4 **year, and each calendar year thereafter.**

5 **(2) No later than August first after the determination made by the**
 6 **executive director as provided for in Paragraph (1) of this Subsection, the**
 7 **executive director shall provide written notification by certified mail of such**
 8 **determination and of the exemption provided for in this Section to the single**
 9 **sales tax collector in each parish and to the Louisiana State Law Institute.**

10 **B. The provisions of this Section shall apply to the sale, purchase, or use**
 11 **of the following:**

12 **(1) Vaso-endothelial growth factor, known as VEGF inhibitors, including**
 13 **but not limited to Visudyne and Macugen.**

14 **(2) Complex biologics such as monoclonal antibodies, including but not**
 15 **limited to Infliximab.**

16 Section 2. This Act shall become effective on July 1, 2013, and the exemption
 17 provided for in this Act shall not begin to be phased-in before January 1, 2015.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Riley Boudreaux .

DIGEST

Proposed law requires the following phase-in of an exemption from local sales tax on the following inhibitors and complex biologics if the executive director of the Louisiana Association of Tax Administrators determines that the estimate of the item "Sales Tax - General" for an upcoming fiscal year in the last official forecast of the Revenue Estimating Conference prior to the beginning of that fiscal year shows a growth that equals at least two percent of the estimate of the item "Sales Tax - General" for the current fiscal year in which the estimate is made.

If the director determines that such growth is in the official forecast, then 50% of the sales or cost price of the following inhibitors and complex biologics are exempted from local sales tax beginning Jan. first of the calendar year occurring during the upcoming fiscal year. 100% of such is exempt beginning on Jan. first of the next calendar year, and each calendar year thereafter.

The exemption applies to:

- (1) Vaso-endothelial growth factor, known as VEGF inhibitors, including but not limited to Visudyne and Macugen.

- (2) Complex biologics such as monoclonal antibodies, including but not limited to Infiximab.

Effective July 1, 2013, but the exemption cannot begin to be phased-in before January 1, 2015.

(Adds R.S. 47:337.11.4)