

Regular Session, 2011

HOUSE BILL NO. 247

BY REPRESENTATIVE HENRY

TAX/SALES & USE: Excludes from state and local sales and use tax the sales of tangible personal property and services sold by the sponsor at events sponsored by certain nonprofit organizations

1 AN ACT

2 To amend and reenact R.S. 47:305.14(A)(1) and to enact R.S. 47:301(10)(hh) and (14)(k),
3 relative to sales and use tax imposed by the state and certain other political
4 subdivisions; to exclude certain sales of tangible personal property and services sold
5 at certain events sponsored by a tax exempt nonprofit organization; to exclude
6 certain sales of tangible personal property and services sold at certain events
7 sponsored by a tax exempt nonprofit organization when the organization has
8 contracted for certain services associated with the event; to provide an effective date;
9 and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:305.14(A)(1) is hereby amended and reenacted and R.S.
12 47:301(10)(hh) and (14)(k) are hereby enacted and to read as follows:

13 §301. Definitions

14 As used in this Chapter the following words, terms, and phrases have the
15 meaning ascribed to them in this Section, unless the context clearly indicates a
16 different meaning:

17 * * *

18 (10)

19 * * *

1 connected therewith, are used for educational, charitable, religious, or historical
2 restoration purposes, including the furtherance of the civic, educational, historical,
3 charitable, fraternal, or religious purpose of the organization. In addition,
4 newspapers published in this state by religious organizations shall also be exempt
5 from such taxes, provided that the price paid for the newspaper or a subscription to
6 the newspaper does not exceed the cost to publish such newspaper.

7 (b) Notwithstanding any other provision of this Section, the sales and use tax
8 imposed by taxing authorities shall not apply to events sponsored by a domestic
9 nonprofit organization that is exempt from tax under Section 501(c)(3) of the
10 Internal Revenue Code when the event provides Louisiana heritage, culture, crafts,
11 art, food, and music, and the sponsor has contracted for production management and
12 financing services for the event. Such services shall constitute necessary expenses
13 of the sponsor for purposes of the event. The provisions of this Subparagraph shall
14 apply only to the sales of tangible personal property and admission charges for,
15 outside gate admissions to, or parking fees associated with an event when the sales,
16 charges, and fees are payable to or for the benefit of the sponsor of the event.

17 * * *

18 Section 2. This Act shall become effective on October 1, 2011.

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)]

Henry HB No. 247

Abstract: Excludes from state and local sales and use tax sales of tangible personal property and services at certain events providing La. heritage, culture, crafts, art, food, and music which are sponsored by a nonprofit organization.

Present law provides numerous definitions for purposes of sales and use tax levied by the state and its political subdivisions.

Proposed law retains present law and grants an exclusion from state and local sales and use tax for tangible personal property and services sold at events sponsored by a tax exempt nonprofit organization when the event provides La. heritage, culture, crafts, art, food, and music. The exclusion provided in proposed law is limited to sales by or for the benefit of the sponsor of the event.

Present law specifies that the sales and use tax imposed by taxing authorities shall not apply to sales of tangible personal property and services sold at events sponsored by a nonprofit organization when the entire proceeds, except for necessary expenses such as fees paid for guest speakers, chair and table rentals, and food and beverage utility related items connected therewith, are used for educational, charitable, religious, or historical restoration purposes, including the furtherance of the civic, educational, historical, charitable, fraternal, or religious purpose of the organization.

Proposed laws retains present law and adds an exclusion from sales and use tax imposed by taxing authorities for the sales of tangible personal property and services sold at an event which is sponsored by a nonprofit organization which provides La. heritage, culture, crafts, art, food, and music, and for which the sponsor has contracted for production management and financing services for the event. Such services are deemed to be necessary expenses of the sponsor for purposes of the event.

Effective October 1, 2011.

(Amends R.S. 47:305.14(A)(1); Adds R.S. 47:301(10)(hh) and (14)(k))

Summary of Amendments Adopted by House

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

1. Added an effective date of Oct. 1, 2011.