

2016 Second Extraordinary Session

SENATE BILL NO. 9

BY SENATOR MORRELL

TAX/SALES. Provides for a definition of isolated and occasional sales for sales and use tax. (7/1/16) (Item No. 16)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:301 and R.S.
3 47:301(10)(c)(ii)(bb), relative to sales and use tax; to provide for a definition of
4 isolated and occasional sales; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. The introductory paragraph of R.S. 47:301 and R.S. 47:301(10)(c)(ii)(bb)
8 are hereby amended and reenacted to read as follows:

9 §301. Definitions.

10 As used in this Chapter the following words, terms, and phrases have the
11 meaning meanings ascribed to them in this Section, unless the context clearly
12 indicates a different meaning:

- 13 * * *
- 14 (10) * * *
- 15 (c) * * *
- 16 (ii) * * *

17 (bb)(I) The ~~term~~ phrase "sale at retail" does not include an isolated or

1 occasional sale of tangible personal property by a person not engaged in such
2 business. "Isolated or occasional sale" means any of the following:

3 (aaa) Six or fewer separate sales of taxable items at retail during a
4 twelve-month period by a person who does not habitually engage, or hold
5 himself out as engaging, in the business of selling taxable items at retail.

6 (bbb) The sale of all of the operating assets of a business, or of a separate
7 division, branch, or identifiable segment of a business.

8 (ccc) The sale of tangible personal property by an individual if the
9 property was originally bought by the individual or a member of the
10 individual's family for the personal use of the individual or the individual's
11 family.

12 (ddd) The sale of tangible personal property by an individual if the
13 individual is not required to be registered as a dealer pursuant to this Chapter.

14 (eee) The sale of tangible personal property by an individual if the
15 individual does not employ an auctioneer, broker, or factor, other than an
16 online auction, to sell the property.

17 (fff) The sale of tangible personal property by an individual if the total
18 receipts from sales of the individual's tangible personal property in a calendar
19 year do not exceed five thousand dollars.

20 (II) The phrase "isolated or occasional sale" shall not include sales of
21 aircraft, boats that are used for recreational purposes, mobile homes, or motor
22 vehicles in this state of a class or type required to be registered, licensed, titled,
23 or documented by this state or by the United States.

24 * * *

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

The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jay Lueckel.

DIGEST

SB 9 Reengrossed

2016 Second Extraordinary Session

Morrell

Present law exempts isolated and occasional sales from the definition of sales at retail, making these transactions exempt from tax, but does not define isolated and occasional sale.

Proposed law provides a list of sales that will be considered isolated and occasional sales.

Proposed law clarifies that sales of aircraft, boats that are used for recreational purposes, mobile homes, or motor vehicles are not isolated and occasional sales if they are of a class or type required to be registered, licensed, titled, or documented by this state or by the United States.

Effective July 1, 2016.

(Amends R.S. 47:301(intro para) and R.S. 47:301(10)(c)(ii)(bb))

Summary of Amendments Adopted by SenateCommittee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Relative to sales of boats, specifies that the term "isolated or occasional sales" shall exclude boats that are used for recreational purposes.