

**ACT No. 25**

2016 First Extraordinary Session

HOUSE BILL NO. 61

BY REPRESENTATIVE JAY MORRIS

1 AN ACT

2 To amend and reenact R.S. 22:270 and R.S. 47:301(7)(h) and (14)(b)(i)and 331(P) and (Q),  
3 to enact R.S. 47:302 (V) ,(W), and (X), 321(L), (M), (N), and (O), and 331(S), (T),  
4 and (U), and to repeal Section 4 of Act No. 386 of 1990, relative to state sales and  
5 use taxes; to provide with respect to the applicability of certain exclusions and  
6 exemptions from the state sales and use tax base; to provide for effectiveness; to  
7 provide for health maintenance organizations; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:301(7)(h) and (14)(b)(i), and 331(P) and (Q) are hereby amended  
10 and reenacted and R.S. 47:302 (V), (W), and (X), 321(L), (M), (N), and (O), and 331(S), (T),  
11 and (U) are hereby enacted to read as follows:

12 §301. Definitions

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

16 \* \* \*

17 (7)

18 \* \* \*

19 (h) For purposes of state and political subdivision sales and use tax, the term  
20 "lease or rental" shall not mean or include the lease or rental of motor vehicles by  
21 licensed motor vehicle dealers, as defined in ~~R.S. 32:1252(14)~~ R.S. 32:1252(35), or

1 vehicle manufacturers, as defined in ~~R.S. 32:1252(11)~~ R.S. 32:1252(24), for their use  
2 in furnishing such leased or rented motor vehicles to their customers in performance  
3 of their obligations under warranty agreements associated with the purchase of a  
4 motor vehicle or when the applicable warranty has lapsed and the leased or rented  
5 motor vehicle is provided to the customer at no charge.

6 \* \* \*

7 (14) "Sales of services" means and includes the following:

8 \* \* \*

9 (b)(i) (aa) The sale of admissions to places of amusement, to athletic  
10 entertainment other than that of schools, colleges, and universities, and  
11 recreational events, and the furnishing, for dues, fees, or other consideration of the  
12 privilege of access to clubs or the privilege of having access to or the use of  
13 amusement, entertainment, athletic, or recreational facilities; ~~but~~

14 (bb) ~~The~~ the term "sales of services" shall not include membership fees  
15 or dues of nonprofit, civic organizations, including by way of illustration and not  
16 of limitation the Young Men's Christian Association, the Catholic Youth  
17 Organization, and the Young Women's Christian Association.

18 \* \* \*

19 §302. Imposition of tax

20 \* \* \*

21 V. Notwithstanding any other provision of law to the contrary, including  
22 but not limited to any contrary provisions of this Chapter, for the period April 1,  
23 2016 through July 1, 2018, the following exclusions and exemptions to the tax  
24 levied pursuant to the provisions of this Section shall be the exclusive list of  
25 allowable exemptions and exclusions.

26 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n)  
27 through (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the  
28 Constitution of Louisiana.

29 (2) Natural gas, as provided in Article VII, Section 2.2 of the Constitution  
30 of Louisiana.

1                   (3) Electricity, as provided in Article VII, Section 2.2 of the Constitution  
2                   of Louisiana.

3                   (4) Water, as provided in Article VII, Section 2.2 of the Constitution of  
4                   Louisiana.

5                   (5) Prescription drugs, as provided in Article VII, Section 2.2 of the  
6                   Constitution of Louisiana.

7                   (6) Gasoline and other motor fuels subject to the state excise tax on fuel.

8                   (7) Sales to the United States government and its agencies, as provided  
9                   in R.S. 47:301(10)(g).

10                  (8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)  
11                  and 305(A)(3).

12                  (9) Lease or rentals of railroad rolling stock as provided in R.S.  
13                  47:301(4)(k), piggyback trailers as provided in R.S. 47:305.45, and certain trucks  
14                  and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B).

15                  (10) Tangible personal property for resale as provided in R.S.  
16                  47:301(10)(a)(i).

17                  (11) Feed and feed additives for animals held for business purposes as  
18                  provided in R.S. 47:305(A)(4).

19                  (12) Farm products produced and used by farmers as provided in R.S.  
20                  47:305(B).

21                  (13) Sales of fertilizers and containers to farmers as provided in R.S.  
22                  47:305(D)(1)(f).

23                  (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.

24                  (15) Sales of pesticides for agricultural purposes as provided in R.S.  
25                  47:305.8.

26                  (16) Purchases, use, and lease of manufacturing machinery and equipment  
27                  as provided in R.S. 47:301(3)(i)(i), (13)(k) and (28)(a).

28                  (17) Sales of materials for further processing as provided in R.S.  
29                  47:301(10)(c)(i)(aa).

1                   (18) Sale of 50-ton vessels and new component parts and sales of certain  
2                   materials and services to vessels operating in interstate commerce as provided in  
3                   R.S. 47:305.1 (A) and (B).

4                   (19) Louisiana Tax Free Shopping Program for international visitors as  
5                   provided in R.S. 51:1301.

6                   (20) Sales of farm equipment used in poultry production as provided in  
7                   R.S. 47:301(13)(c).

8                   (21) Sales of pharmaceuticals administered to livestock for agricultural  
9                   purposes as provided in R.S. 47:301(16)(f).

10                  (22) Sales of livestock, poultry and other farm products and sales at public  
11                  livestock auctions as provided in R.S. 47:305(A)(1) and (2).

12                  (23) Materials used in the production of crawfish and catfish as provided  
13                  in R.S. 47:305(A)(5) and (6).

14                  (24) First fifty thousand dollars of farm equipment purchases as provided  
15                  in R.S. 47:305.25.

16                  (25) Fuel used on the farm as provided in R.S. 47:305.37.

17                  (26) Taxation of electrical cooperatives as provided in R.S. 12:425.

18                  (27) Overhaul of naval vessels as provided in R.S. 47:301(7)(c) and  
19                  (14)(h).

20                  (28) Purchases by state and local governments as provided in R.S.  
21                  47:301(8)(c).

22                  (29) Transactions in interstate commerce and tangible personal property  
23                  imported into this state, or produced or manufactured in this state, for export as  
24                  provided in R.S. 47:305(E).

25                  (30) Parish councils on aging in R.S. 47:305.66.

26                  (31) Articles traded in on purchases of tangible personal property as  
27                  provided in R.S. 47:301(13)(a).

28                  (32) A factory built home as provided in R.S. 47:301(16)(g).

29                  W. The provisions of Subsection V of this Section shall supercede and  
30                  control to the extent of conflict with any other provision of law.

1                   X. Notwithstanding the provisions of Subsection V of this Section, no  
2                   amount of additional revenue shall be remitted to any tax increment financing  
3                   district.

4   \*       \*       \*

5                   §321. Imposition of tax

6   \*       \*       \*

7                   L. Notwithstanding any other provision of law to the contrary, including  
8                   but not limited to any contrary provisions of this Chapter, for the period April 1,  
9                   2016 through July 1, 2016, the following exclusions and exemptions to the tax  
10                   levied pursuant to the provisions of this Section shall be the exclusive list of  
11                   allowable exemptions and exclusions.

12                   (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n)  
13                   through (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the  
14                   Constitution of Louisiana.

15                   (2) Natural gas, as provided in Article VII, Section 2.2 of the Constitution  
16                   of Louisiana.

17                   (3) Electricity, as provided in Article VII, Section 2.2 of the Constitution  
18                   of Louisiana.

19                   (4) Water, as provided in Article VII, Section 2.2 of the Constitution of  
20                   Louisiana.

21                   (5) Prescription drugs, as provided in Article VII, Section 2.2 of the  
22                   Constitution of Louisiana.

23                   (6) Fuel that is subject to the road-use excise tax, as provided in Article  
24                   VII, Section 27 of the Constitution of Louisiana.

25                   (7) Sales to the United States government and its agencies, as provided  
26                   in R.S. 47:301(10)(g).

27                   (8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)  
28                   and 305(A)(3).

- 1                   (9) Lease or rentals of railroad rolling stock as provided in R.S.  
2                   47:301(4)(k), piggyback trailers as provided in R.S. 47:305.45, and certain trucks  
3                   and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B).
- 4                   (10) Tangible personal property for resale as provided in R.S.  
5                   47:301(10)(a)(i).
- 6                   (11) Feed and feed additives for animals held for business purposes as  
7                   provided in R.S. 47:305(A)(4).
- 8                   (12) Farm products produced and used by farmers as provided in R.S.  
9                   47:305(B).
- 10                  (13) Sales of fertilizers and containers to farmers as provided in R.S.  
11                  47:305(D)(1)(f).
- 12                  (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.
- 13                  (15) Sales of pesticides for agricultural purposes as provided in R.S.  
14                  47:305.8.
- 15                  (16) Sales of materials for further processing as provided in R.S.  
16                  47:301(10)(c)(i)(aa).
- 17                  (17) Sale of 50-ton vessels and new component parts and sales of certain  
18                  materials and services to vessels operating in interstate commerce as provided in  
19                  R.S. 47:305.1 (A) and (B).
- 20                  (18) Louisiana Tax Free Shopping Program for international visitors as  
21                  provided in R.S. 51:1301.
- 22                  (19) Sales of farm equipment used in poultry production as provided in  
23                  R.S. 47:301(13)(c).
- 24                  (20) Sales of pharmaceuticals administered to livestock for agricultural  
25                  purposes as provided in R.S. 47:301(16)(f).
- 26                  (21) Sales of livestock, poultry and other farm products and sales at public  
27                  livestock auctions as provided in R.S. 47:305(A)(1) and (2).
- 28                  (22) Materials used in the production of crawfish and catfish as provided  
29                  in R.S. 47:305(A)(5) and (6).



1 §331. Imposition of tax

2 \* \* \*

3 P.(1) ~~Notwithstanding any other provision of law to the contrary, except~~  
4 ~~as provided in Paragraph (2) of this Subsection, for the period July 1, 2004~~  
5 ~~through June 30, 2009, the exemptions to the tax levied by this Section, except for~~  
6 ~~the exemptions provided in R.S. 39:467 and 468, R.S. 47:305(A)(1), (B),~~  
7 ~~(D)(1)(f), (j), (k), (l), (m), (s), and (t), and (G), 305.1, 305.2, 305.3, 305.8, 305.10,~~  
8 ~~305.14, 305.15, 305.20, 305.25(A)(1) and (2), 305.37, 305.38, 305.46, 305.50, and~~  
9 ~~305.51, and R.S. 51:1787, shall be inapplicable, inoperable, and of no effect.~~

10 (2) For the period July 1, 2004, through ~~December 31, 2005~~April 1, 2019,  
11 the exemptions to the tax levied by this Section for sales of steam, water, electric  
12 power, or energy, and natural gas shall be inapplicable, inoperable, and of no  
13 effect as to ~~eighty percent~~ of the tax levied by this Section. ~~Except as provided for~~  
14 ~~in Subsection R of this Section, for the period January 1, 2006, through June 30,~~  
15 ~~2009, the exemptions to the tax levied by this Section for sales of electric power~~  
16 ~~or energy and natural gas shall be inapplicable, inoperable, and of no effect as to~~  
17 ~~thirty percent of the tax levied by this Section. For the period January 1, 2006,~~  
18 ~~through June 30, 2009, the exemptions to the tax levied by this Section for sales~~  
19 ~~of steam and water shall be inapplicable, inoperable, and of no effect as to eighty~~  
20 ~~percent of the tax levied by this Section.~~

21 \* \* \*

22 Q. Notwithstanding any other provision of the law to the contrary and  
23 specifically notwithstanding any provision enacted during the 2004 First  
24 Extraordinary Session which makes any sales and use tax exemption inapplicable,  
25 inoperable, and of no effect, the exemption provided in R.S. 47:305.51 shall be  
26 applicable, operable, and effective for all taxable periods beginning on or after  
27 July 1, 2007 through March 31, 2016, and for all taxable periods on and after  
28 April 1, 2019.

29 \* \* \*



1                    S. Notwithstanding any other provision of law to the contrary, including  
2                    but not limited to any contrary provisions of this Chapter, for the period April 1,  
3                    2016 through July 1, 2016, the following exclusions and exemptions to the tax  
4                    levied pursuant to the provisions of this Section shall be the exclusive list of  
5                    allowable exemptions and exclusions.

6                    (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n)  
7                    through (r) on January 1, 2003, as provided in Article VII, Section 2.2 of the  
8                    Constitution of Louisiana.

9                    (2) Natural gas, as provided in Article VII, Section 2.2 of the Constitution  
10                   of Louisiana.

11                   (3) Electricity, as provided in Article VII, Section 2.2 of the Constitution  
12                   of Louisiana.

13                   (4) Water, as provided in Article VII, Section 2.2 of the Constitution of  
14                   Louisiana.

15                   (5) Prescription drugs, as provided in Article VII, Section 2.2 of the  
16                   Constitution of Louisiana.

17                   (6) Fuel that is subject to the road-use excise tax, as provided in Article  
18                   VII, Section 27 of the Constitution of Louisiana.

19                   (7) Sales to the United States government and its agencies, as provided  
20                   in R.S. 47:301(10)(g).

21                   (8) Sales of raw agricultural products, as provided in R.S. 47:301(10)(e)  
22                   and 305(A)(3).

23                   (9) Lease or rentals of railroad rolling stock as provided in R.S.  
24                   47:301(4)(k), piggyback trailers as provided in R.S. 47:305.45, and certain trucks  
25                   and trailers in interstate commerce as provided in R.S. 47:305.50(A) and (B).

26                   (10) Tangible personal property for resale as provided in R.S.  
27                   47:301(10)(a)(i).

28                   (11) Feed and feed additives for animals held for business purposes as  
29                   provided in R.S. 47:305(A)(4).

- 1                   (12) Farm products produced and used by farmers as provided in R.S.  
2                   47:305(B).
- 3                   (13) Sales of fertilizers and containers to farmers as provided in R.S.  
4                   47:305(D)(1)(f).
- 5                   (14) Sales of seeds for planting crops as provided in R.S. 47:305.3.
- 6                   (15) Sales of pesticides for agricultural purposes as provided in R.S.  
7                   47:305.8.
- 8                   (16) Purchases, use, and lease of manufacturing machinery and equipment  
9                   as provided in R.S. 47:301(3)(i)(i), (13)(k) and (28)(a).
- 10                  (17) Sales of materials for further processing as provided in R.S.  
11                  47:301(10)(c)(i)(aa).
- 12                  (18) Sale of 50-ton vessels and new component parts and sales of certain  
13                  materials and services to vessels operating in interstate commerce as provided in  
14                  R.S. 47:305.1 (A) and (B).
- 15                  (19) Louisiana Tax Free Shopping Program for international visitors as  
16                  provided in R.S. 51:1301.
- 17                  (20) Sales of farm equipment used in poultry production as provided in  
18                  R.S. 47:301(13)(c).
- 19                  (21) Sales of pharmaceuticals administered to livestock for agricultural  
20                  purposes as provided in R.S. 47:301(16)(f).
- 21                  (22) Sales of livestock, poultry and other farm products and sales at public  
22                  livestock auctions as provided in R.S. 47:305(A)(1) and (2).
- 23                  (23) Materials used in the production of crawfish and catfish as provided  
24                  in R.S. 47:305(A)(5) and (6).
- 25                  (24) First fifty thousand dollars of farm equipment purchases as provided  
26                  in R.S. 47:305.25.
- 27                  (25) Fuel used on the farm as provided in R.S. 47:305.37.
- 28                  (26) Taxation of electrical cooperatives as provided in R.S. 12:425.
- 29                  (27) Overhaul of naval vessels as provided in R.S. 47:301(7)(c) and  
30                  (14)(h).

1                   (28) Purchases by state and local governments as provided in R.S.  
 2                   47:301(8)(c).

3                   (29) Transactions in interstate commerce and tangible personal property  
 4                   imported into this state, or produced or manufactured in this state, for export as  
 5                   provided in R.S. 47:305(E).

6                   (30) Parish councils on aging in R.S. 47:305.66.

7                   (31) Articles traded in on purchases of tangible personal property as  
 8                   provided in R.S. 47:301(13)(a).

9                   (32) A factory built home as provided in R.S. 47:301(16)(g).

10                  T. The provisions of Subsection S of this Section shall supercede and  
 11                  control to the extent of conflict with any other provision of law.

12                  U. Notwithstanding the provisions of Subsection (S) of this Section, no  
 13                  amount of additional revenue shall be remitted to any tax increment financing  
 14                  district.

15                  Section 2. R.S. 22:270 is hereby amended and reenacted to read as follows:

16                  §270. Taxes and tax base

17                    A. (1) In lieu of the state income tax and the corporate franchise tax levied  
 18                    in Title 47 of the Louisiana Revised Statutes of 1950, every health maintenance  
 19                    organization authorized and certified to engage in the business of issuing contracts  
 20                    or other evidences or similar forms of coverage to enrollees for health care  
 21                    services or prepaid medical services in this state, including Louisiana partnerships  
 22                    authorized under R.S. 22:244(B), shall pay an annual license tax on the gross  
 23                    amount of its receipts from contracts and other evidences of coverage at the same  
 24                    rate as the license tax on life insurance companies provided in R.S. 22:842 and  
 25                    R.S. 22:844.

26                    (2) Except that the rate for health maintenance organizations with  
 27                    enrollment in coverage in the individual market in Louisiana greater than fifty-  
 28                    five thousand individuals as of December 31, 2015 shall be six hundred dollars  
 29                    for every ten thousand dollars of gross annual premiums collected. For purposes  
 30                    of this Paragraph, "individual market" means the market for health coverage

1           offered to individuals other than in connection with a group plan. The  
2           Commissioner of Insurance, in consultation with the Secretary of the Department  
3           of Health and Hospitals, shall have the authority, by rule-making pursuant to the  
4           Administrative Procedure Act, to prescribe rules in order to implement this  
5           provision or to meet the requirements of federal law or regulations, obtain  
6           approval from the Centers for Medicare and Medicaid Services, or to ensure  
7           federal financial participation. The commissioner shall not adjust the enrollment  
8           numbers described in this Paragraph. This Paragraph shall become effective  
9           upon the issuance of any required approval by the Centers for Medicare and  
10           Medicaid Services, if approval is not received the rate for health maintenance  
11           organizations with enrollment in coverage in the individual market in Louisiana  
12           greater than fifty-five thousand individuals in effect before the effective date of  
13           the Act creating this Paragraph shall apply.

\* \* \*

15           Section 3. Section 4 of Act No. 386 of the 1990 Regular Session of the  
16           Legislature is hereby repealed in its entirety.

17           Section 4. The provisions of this Act shall become effective on April 1, 2016.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_