

2016 Second Extraordinary Session

SENATE BILL NO. 11

BY SENATOR BARROW

TAX EXEMPTIONS. Legislates with regard to sales tax exemptions for certain educational institutions. (Item Nos. 7, 13, 14, and 32) (7/1/16)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:302(X), and the introductory
3 paragraph of R.S. 47:321.1(F), and to enact R.S. 47:302(AA) and 321.1(I), relative
4 to state sales and use tax; to restore certain education related exemptions applicable
5 to state sales tax; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. The introductory paragraph of R.S. 47:302(X), and the introductory
8 paragraph of R.S. 47:321.1(F) are hereby amended and reenacted and R.S. 47:302(AA) and
9 321.1(I) are hereby enacted to read as follows:

10 §302. Imposition of tax

11 * * *

12 X. Notwithstanding any other provision of law to the contrary, including but
13 not limited to any contrary provisions of this Chapter, for the period April 1, 2016
14 through July 1, 2018, ~~the following~~ **except as provided in Subsection AA of this**
15 **Section, there shall be no** exclusions and exemptions to the tax levied pursuant to
16 the provisions of this Section ~~shall be the exclusive list of allowable~~ **except for**
17 exemptions and exclusions: **for sales or purchases of the following items:**

* * *

AA. Notwithstanding any other provision of this Chapter to the contrary, including but not limited to the provisions of Subsection X of this Section, for the period July 1, 2016 through July 1, 2018, the following specific exemptions and exclusions shall be applicable to the tax levied pursuant to the provisions of this Section:

(1) Sales to, and leases, rentals, and uses of educational materials and equipment for classroom instruction by a parochial or private elementary or secondary school that complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(10)(q).

(2) Sales by a parochial or private elementary or secondary school that complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(18)(e).

(3) Sales of admissions to athletic and entertainment events as provided in R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or secondary school.

(4) Sales of meals by an educational institution, medical facility, or mental institution, or occasional meals furnished by an educational, religious, or medical organization as provided in R.S. 47:305(D)(2).

* * *

§321.1. Imposition of Tax

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F. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provision of this Chapter, **except as provided in Subsection I of this Section**, there shall be no exemptions or exclusions as defined in R.S. 47:301 to the tax levied pursuant to the provisions of this Section, except for the sales or purchases of the following items:

* * *

1 **I. Beginning July 1, 2016, in addition to those exclusions and exemptions**
 2 **provided in Subsection F of this Section, the following specific exemptions and**
 3 **exclusions shall be applicable to the tax levied pursuant to the provisions of this**
 4 **Section:**

5 **(1) Sales to, and leases, rentals, and uses of educational materials and**
 6 **equipment for classroom instruction by a parochial or private elementary or**
 7 **secondary school that complies with the court order from the Dodd Brumfield**
 8 **decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S.**
 9 **47:301(10)(q).**

10 **(2) Sales by a parochial or private elementary or secondary school that**
 11 **complies with the court order from the Dodd Brumfield decision and Section**
 12 **501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(18)(e).**

13 **(3) Sales of admissions to athletic and entertainment events as provided**
 14 **in R.S. 47:301(14)(b)(i), but only for events held for or by an elementary or**
 15 **secondary school.**

16 **(4) Sales of meals by an educational institution, medical facility, or**
 17 **mental institution, or occasional meals furnished by an educational, religious,**
 18 **or medical organization as provided in R.S. 47:305(D)(2).**

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

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

DIGEST

SB 11 Original

2016 Second Extraordinary Session

Barrow

Present law suspends several exemptions from state sales tax from April 1, 2016 to June 30, 2018, for purposes of the 2% sales tax imposed by R.S. 47:302.

Proposed law restores four suspended sales tax exemptions from the 2% levy beginning July 1, 2016. The restored exemptions are the exemptions for admissions to athletic and entertainment events held for or by an elementary or secondary school, for sales by and to a parochial or private elementary or secondary school that complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, and for sales of meals by an educational institution, medical facility, or mental institution.

Present law imposes a 1% state sales tax on sales of tangible personal property and on sales of taxable services from April 1, 2016 to June 30, 2018.

Present law provides for limited exemptions from the temporary 1% state sales tax.

Proposed law adds four tax exemptions to the exemptions that apply to the temporary 1% sales tax. The additional exemptions are the exemptions for admissions to athletic and entertainment events held for or by an elementary or secondary school, for sales by and to a parochial or private elementary or secondary school that complies with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, and for sales of meals by an educational institution, medical facility, or mental institution.

Effective July 1, 2016.

(Amends R.S. 47:302(X)(intro para) and 321.1(F)(intro para); adds R.S. 47:302(AA) and 321.1(I))