

2016 Second Extraordinary Session

HOUSE BILL NO. 51

BY REPRESENTATIVES JIM MORRIS, ABRAMSON, AND JAY MORRIS

TAX/SALES-USE, STATE: Provides with respect to the effectiveness of certain exclusions and exemptions from state sales and use taxes (Items #7-34)

1 AN ACT

2 To amend and reenact R.S. 47:302(V)(introductory paragraph) as enacted by Act No. 25 of
3 the 2016 First Extraordinary Session of the Louisiana Legislature and R.S.
4 47:321.1(F)(introductory paragraph) and to enact R.S. 47:302(AA) and 321.1(F)(66),
5 relative to state sales and use taxes; to provide with respect to the effectiveness of
6 exemptions and exclusions for sales of certain tangible personal property and
7 services; to provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:302(V)(introductory paragraph) as enacted by Act No. 25 of the
10 2016 First Extraordinary Session of the Legislature and R.S. 47:321.1(F)(introductory
11 paragraph) are hereby amended and reenacted and R.S. 47:302(AA) and 321.1(F)(66) are
12 hereby enacted to read as follows:

13 §302. Imposition of tax

14 * * *

15 V. Notwithstanding any other provision of law to the contrary, including but
16 not limited to any contrary provisions of this Chapter, for the period April 1, 2016
17 through July 1, 2018, ~~the following~~ there shall be no exclusions and exemptions to

1 the tax levied pursuant to the provisions of this Section ~~shall be the exclusive list of~~
2 ~~allowable~~ except for exemptions and exclusions: for sales or purchases of the
3 following items and for those items enumerated in Subsection AA of this Section:

4 * * *

5 AA. Notwithstanding any other provision of this Section to the contrary,
6 beginning July 1, 2016, the following specific exclusions and exemptions to the tax
7 levied pursuant to the provisions of this Section:

8 (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit
9 organization as provided in R.S. 47:301(6)(b).

10 (2) Sales of room rentals by a homeless shelter as provided in R.S.
11 47:301(6)(c).

12 (3) Sales, leases, and rentals of tangible personal property and sales of
13 services necessary to operate free hospitals as provided in R.S. 47:301(7)(e), (10)(p),
14 and (18)(c).

15 (4) Sales, leases, or rentals of tangible personal property to Boys State of
16 Louisiana, Inc. and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g)
17 and (10)(r).

18 (5) Sales by nonprofit entities that sell donated goods as provided in R.S.
19 47:301(8)(f).

20 (6) Isolated or occasional sales of tangible personal property by a person not
21 engaged in such business as provided in R.S. 47:301(10)(c)(ii)(bb).

22 (7) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).

23 (8) Sales of food items by a youth-serving organization chartered by the
24 United States Congress as provided in R.S. 47:301(10)(h).

25 (9) Sales and donations of tangible personal property by food banks as
26 provided in R.S. 47:301(10)(j) and (18)(a)(i).

27 (10) Sales or purchases of fire-fighting equipment by volunteer fire
28 departments as provided in R.S. 47:301(10)(o).

1 (11) Sales to, and leases, rentals, and use of educational materials and
2 equipment used for classroom instruction by parochial and private elementary and
3 secondary schools that comply with the court order from the Dodd Brumfield
4 decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S.
5 47:301(7)(f), (10)(q)(ii), and (18)(e)(ii).

6 (12) Sales by parochial and private elementary and secondary schools that
7 comply with the court order from the Dodd Brumfield decision and Section 501(c)(3)
8 of the Internal Revenue Code as provided in R.S. 47:301(10)(q)(i) and (18)(e)(i).

9 (13) Sales of admissions to athletic and entertainment events for elementary
10 and secondary schools and membership fees or dues of nonprofit, civic associations
11 as provided in R.S. 47:301(14)(b)(i).

12 (14) Sales or use of materials used directly in the collection of blood as
13 provided in R.S. 47:301(16)(j).

14 (15) Sales or use of apheresis kits and Leuko reduction filters as provided in
15 R.S. 47:301(16)(k).

16 (16) Sales or use of orthotic devices, prosthetic devices, and wheelchairs
17 prescribed by physicians, optometrists, or licensed chiropractors for personal use as
18 provided in R.S. 47:305(D)(1)(k).

19 (17) Sales or use of ostomy, colostomy, and ileostomy devices and
20 equipment as provided in R.S. 47:305(D)(1)(l).

21 (18) Sales or use of adaptive driving equipment and motor vehicle
22 modifications prescribed for personal use as provided in R.S. 47:305(D)(1)(u).

23 (19) Sales of meals by educational institutions, medical facilities, mental
24 institutions, and occasional meals furnished by educational, religious, or medical
25 organizations as provided in R.S. 47:305(D)(2).

26 (20) Purchase or rental of kidney dialysis machines, parts, materials, and
27 supplies for home use under a physician's prescription as provided in R.S. 47:305(G).

28 (21) Sales of admissions to entertainment events by Little Theater
29 organizations as provided in R.S. 47:305.6.

1 (22) Sales of admissions to musical performances sponsored by nonprofit
2 organizations as provided in R.S. 47:305.7.

3 (23) Sales of admissions to entertainment events sponsored by domestic
4 nonprofit charitable, religious, and educational organizations as provided in R.S.
5 47:305.13.

6 (24) Sales of admissions, parking fees, and sales of tangible personal
7 property at events sponsored by domestic, civic, educational, historical, charitable,
8 fraternal, or religious nonprofit organizations as provided in R.S. 47:305.14(A)(1).

9 (25) Sales of admissions and parking fees at fairs and festivals sponsored by
10 nonprofit organizations as provided in R.S. 47:305.18.

11 (26) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for
12 the vessels of licensed commercial fisherman as provided in R.S. 47:305.20.

13 (27) Sales of butane, propane, or other liquified petroleum gases for private,
14 residential consumption as provided in R.S. 47:305.39.

15 * * *

16 §321.1. Imposition of Tax

17 * * *

18 F. Notwithstanding any other provision of law to the contrary, including but
19 not limited to any contrary provision of this Chapter, except as otherwise provided
20 in Paragraph (66) of this Subsection, there shall be no exemptions or exclusions as
21 defined in R.S. 47:301 to the tax levied pursuant to the provisions of this Section,
22 except for the sales or purchases of the following items:

23 * * *

24 (66) Beginning July 1, 2016, in addition to those exclusions and exemptions
25 provided for in Paragraphs (1) through (65) of this Subsection, the following
26 exclusions and exemptions shall be allowable for purposes of the tax levied pursuant
27 to the provisions of this Section:

28 (a) Sales of room rentals by a camp or retreat facility owned by a nonprofit
29 organization as provided in R.S. 47:301(6)(b).

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (b) Sales of room rentals by homeless shelter as provided in R.S.
2 47:301(6)(c).

3 (c) Sales, leases, or rentals of tangible personal property to Boys State of
4 Louisiana, Inc. and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g)
5 and (10)(r).

6 (d) Sales or purchases of fire-fighting equipment by volunteer fire
7 departments as provided in R.S. 47:301(10)(o).

8 (e) Sales to, and leases, rentals, and use of educational materials and
9 equipment used for classroom instruction by parochial and private elementary and
10 secondary schools that comply with the court order from the Dodd Brumfield
11 decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S.
12 47:301(7)(f), (10)(q)(ii), and (18)(e)(ii).

13 (f) Sales by parochial and private elementary and secondary schools that
14 comply with the court order from the Dodd Brumfield decision and Section 501(c)(3)
15 of the Internal Revenue Code as provided in R.S. 47:301(10)(q)(i) and (18)(e)(i).

16 (g) Sales of admission charges to athletic and entertainment events for
17 elementary and secondary schools and membership fees or dues of nonprofit, civic
18 associations as provided in R.S. 47:301(14)(b)(i).

19 (h) Sales or use of orthotic devices, prosthetic devices, and wheelchairs
20 prescribed by physicians, optometrists, or licensed chiropractors for personal use as
21 provided in R.S. 47:305(D)(1)(k).

22 (i) Sales or use of ostomy, colostomy, and ileostomy devices and equipment
23 as provided in R.S. 47:305(D)(1)(l).

24 (j) Sales or use of adaptive driving equipment and motor vehicle
25 modifications prescribed for personal use as provided in R.S. 47:305(D)(1)(u).

26 (k) Sales or use of meals by education institutions, medical facilities, mental
27 institutions, and occasional meals furnished by educational, religious, or medical
28 organizations as provided in R.S. 47:305(D)(2).

1 (l) Purchases or rentals of kidney dialysis machines, parts, materials, and
2 supplies for home use under a physician's prescription as provided in R.S. 47:305(G).

3 (m) Sales of admissions to entertainment events by Little Theater
4 organizations as provided in R.S. 47:305.6.

5 (n) Sales of admissions to musical performances sponsored by nonprofit
6 organizations as provided in R.S. 47:305.7.

7 (o) Sales of admissions to entertainment events sponsored by domestic
8 nonprofit charitable, religious, and educational organizations as provided in R.S.
9 47:305.13.

10 (p) Sales of admissions, parking fees, and sales of tangible personal property
11 at events sponsored by domestic, civic, educational, historical, charitable, fraternal,
12 or religious nonprofit organizations as provided in R.S. 47:305.14(A)(1).

13 (q) Sales of admissions and parking fees at fairs and festivals sponsored by
14 nonprofit organizations as provided in R.S. 47:305.18.

15 (r) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for
16 the vessels of licensed commercial fisherman as provided in R.S. 47:305.20.

17 (s) Sales of butane, propane, or other liquified petroleum gases for private,
18 residential consumption as provided in R.S. 47:305.39.

19 * * *

20 Section 2. This Act shall become effective upon signature by the governor or, if not
21 signed by the governor, upon expiration of the time for bills to become law without
22 signature by the governor, as provided by Article III, Section 18 of the Constitution
23 of Louisiana. If vetoed by the governor and subsequently approved by the
24 legislature, this Act shall become 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 51 Original

2016 Second Extraordinary Session

Jim Morris

Abstract: Adds various exemptions and exclusions to the list of state sales and use tax exemptions and exclusions to be given effect beginning July 1, 2016.

Present law establishes a variety of state sales and use tax exclusions and exemptions.

Present law suspends numerous exemptions and exclusions from the state sales and use tax (R.S. 47:302, 321, 321.1, and 331) for two different periods of time, both occurring between April 1, 2016 and June 30, 2018.

Present law provides that the suspension of certain exemptions and exclusions for purposes of two of the tax levies, R.S. 47:321 and 331, expires June 30, 2016. The suspension with respect to the other two tax levies, R.S. 47:302 and 321.1 remains effective through June 30, 2018.

Proposed law changes present law for purposes of exemptions and exclusions to the state sales and use taxes imposed under R.S. 47:302, beginning July 1, 2016, by adding the following exemptions and exclusions to the list of exemptions and exclusions that remain in effect through June 30, 2018.

- (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization.
- (2) Sales of room rentals by a homeless shelter.
- (3) Sales, leases, and rentals of tangible personal property and sales of services by hospitals necessary to operate free hospitals.
- (4) Sales, leases, or rentals to Boys State of La., Inc. and Girls State of La., Inc.
- (5) Sales by nonprofit entities that sell donated goods.
- (6) Isolated or occasional sales of tangible personal property by a person not engaged in such business.
- (7) Sales of human tissue transplants.
- (8) Sales of food items by a youth organization chartered by the U. S. Congress.
- (9) Sales and donations of tangible personal property by food banks.
- (10) Sales or purchases of fire-fighting equipment by volunteer fire departments.
- (11) Sales to, and leases, rentals, and use of educational materials and equipment used for classroom instruction by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (12) Sales by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.

- (13) Sales of admission charges to athletic and entertainment events for elementary and secondary schools and membership fees or dues of nonprofit, civic associations.
- (14) Sales or use of materials used directly in the collection of blood.
- (15) Sales or use of apheresis kits and Leuko reduction filters.
- (16) Sales or use of orthotic devices, prosthetic devices, and wheelchairs prescribed by physicians, optometrists, or licensed chiropractors for personal use.
- (17) Sales or use of ostomy, colostomy, and ileostomy devices and equipment.
- (18) Sales or use of adaptive driving equipment and motor vehicle modifications prescribed for personal use.
- (19) Sales or use of meals by educational institutions, medical facilities, mental institutions, and occasional meals furnished by educational, religious, or medical organizations.
- (20) Purchases or rentals of kidney dialysis machines, parts, materials, and supplies for home use under a physician's prescription.
- (21) Sales of admissions to entertainment events by Little Theater organizations.
- (22) Sales of admissions to musical performances sponsored by nonprofit organizations.
- (23) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations.
- (24) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations.
- (25) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations.
- (26) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the vessels of licensed commercial fisherman.
- (27) Sales of butane, propane, or other liquified petroleum gases for private, residential consumption.

Present law imposes a 1% temporary state sales and use tax (R.S. 47:321.1) for the period from April 1, 2016 through June 30, 2018.

Proposed law changes present law for purposes of exemptions and exclusions to the 1% temporary state sales and use taxes imposed under R.S. 47:321.1 by adding the following exclusions and exemptions to the list of state sales and use tax exemptions and exclusions to be given effect beginning July 1, 2016:

- (1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization.
- (2) Sales of room rentals by homeless shelter.
- (3) Sales, leases, or rentals to Boys State of La., Inc. and Girls State of La., Inc.
- (4) Sales or purchases of fire-fighting equipment by volunteer fire departments.

- (5) Sales to, and leases, rentals, and use of educational materials and equipment used for classroom instruction by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (6) Sales by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code.
- (7) Sales of admission charges to athletic and entertainment events for elementary and secondary schools and membership fees or dues of nonprofit, civic associations.
- (8) Sales or use of orthotic devices, prosthetic devices, and wheelchairs prescribed by physicians, optometrists, or licensed chiropractors for personal use.
- (9) Sales or use of ostomy, colostomy, and ileostomy devices and equipment.
- (10) Sales or use of adaptive driving equipment and motor vehicle modifications prescribed for personal use.
- (11) Sales of meals by education institutions, medical facilities, mental institutions, and occasional meals furnished by educational, religious, or medical organizations.
- (12) Purchases or rentals of kidney dialysis machines, parts, materials, and supplies for home use under a physician's prescription.
- (13) Sales of admissions to entertainment events by Little Theater organizations.
- (14) Sales of admissions to musical performances sponsored by nonprofit organizations.
- (15) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations.
- (16) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations.
- (17) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations.
- (18) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the boats of licensed commercial fisherman.
- (19) Sales of butane, propane, or other liquified petroleum gases for private, residential consumption.

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

(Amends R.S. 47:302(V)(intro. para.) as enacted by Act No. 25 of the 2016 1st E.S. and R.S. 47:321.1(F)(intro.para.); Adds R.S. 47:302(AA) and 321.1(F)(66))