

SENATE BILL NO. 529

BY SENATOR APPEL

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AN ACT

To amend and reenact R.S. 47:303.1(B)(2), (C), (D), and (F), relative to direct payment numbers; to authorize certain nonprofit subsidiaries to obtain direct payment numbers for state and local sales and use tax; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:303.1(B)(2), (C), (D), and (F) are hereby amended and reenacted to read as follows:

§303.1. Direct Payment Numbers

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B.

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(2)(a) A DP Number shall be issued to and shall be continued to be held by a taxpayer ~~which~~ **that** is a private, nonprofit, tax-exempt organization as defined under Section 501(3)(c) ~~(c)(3)~~ of the Internal Revenue Code, ~~which~~ **that** obtains the required approvals, and ~~which~~ **that** meets all of the qualifications provided for in this Section except Subparagraph (1)(a) of this Subsection.

(b) Separate DP Numbers shall be issued to and shall be continued to be held by taxpayers that are subsidiary entities of a private, nonprofit, tax-exempt organization, as defined under Section 501(c)(3) of the Internal Revenue Code, that meets the requirements of Subparagraph (a) of this Paragraph, as well as to those taxpayer entities in which the tax-exempt organization is the sole member, provided that these entities are licensed by the Louisiana Department of Health, Louisiana Board of Pharmacy, or otherwise have as their mission promoting the delivery of healthcare and patient medical services and products and further provided that these entities and the tax exempt organization together have in the aggregate an annual average of ten million dollars of

1 taxable purchases or leases of tangible personal property and taxable services
 2 for three calendar years prior to the year of application, and have such an
 3 average for each subsequent three-year period, and which obtain the required
 4 approvals and meet the qualifications provided for in Subparagraphs (1)(b) and
 5 (1)(d) of this Subsection.

6 * * *

7 C. Upon application by a taxpayer to the department for a DP Number
 8 pursuant to Paragraph (B)(1) or (2) of this Section, the department shall notify by
 9 certified mail the local agency or agencies charged with collection of the sales and
 10 use tax imposed by the political subdivisions in the parish or parishes in which the
 11 taxpayer has a manufacturing establishment or facility or is a ~~private, nonprofit, tax-~~
 12 ~~exempt organization~~ taxpayer that meets the requirements of Paragraph (B)(2)
 13 of this Section. The department and the local collection agency or agencies shall
 14 review the application and shall audit the taxpayer to determine that the taxpayer
 15 meets the qualifications provided in Subsection B of this Section, if the department
 16 or local collection agency or agencies consider such audit necessary.

17 D. If the taxpayer applying for a DP Number pursuant to Paragraph (B)(1)
 18 or (2) of this Section meets the qualifications of Subsection B of this Section and
 19 obtains written approval from the local agency or agencies charged with the
 20 collection of sales and use tax imposed by the political subdivisions in the parish or
 21 parishes in which the taxpayer has a manufacturing establishment or facility or is a
 22 ~~private, nonprofit, tax-exempt organization~~ taxpayer that meets the requirements
 23 of Paragraph (B)(2) of this Section, the department shall issue the DP Number to
 24 the taxpayer. If the taxpayer meets the qualifications of Subsection B of this Section
 25 but written approval is denied or withheld by the local agency or agencies charged
 26 with the collection of sales and use tax imposed by the political subdivisions in the
 27 parish or parishes in which the taxpayer has a manufacturing establishment or
 28 facility or is a private, nonprofit, tax-exempt organization, the department shall issue
 29 a DP Number to the taxpayer ~~which~~ that shall be applicable only for the purposes
 30 of state sales and use tax.

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F. The DP Number issued by the department under this Section may be revoked by the secretary at any time if the taxpayer fails to meet the qualifications provided in this Section, or if the department receives written notice of the revocation of approval for issuance of the DP Number from all of the local tax collection agencies ~~which~~ **that** had previously given their approval pursuant to Subsection D of this Section.

* * *

Section 2. This Act shall become effective on July 1, 2018.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____