

Sales Tax Streamlining and Modernization Commission
October 4, 2016 meeting

Exclusions and exemptions to be considered.

Handwritten item number will coincide with item number designation on the spreadsheet. Source: 2015-2016 Tax Exemption Budget.

Sales Tax

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{ Exclusions }

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3. Purchases, Services, and Rentals by a Private Company Working for Local Authority on Construction or Operation of Sewerage or Wastewater Treatment Facilities

The provision allows a private company with a contract to construct or operate a sewerage or wastewater treatment facility for a local governmental authority to be entitled to the same exclusions and exemptions as the governmental authority. The governmental entity has an exclusion for the purchase of tangible personal property and services and the rental/lease of tangible personal property under R.S. 47:301(8)(c). The purpose of this exclusion is to provide financial assistance to local governments through lower contract cost.

Legal Citation

R.S. 33:4169(D)

Origin

Acts 1982, No. 795

Effective Date

September 10, 1982

Related Exclusion

R.S. 47:301(8)(c)

Beneficiaries

Private companies and local governments

Administration

The purpose of this exclusion is achieved in a fiscally effective manner but it is not used extensively.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

4. Isolated or Occasional Sales of Tangible Personal Property

This exclusion allows isolated or occasional sales, other than motor vehicles, that are not sold as a part of regular business activity to be sold tax free. This exclusion can be claimed by both businesses and individuals. The purpose of this exclusion is to allow tax-free sales between individuals who are not in the retail business and by businesses for sales outside their normal course of business.

Legal Citations

R.S. 47:301(1), R.S. 47:301(10)(c)(ii)(bb)

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

The beneficiaries of this exclusion are individuals not in the business of selling and the consumers who purchase occasional-sale items. Businesses also utilize this exclusion when they sell items outside their normal business activity (example: the sale of a cash register by a department store).

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

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{ Exclusions }

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5. Installation Charges on Tangible Personal Property

This exclusion allows separately stated installation charges associated with the sale of tangible personal property to be tax free. The purpose of this exclusion is to eliminate the tax on installation charges.

Legal Citation

R.S. 47:301(3)(a)

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

The beneficiaries of this exclusion are individuals and businesses who purchase equipment for which an installation charge is made.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

6. Installation of Board Roads to Oil-field Operators

This exclusion allows installers of board roads, when dealing with oil-field operators, to separately itemize the installation charges associated with the board road and to exclude these charges from sales tax. The purpose of this exclusion is to eliminate the sales tax imposed on installation charges paid by oil-field contractors.

Legal Citation

R.S. 47:301(3)(c)

Origin

Acts 1983, No. 446

Effective Date

July 3, 1983

Beneficiaries

Oil-field contractors.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

{ Exclusions }

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9. Purchases of Consumables by Paper and Wood Manufacturers and Loggers

This provision creates a phased-in state sales tax exclusion for tangible personal property consumed in the manufacturing process such as fuses, belts, wires, conveyer belts, lubricants, and motor oils and repairs and maintenance of manufacturing machinery and equipment. The exemption is available to manufacturers with an industry group designation of 3211 through 3222 or 11310 pursuant to the North American Industry Classification Code. These designations consist primarily of paper and wood manufacturers and loggers. The exemption will be phased-in at 25 percent of the cost price beginning July 1, 2010, and continue in 25 percent increments until it becomes 100 percent of the cost price July 1, 2013.

Legal Citation

R.S. 47:301(3)(k)

Origin

Acts 2009, No. 466

Effective Date

August 15, 2009

Beneficiaries

Paper and wood manufacturers and loggers

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

See number 11, Sales Tax Section

10. Leases or Rentals of Railroad Rolling Stock & Leases or Rentals by Railway Companies & Railroad Corporations

This exclusion removes lessors/rentors of railroad rolling stock from the requirement to charge the lease/rental tax to their lessees. This exclusion still requires lessees/rentees, with the exception of railway companies or railroad corporations, to self-assess the lease/rental tax and remit the tax directly to the state. The purposes of this exclusion are to relieve the lessors/rentors of railroad rolling stock from the burden of collecting the rental tax on rolling stock and to provide relief to railway companies and railroad corporations from the lease/rental tax.

Legal Citation

R.S. 47:301(4)(k)

Origin

Acts 1990, No. 444

Effective Date

September 7, 1990

Beneficiaries

Louisiana lessors/rentors of rail rolling stock and railway companies

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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{ Exclusions }

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16. Rentals or Leases of Certain Oil-field Property to be Re-leased or Re-rented

This exclusion allows oil-field equipment rental dealers to rent/lease certain oil-field equipment from other dealers for re-rent or re-lease, without paying a tax on the rental for re-rent or lease for re-lease. The tax is collected on the rental to the final consumer. The purpose of this exclusion is to relieve dealers from having to maintain a large inventory of rental equipment.

Legal Citation

R.S. 47:301(7)(b)

Origin

Acts 1966, No. 124

Effective Date

July 27, 1966

Beneficiaries

Oil-field equipment rental dealers.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

17. Certain Transactions Involving the Construction or Overhaul of U.S. Navy Vessels

This exclusion allows all rentals/leases and sales of services involved in the construction or overhaul of U.S. Navy vessels to be free of sales tax and applies to contractors involved with the construction or overhaul of the vessel. The purpose of this exclusion is to make Louisiana shipyards competitive with other states.

Legal Citations

R.S. 47:301(7)(c), R.S. 301(14)(h)

Origin

Acts 1989, No. 833

Effective Date

September 3, 1989

Beneficiaries

Shipyards and providers of repair services to U.S. Navy vessels

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

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{ Exclusions }

22. Vehicle Rentals for Re-rent to Warranty Customers

This provision allows licensed motor vehicle dealers to lease or rent motor vehicles without the payment of the tax when the vehicles will be provided at no charge to their customers under the terms of the warranty agreement associated with the purchase of a motor vehicle. The provision also extends to work associated with an applicable warranty that has lapsed and the rental is provided at no charge. The purpose of this exclusion is to provide financial assistance to motor vehicle dealers.

Legal Citation

R.S. 47:301(7)(h)

Origin

Acts 1998, No. 49

Effective Date

August 1, 1998

Beneficiaries

Motor vehicle dealers

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

23. Property Used in the Manufacture, Production, or Extraction of Unblended Diesel

This provision excludes from the definitions of the terms “lease or rental,” “sale at retail,” and “use” manufacturing machinery and equipment that is used to manufacture, produce, or extract unblended biodiesel. “Unblended biodiesel” means a fuel comprised of mono-alkylesters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of the definition provided for in D 6751 of the American Society of Testing and Materials, before such fuel is blended with a petroleum-based diesel fuel.

Legal Citation

R.S. 47:301(7)(j), R.S. 47:301(10)(y), R.S. 47:301(18)(k)

Origin

Acts 2005, No. 345; amended by Acts 2011, No. 374

Effective Date

July 1, 2005

Beneficiaries

Taxpayers that manufacture, produce or extract unblended biodiesel

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

See number 11, Sales Tax Section.

Note: Previous versions of the Tax Exemption Budget incorrectly stated that this exemption had a sunset date of June 30, 2015.

Sales Tax

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{ Exclusions }

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30. Purchases of Tangible Personal Property for Lease or Rental

This exclusion allows rental companies to purchase tangible personal property without paying the general sales tax if the property is to be used solely as rental property. The exclusion's effective dates varied based on the type of property being purchased. The purpose of this exclusion is to give dealers financial relief and to make them more competitive with dealers in neighboring states that exempt the same transactions.

Legal Citations

R.S. 47:301(10)(a)(iii), R.S. 47:301(18)(a)(iii)

Origin

Acts 1990, No. 140 and No. 1030

Effective Date

July 1, 1990

Duplicate Provision

R.S. 47:305.36 (limited to motor vehicles, trailers, and semi-trailers)

Beneficiaries

Louisiana rental dealers.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$12,252,000	\$12,497,000

31. Sales Through Coin-operated Vending Machines

This exclusion allows sales of tangible personal property through vending machines to be free of sales tax. This exclusion defines the sale to the dealer for resale in a vending machine to be a retail sale. The vending machine company is subject to tax on the purchase price of the property. No additional sales tax is due on the subsequent sale through the vending machine. The purpose of this exclusion is to define the taxable point of sale and to simplify the collection and reporting of the tax.

Legal Citation

R.S. 47:301(10)(b)(i)

Origin

Acts 1978, No. 756

Effective Date

September 8, 1978

Beneficiaries

Dealers who sell their product through vending machines

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

Sales Tax

{ Exclusions }

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42. Pelletized Paper Waste Used in a Permitted Boiler

This exclusion allows purchases of pelletized paper waste for the exclusive use as combustible fuel by an electric utility or in an industrial manufacturing, processing, compounding, reuse, or production process, including the generation of electricity or process steam to be made free of the general sales tax. The purpose of this exclusion is to encourage the use of pelletized paper waste in boilers.

Legal Citation

R.S. 47:301(10)(n)

Origin

Acts 1992, No. 926

Effective Date

July 1, 1993

Beneficiaries

Industries that convert boiler equipment to use pelletized paper waste as fuel.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

43. Purchases of Equipment by Bona Fide Volunteer and Public Fire Departments

This exclusion allows bona fide volunteer and public fire departments to purchase equipment used in fire fighting without the payment of general sales tax. Public fire departments are currently excluded from taxation under the governmental exclusion on all purchases, including non fire-fighting equipment. In addition, many fire departments named "volunteer" are actually fire protection districts and excluded from taxation under the governmental exclusions.

Legal Citation

R.S. 47:301(10)(o)

Origin

Acts 1992, No. 926; amended by Acts 1998, No. 37

Effective Date

July 1, 1992

Beneficiaries

Bona fide volunteer and public fire departments.

Administration

The purpose of this exclusion was achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

{ Exclusions }

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44. Sales of Telephone Directories by Advertising Companies

This exclusion allows advertising companies that are not affiliated with telephone service providers to transfer title or possession of telephone directories free from the state sales or use tax if the telephone directories will be distributed free of charge to the recipients.

Legal Citation

R.S. 47:301(10)(t)

Origin

Acts 2002, No. 58

Effective Date

June 25, 2002

Beneficiaries

Advertising companies distributing telephone directories

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

45. Sales of Cellular Telephones and Electronic Accessories

This exclusion from state and local sales and use tax applies to the withdrawal, use, distribution, consumption, storage, donation, or disposition of cellular, PCS, or wireless telephones when provided in conjunction with the sale of a cellular service contract. The term "sales price" means and includes the greater of the amount of money actually received by the dealer from the purchaser for each such telephone, or 25 percent of the cost of the telephone to the dealer, but does not include any amount received by the dealer from the purchaser for providing mobile telecommunications services or any commissions, fees, rebates, or other amounts received by the dealer from any source other than the purchaser as a result of or in connection with the sale of the telephone.

Legal Citation

R.S. 47:301(10)(v), R.S. 47:301(13)(g) and (h), R.S. 47:301(18)(i)

Origin

Acts 2002, No. 85; Amended by Acts 2007, No. 358

Effective Date

June 28, 2002

Beneficiaries

Cellular, PCS, or wireless telephone service providers

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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{ Exclusions }

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54. Sales of Anthropogenic Carbon Dioxide use in Qualified Tertiary Recovery Projects

This provision creates an exclusion from sales and use tax for anthropogenic carbon dioxide used in qualified tertiary recovery projects approved by the Department of Natural Resources.

Legal Citation

R.S. 47:301(10)(gg), R.S. 47:301(18)(p)

Origin

Acts 2009, No. 450

Effective Date

July 1, 2009

Beneficiaries

Taxpayers who use anthropogenic carbon dioxide in qualified tertiary recovery projects approved by the Department of Natural Resources.

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

55. Qualifying Events Providing Louisiana Heritage, Culture, Crafts, Art, Food and Music Sponsored by a Domestic Nonprofit Organization

This exclusion exempts the sales of tangible personal property at, admissions to, and parking fees for an event providing Louisiana heritage, culture, crafts, art, food and music which is sponsored by a nonprofit organization. Qualifying events must transpire over a minimum of seven days but not more than twelve days and have a Five-Year annual average attendance of at least three hundred thousand over the duration of the event. The purpose of this exemption is to provide financial assistance to qualifying organizations.

Legal Citation

R.S. 47:301(10)(hh) and (14)(k)

Origin

Acts 2011, No. 372

Effective Date

October 1, 2011

Beneficiaries

New Orleans Jazz and Heritage Festival.

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

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{ Exclusions }

56. Articles Traded In on Tangible Personal Property

This exclusion allows credits for trade-ins of like property to be free of general sales tax. The trade-in credits are excluded from the definition of sales price. The purpose of this exclusion is to effect a reduction in the taxable sales price for consumers.

Legal Citation

R.S. 47:301(13)(a)

Origin

Acts 1989, 2nd Ex. Sess., No. 14

Effective Date

August 1, 1989

Beneficiaries

Any persons or businesses that purchase tangible personal property utilizing trade-ins.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

57. First \$50,000 of New Farm Equipment Used in Poultry Production

This exclusion allows farmers engaged in poultry production relief from the general sales tax on the first \$50,000 of equipment purchased for use in poultry production. The purpose of this exclusion is to extend to poultry farmers similar tax relief extended to other farmers under R.S. 47:305.25 [See number 11, Sales Tax Section].

Legal Citation

R.S. 47:301(13)(c)

Origin

Acts 1991, No. 388

Effective Date

July 8, 1991

Beneficiaries

Poultry farmers.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

See number 11, Sales Tax Section.

Sales Tax

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{ Exclusions }

58. Specialty Mardi Gras Items Sold by Certain Organizations

This exclusion allows nonprofit carnival organizations domiciled within Louisiana and participating in a parade sponsored by a carnival organization to sell specialty items to members for fund-raising purposes free from the state and local sales tax.

Legal Citation

R.S. 47:301(13)(l)

Origin

Acts 2005, No. 410

Effective Date

August 15, 2005

Beneficiaries

Nonprofit carnival organizations

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

59. Admission to Athletic or Entertainment Events by Educational Institutions and Membership Dues of Certain Nonprofit Civic Organizations

This exclusion allows the tax-free sale of tickets for admission to all athletic events by schools, colleges, and universities, and membership dues for access to the facilities of nonprofit civic organizations, such as the Young Men's Christian Association (YMCA), Young Women's Christian Association (YWCA), Catholic Youth Organization (CYO), etc. The purpose of this exclusion is to provide financial assistance to qualifying organizations.

Legal Citation

R.S. 47:301(14)(b)(i)

Origin

Acts 1948, No. 9; amended by Acts 1976, No. 481

Effective Date

June 7, 1948

Beneficiaries

Schools and nonprofit organizations

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

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{ Exclusions }

62. Repair Services Performed in Louisiana When the Repaired Property is Exported

This exclusion allows Louisiana dealers to repair tangible personal property from other states tax-free, if the property is delivered back to the other state by the Louisiana dealer or by common carrier. The purpose of this exclusion is to allow Louisiana dealers to be competitive with dealers in neighboring states.

Legal Citation

R.S. 47:301(14)(g)(i)(bb)

Origin

Acts 1977, 1st Ex. Sess., No. 17; Amended by Acts 2007, No. 173

Effective Date

July 1, 1978

Beneficiaries

Louisiana repair shops located near the boundaries of the neighboring states

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

63. Repairs, Renovations or Conversions of Drilling Rigs

This exclusion allows a drilling rig used exclusively for the exploration or development of minerals outside the territorial limits of the state in the Outer Continental Shelf waters to be repaired, renovated or converted without the owner paying sales or use taxes.

Legal Citation

R.S.47:301(14)(g)(iii)

Origin

Acts 2007, No. 173

Effective Date

June 27, 2007

Beneficiaries

Oilfield companies using drilling rigs exclusively for the exploration or development of minerals outside the territorial limits of the state in the Outer continental Shelf waters.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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{ Exclusions }

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66. Miscellaneous Telecommunications Services

This exclusion provides that services for resale, ancillary charges separately stated, taxes collect by the seller from the purchaser, telecommunication services among an affiliated group as provided by 26 U.S.C. 1504 and non-telecommunication property or services separately states are not subject to the sales tax imposed upon telecommunications under R.S. 47:301.1.

Legal Citation

R.S. 47:301.1(B)(2)(a), (b), (c), (e) and (f)

Origin

Acts 1990, No. 388; amended by Acts 1998, No. 58; Acts 2001, No. 1175

Effective Date

August 1, 1990

Beneficiaries

All persons or companies using telecommunication services

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

67. Gold, Silver, or Numismatic Coins, or Platinum, Gold, or Silver Bullion

This exclusion allows transactions involving gold, silver, or numismatic coin with a total value over \$1,000 to be free of general sales tax. The purpose of this exclusion is to provide for tax-free sales of monetized bullion.

Beginning August 1, 2013, the exclusion was modified to specifically include platinum and to remove the dollar value limitation.

Legal Citation

R.S. 47:301(16)(b)(ii)

Origin

Acts 1991, No. 292; amended by Acts 2013, No. 396

Effective Date

July 1, 1991

Beneficiaries

Dealers and purchasers of numismatic coins and bullion

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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{ Exclusions }

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68. Certain Geophysical Survey Information and Data Analyses

This exclusion allows geophysical information and data provided under a restricted-use agreement to be free of sales tax. This exclusion excludes these transactions from the definition of tangible personal property. These transactions do not constitute an exchange of tangible personal property and are not subject to tax. The purpose of this exclusion is to clarify that tax is not due on geophysical surveys.

Legal Citation

R.S. 47:301(16)(b)(iii)

Origin

Acts 1988, No. 355

Effective Date

July 7, 1988

Beneficiaries

Oil exploration and geophysical survey companies

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

\$0; not taxable.

69. Work Product of Certain Professionals

This provision excludes the work product of licensed or regulated professionals under Title 37. The work products of these professionals that are written on paper, stored on magnetic or optical media, or transmitted by electronic device, such as tax returns and wills, that is created in the normal course of business is excluded from the definition of tangible personal property. This exclusion specifically does not apply to work products that consist of the creation, modification, updating, or licensing of computer software. The taxing authorities of the state and local governments have not attempted to tax the work product addressed in this exclusion. The purpose of this exclusion is to ensure that governmental entities do not attempt to tax the work product of Title 37 professionals.

Legal Citation

R.S. 47:301(16)(e)

Origin

Acts 1998, No. 46

Effective Date

June 24, 1998

Beneficiaries

Professionals licensed or regulated under Title 37.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

\$0; not taxable.

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{ Exclusions }

72. Purchases of Certain Custom Computer Software

This exclusion, phased in over four-years, excludes custom computer software from the definition of tangible personal property. The percentage excluded from the cost price of custom software is 25 percent in the first year, increasing by 25 percent each fiscal year until fully exempt on June 30, 2005. In order to be considered "custom computer software," the computer software must require preparation, creation, adaptation, or modification by the vendor in order to be used in a specific work environment or to perform a specific function for the user.

Legal Citation

R.S. 47:301(16)(h), (22) and (23)

Origin

Acts 2002, 1st Ex. Sess., No. 7

Effective Date

July 1, 2002

Beneficiaries

Dealers and consumers of custom computer software

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

73. Materials Used Directly in the Collection of Blood

This exclusion allows nonprofit blood banks and blood collection centers to purchase materials used directly in the collection, separation, treatment, testing, and storage of blood free from the general sales tax.

Legal Citation

R.S. 47:301(16)(j)

Origin

Acts 2002, No. 70

Effective Date

July 1, 2002

Beneficiaries

Nonprofit blood banks and blood collection centers

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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74. Apheresis Kits and Leuko Reduction Filters

This exclusion allows nonprofit blood banks and blood collection centers to purchase apheresis kits and leuko reduction filters free from the general sales tax.

Legal Citation

R.S. 47:301(16)(k)

Origin

Acts 2002, No. 71

Effective Date

July 1, 2002

Beneficiaries

Nonprofit blood banks and blood collection centers

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

75. Other Constructions Permanently Attached to the Ground

This exclusion alters for state and local sales and use tax administration purposes only, the Louisiana Civil Code classification of "other constructions" as movable property when there is no unity of ownership between the other constructions and the lands on which they are located. Effective March 25, 2004, "other constructions" will be treated as immovable property when permanently attached to the land, regardless of the ownership of the land for sales and use tax administration purposes only. Persons constructing, selling, leasing, renting, or repairing "other constructions" that are permanently attached to the ground must treat those constructions as any other immovable property. Sales or use tax will be owed on their acquisition prices of materials that they acquire for the construction of or for providing repairs to property.

Legal Citation

R.S. 47:301(16)(l)

Origin

Acts 2004, 1st Ex. Sess., No. 6

Effective Date

March 25, 2004

Beneficiaries

Persons owning other constructions and not the land on which they are located.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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80. Sales of Newspapers

This exclusion allows the tax-free sale of newspapers. As a result of the court case *Arkansas vs. Arkansas Writers* 481 U.S. 221 (U.S. Ark. Apr. 22, 1987) (No. 85-1370), the definition of newspapers has been expanded to include general information publications with second-class mailing privileges, which includes various magazines.

Legal Citation

R.S. 47:301(16)(p)

Origin

Acts 2007, No. 480

Effective Date

July 1, 2008

Related Provision

R.S. 47:305(D)(1)(e) provides a related exemption. That exemption is currently suspended. This exclusion will supercede the suspended exemption on the effective date above.

Beneficiaries

Consumers who purchase newspapers and magazines.

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

81. Donations to Certain Schools and Food Banks from Resale Inventory

This exclusion allows a retailer to donate resale inventory to certain schools or food banks without having to pay use tax on the donated property. The schools must meet the definition in R.S. 17:326 or be a school of higher education. The food banks must meet the definition under R.S. 9:2799(B). The purpose of this exclusion is to encourage the donation of resale inventory to certain schools and Food Banks.

Legal Citation

R.S. 47:301(18)(a)(i)

Origin

Acts 1987, No. 326; amended by Acts 1998, No. 22; Acts 2000, No. 44

Effective Date

July 1, 1987

Beneficiaries

Retailers that donate to schools and food banks and the schools and food banks that receive the donations

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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82. Use Tax on Residue or Byproducts Consumed by the Producer

This exclusion excludes from the definition of “use” any residue or by-product created as part of a manufacturing/refining process, except refinery gas, which is used by the producer of the property. The use tax value of refinery gas is under R.S. 47:301(f). Sales of refinery gas are subject to tax under R.S. 47:301(13)(d).

Legal Citation

R.S. 47:301(18)(d)(ii)

Origin

Acts 1996, No. 29; amended Acts 2005, No. 458

Effective Date

July 2, 1996

Beneficiaries

Manufacturers or refineries of refinery gas and byproducts that are produced as part of their process

Administration

It is not known if the purpose of this exclusion is being achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

83. Advertising Services

This exclusion allows advertising services by an advertising agency to be free from state and local sales or use tax. This exclusion applies to advertising services and to tangible personal property sold if advertising services constitute a major part of the tangible personal property produced. It does not apply to the transfer of mass-produced advertising items by an advertising business that involves furnishing minimal services by the advertising business. Pure advertising services were never considered to be taxable. The purpose of this exclusion was to clarify the taxability of advertising services and the property transferred to clients.

Legal Citation

R.S. 47:302(D)

Origin

Acts 1987, No. 869

Effective Date

January 1, 1982

Beneficiaries

Advertising agencies and their customers

Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect

\$0; not taxable.

Sales Tax

85

{ Exemptions }

84. Purchases by Nonprofit Electric Cooperatives

This exemption allows nonprofit electric cooperatives to purchase tangible property without the payment of sales tax. The purpose of this exemption is to assist in providing electrical-utility service to rural areas, since investor-owned utility companies are not allowed a comparable exemption.

Legal Citation

R.S. 12:425

Origin

Acts 1940, No. 266; amended by Acts 1968, No. 105

Effective Date

July 21, 1940

Beneficiaries

Rural electric cooperatives

Administration

The exemption has caused problems when the cooperatives tried to pass the exemption through to construction contractors using agency agreements. This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

85. Purchases by a Public Trust

This exemption allows bulk purchases of materials, supplies, vehicles, and equipment by a public trust free of general sales tax. The purchases must be made on behalf of the public trust. The purpose of this exemption is to provide assistance to public entities.

Legal Citation

R.S. 38:2212.4

Origin

Acts 1989, No. 780 (Redesignated from R.S. 38:2212.3 to R.S. 38:2212.4 pursuant to Acts 1999 No. 768.)

Effective Date

July 9, 1989

Beneficiaries

Public trusts

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

\$0, resale to government entities.

Sales Tax

87

{ Exemptions }

88

86. Sales by State-owned Domed Stadiums and Baseball Facilities

This exemption allows tax-free sales to be made within state-owned domed stadiums with a seating capacity of at least 70,000 or has a seating capacity of at least 12,500 located in a parish with population of between 185,000 and 250,000, or any open baseball site that has a seating capacity of at least 10,000 and has a professional sports franchise that participates in Class Triple A professional baseball. This exemption covers sales of souvenirs and refreshments, parking fees, and guided tours. This exemption does not extend to sales of tangible personal property through trade shows or similar events. The purpose of this exemption is to provide financial assistance to qualifying stadiums.

Legal Citation

R.S. 39:467

Origin

Acts 1985, No. 2, amended by Acts 2005, No. 391; Acts 2009, No. 464

Effective Date

May 23, 1985

Beneficiaries

Certain state-owned domed stadiums and baseball sites and the vendors operating within them

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

87. Sales by Certain Publicly-owned Facilities

This exemption allows tax-free sales by certain publicly-owned facilities. This exemption applies to any qualified facility owned by any state or local subdivision. In order to qualify, the local taxing authorities must provide a similar exemption from all local sales taxes. The exemption covers sales of souvenirs and refreshments, parking fees, and guided tours. The exemption does not extend to sales of tangible personal property through trade shows or similar events. The purpose of this exemption is to provide financial assistance to qualifying facilities.

Legal Citation

R.S. 39:468

Origin

Acts 1985, No. 2

Effective Date

May 23, 1985

Beneficiaries

Certain publicly-owned facilities and the vendors operating within them

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

89

{ Exemptions }

90

88. Boats, Vessels and Other Water Craft as Demonstrators

This exemption adds new boats, vessels, and other water craft to the sales tax exemption for demonstrators. It allows new and used boat dealers to remove boats, vessels, and other water craft from inventory for demonstration purposes without being subject to the general sales tax. To qualify for the exemption, the boat, vessel, or watercraft must be registered in the dealer's name and must not be used on more than 6 consecutive days or more than 12 days in any calendar month.

Legal Citation

R.S. 47:303(D)(1), R.S. 47:305(D)(1)(i) & (H)

Origin

Acts 2009, No. 442

Effective Date

July 1, 2009

Beneficiaries

Boat and other water craft dealers.

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

89. Purchases of Off-road Vehicles by Certain Buyers Domiciled in Another State

This exemption allows purchasers who submit proof that they are domiciled in another state and provide a signed affidavit that tax has been paid or will be paid on the off-road vehicle in the state in which they are domiciled within 60 days after the date of purchase or deliver, whichever is later, to purchase off-road vehicles without paying sales or use tax. This exemption only applies if the state in which the buyer is domiciled also provides a similar exemption.

Legal Citation

R.S.47:303(E)(1), R.S. 47:304(A), R.S. 47:305.56

Origin

Acts 2007, No. 291

Effective Date

October 7, 2007

Beneficiaries

Purchasers of off-road vehicles who are domiciled in another state that provides a similar exemption.

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

{ Exemptions }

104

102. Energy Sources Used as Boiler Fuel, Except Refinery Gas

This provision allows an exemption for all energy sources to be used as boiler fuel, except refinery gas. The use of residual or byproducts created or derived from the processing of a raw material would be excluded from the sales tax only when used by the producer. The purpose of this exemption is to provide a benefit to industries utilizing boilers in their operations.

Legal Citation

R.S. 47:305(D)(1)(h)

Origin

Acts 1973, Ex. Sess., No. 13; Amended by Acts 1996, No. 29; Acts 1998, No. 21; Acts 2000, No. 28; Acts 2002, No. 4

Effective Date

January 1, 1974

Comparable Provision

R.S.47:301(18)(d)(ii)

Beneficiaries

Any business that uses an energy source in a boiler fuel, except residual or byproducts or refinery gas

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

Note: HCR 8 of 2015 partially suspends the exemptions on certain business utilities thereby subjecting them to a tax rate of 1% from July 1, 2015 through August 5, 2016. Since this exemption was already subject to 1% tax, the effective tax rate on these products will be 2% from July 1, 2015 through August 5, 2016.

103. Trucks, Automobiles, and New Aircraft Removed from Inventory for use as Demonstrators

This exemption allows new and used automobile and new aircraft dealers to remove trucks, automobiles or aircraft from inventory for demonstration purposes without being subject to the general sales tax. Demonstrator units are required to be on the dealers' premises during regular business hours to qualify for the exemption. The purpose of this exemption is to provide financial assistance to truck, automobile, and aircraft dealers.

Legal Citation

R.S. 47:305(D)(1)(i)

Origin

Acts 1962, No. 182; amended by Acts 1974, No. 186; Acts 1987, No. 847

Effective Date

August 1, 1962

Beneficiaries

Truck, automobile, and aircraft dealers

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely. Sales of trucks and automobiles are reported to Office of Motor Vehicles.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
Unable to Anticipate	Unable to Anticipate

Sales Tax

#107

{ Exemptions }

106. Fees Paid by Radio and Television Broadcasters for the Rights to Broadcast Film, Video, and Tapes

This exemption allows the tax-free sale of the rights to broadcast copyrighted material. The purpose of this exemption is to provide financial assistance to broadcasters.

Legal Citation

R.S. 47:305(F)

Origin

Acts 1972, No. 234

Effective Date

July 26, 1972

Beneficiaries

Radio and television broadcasters

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

107. Repairs and Materials Used on Drilling Rigs and Equipment

This exemption allows repairs and materials used on drilling rigs and equipment used exclusively for exploration and development of minerals outside the territorial limits of the state in outer continental shelf waters to be exempt from the state sales and use tax. The exemption applies to the sale of materials, services, and supplies as well as labor used to repair, renovate or convert any drilling rig, or machinery and equipment that are component parts used exclusively for the exploration or development of minerals outside the territorial limits of the outer continental shelf waters. The definition of drilling rig and component parts are also defined under R.S. 47:305(I). The purpose of this exemption is to provide financial assistance to companies operating drilling rigs and that are engaged in exploration and development of minerals outside the territorial limits of the state in outer continental shelf waters.

Legal Citation

R.S. 47:305(I)

Origin

Acts 2002, No. 31

Effective Date

July 1, 2002

Beneficiaries

Companies that operate drilling rigs and are engaged in exploration and development of minerals outside the territorial limits of the state in outer continental shelf waters

Administration

This exemption is subject to zero percent tax effective 7/1/2005. Please see the exclusion under R.S. 47:301(14)(g)(iii).

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

109

{ Exemptions }

108. Sales of 50-ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce

This exemption allows the purchase of materials, equipment, and machinery that become component parts of ships, vessels, and barges with a 50-ton and over load displacement and the sale of qualifying ships, vessels, and barges to be exempt from sales tax. Drilling ships and barges are also exempt. This exemption also allows ships or vessels operating exclusively in foreign or interstate coastwise commerce to purchase materials and supplies, repair services, and laundry services tax free. The purpose of this exemption is to make Louisiana boat builders and boat-service businesses competitive with similar companies in other states.

Legal Citation

R.S. 47:305.1

Origin

Acts 1959, No. 51; amended by Acts 2002, No. 40 and 41; Acts 2006 1st ext. sess., No. 34

Effective Date

June 29, 1959

Beneficiaries

The beneficiaries of this exemption are builders of 50-ton and over ships, vessels, and barges and the owners of ships, vessels, and barges that operate in foreign or interstate commerce. Since the courts have declared that tax laws cannot discriminate against interstate commerce, the Department has been unable to enforce the restrictive built in Louisiana language contained in the statute. Consequently, out-of-state builders have also benefited from this exemption.

Administration

Acts 2002, No. 40 and 41 have provided a specific definition of "foreign or interstate coastwise commerce." Acts 2006 1st Extraordinary Session No. 34 clarifies that the exemption is applicable to barges and drilling ships.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

109. Sales of Seeds for Planting Crops

This exemption allows the tax-free sales of seeds to commercial farmers. Commercial farmers include those who grow crops for sale, as well as those who grow crops for livestock, poultry, fish, and dairy animals. Seeds purchased by commercial farmers were already exempt as a raw material under R.S. 47:301(10)(a). The purpose of this exemption is to clarify that seeds are not taxable.

Legal Citation

R.S. 47:305.3

Origin

Acts 1960, No. 427

Effective Date

July 27, 1960

Duplicate Provision

R.S. 47:301(10)(e)

Beneficiaries

Commercial farmers

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

{ Exemptions }

116

114. Property Purchased for Exclusive Use Outside the State

This exemption allows tangible personal property purchased within or imported into Louisiana for first use exclusively beyond the territorial limits of Louisiana to be free from the sales tax. Tangible personal property that is purchased or imported tax free and later returned to Louisiana for use for a taxable purpose will be subject to the Louisiana use tax at the time it is returned. "Use for a taxable purpose" with regards to this exemption, does not include transportation beyond the territorial limit or back, repairs, modifications or fabrications and storing for first use offshore beyond the territorial limits of any state. Charges for repairs in Louisiana to tangible personal property for use in offshore areas are taxable except those described in R.S. 47:305(1).

Legal Citation

R.S. 47:305.10

Origin

Acts 1964, No. 172; amended by Acts 2005, No. 457

Effective Date

July 29, 1964

Beneficiaries

Businesses who purchase tangible personal property within Louisiana and use the property in the offshore area

Administration

Recent court rulings that broadly interpret what constitutes interstate, offshore, and foreign commerce make this exemption difficult to administer.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

115. Additional Tax Levy on Contracts Entered into Prior to and Within 90 Days of Tax Levy

This exemption allows lump-sum contracts entered into within 90 days prior to a new tax levy to be exempt from the new tax levy. This exemption also allows contracts entered into within 90 days after a new tax levy is in effect to be exempt from that tax levy if the contracts involve contractual obligations undertaken prior to the effective date. The purpose of this exemption is to offer financial protection to contractors who enter into contracts based upon existing tax levies.

Legal Citation

R.S. 47:305.11

Origin

Acts 1970, No. 7

Effective Date

July 29, 1970

Beneficiaries

Lump-sum contractors

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
Unable to anticipate	\$0

Sales Tax

{ Exemptions }

124

122. Purchases by Certain Organizations that Promote Training for the Blind

This exemption allows organizations that provide training for the blind and receive at least 75 percent of the organizations' funding from public funds to purchase goods and services free of the general sales tax. The purpose of this exemption is to provide financial assistance to blind organizations.

Legal Citation

R.S. 47:305.15(B)

Origin

Acts 1994, No. 26

Effective Date

August 15, 1994

Beneficiaries

Qualifying organizations for the blind

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

123. Cable Television Installation and Repair Services

This exemption allows installation charges and repairs to hardware to be exempt from sales tax. This exemption was not necessary, as cable installation charges are a nontaxable service and repair services are performed on immovable equipment and are not subject to taxation. The purpose of this exemption is to clarify that cable television installation and repair services are not subject to the tax.

Legal Citation

R.S. 47:305.16

Origin

Acts 1974, No. 593

Effective Date

July 31, 1974

Beneficiaries

Television cable companies and their subscribers, if these charges were subject to tax

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

\$0; Installation charges and charges for repairs to immovable property are not taxable.

Sales Tax

127

{ Exemptions }

126. Lease or Rental of Certain Vessels in Mineral Production

This exemption allows the vessels leased or rented for use offshore beyond the territorial limits of Louisiana for the production of oil, gas, sulphur, and other minerals to be exempt from sales tax. This exemption applies to production companies and their service companies. The purpose of this exemption is to provide financial assistance to the mineral-production industry.

Legal Citation

R.S. 47:305.19

Origin

Acts 1975, No. 818

Effective Date

September 12, 1975

Beneficiaries

Production companies and the company providing services to them

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

127. Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fishermen

This exemption allows commercial fishermen to purchase tax-free materials, supplies, repair services, and fuel for the maintenance or operation of boats. Fishermen must apply for a license with the Department of Revenue. The purpose of this exemption is to provide financial assistance to commercial fishermen.

Legal Citation

R.S. 47:305.20(A)

Origin

Acts 1975, No. 811; Acts 2009, No. 446

Effective Date

September 12, 1975

Beneficiaries

Licensed commercial fishermen

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

{ Exemptions }

134

132. Construction Materials and Operating Supplies for Certain Nonprofit Retirement Centers

This exemption allows for the tax-free purchase of construction materials and operating supplies for certain nonprofit retirement centers owned or operated by any public trust authority or incorporated not-for-profit organization. The retirement center must serve as a multipurpose facility that offers unsupervised living units, supervised nursing-home facilities, and intermediate health care. The purpose of this exemption is to encourage a new concept in the care of the elderly.

Legal Citation

R.S. 47:305.33

Origin

Acts 1981, No. 876

Effective Date

September 11, 1981

Beneficiaries

Nonprofit multipurpose retirement centers

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

133. Sales of Motor Vehicles to be Leased or Rented by Qualified Lessors

This exemption allows the tax-free purchase of motor vehicles, trailers, and semi-trailers used exclusively for leases or rentals. This exemption is superseded by the exclusion provided under R.S. 47:301(10)(a)(iii) [See number 30] enacted October 1, 1996.

Legal Citation

R.S. 47:305.36

Origin

Acts 1982, No. 415; amended by Acts 1984, No. 539; Acts 1985, No. 847; Acts 1991, No. 495

Effective Date

September 10, 1982

Duplicate Provision

R.S. 47:301(10)(a)(iii)

Administration

This exemption has been superseded by R.S. 47:301(10)(a)(iii).

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$55,161,000	\$56,264,000

Sales Tax

{ Exemptions }

138

136. Purchases of Certain Fuels for Private Residential Consumption

This exemption allows the tax-free purchase of butane, propane, and other liquefied petroleum goods used for private residential cooking and cleaning purposes. The purpose of this exemption is to provide financial assistance to consumers.

Legal Citation

R.S. 47:305.39

Origin

Acts 1983, No. 654; amended by Acts 1985, No. 622

Effective Date

July 1, 1984

Beneficiaries

Residential consumers

Administration

This exemption has been superseded by duplicate provisions as of July 1, 2004.

Estimated Fiscal Effect

Superseded by R.S. 47:301(10)(x). See number 189, Sales Tax section.

137. Specialty Mardi Gras Items Purchased or Sold by Certain Organizations

This exemption originally allowed tax-free purchases of specialty items by carnival organizations and Louisiana domiciled nonprofit organizations. Acts 2005, No. 410 amended this exemption to allow tax free sales of specialty items for use in connection with Mardi Gras activities by qualifying organizations. The purpose of this exemption is to provide financial assistance to carnival and nonprofit organizations that sponsor Mardi Gras activities.

Legal Citation

R.S. 47:305.40

Origin

Acts 1985, No. 439, amended by Acts 2005, No. 410

Effective Date

September 6, 1985

Beneficiaries

Carnival and nonprofit organizations.

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

Sales Tax

{ Exemptions }

142

140. Nonprofit Organizations Dedicated to the Conservation of Fish and Migratory Waterfowl

This exemption allows nonprofit organizations dedicated exclusively to the conservation of fish or the migratory waterfowl of the North American Continent and to the preservation and conservation of wetland habitat of such waterfowl to sell items free from the state and local sales tax if the proceeds are used in furtherance of the organization's exempt purpose. Qualifying organizations will also be allowed to purchase items free from the state and local sales tax. The exemption will not apply to any event intended to yield a profit to the promoter or to any individual contracted to provide services or equipment for the event. The purpose of this exemption is to provide financial assistance to qualifying conservation groups. This provision has a related exemption under R.S. 47:305.41 which exempts certain transactions with Ducks Unlimited and Bass Life.

Legal Citation

R.S. 47:305.43

Origin

Acts 1985, No. 835; amended by Acts 1998, No. 28

Effective Date

September 6, 1985

Beneficiaries

Qualifying organizations dedicated to fish and migratory North American waterfowl

Administration

This exemption has been fully suspended and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

141. Raw Materials Used in the Printing Process

This exemption allows the tax-free purchase or sale of raw materials and certain other tangible personal property used to produce printed matter. This exemption applies to qualifying items manufactured by the printer or purchased from a contractor. The purpose of this exemption is to offer financial assistance to commercial printers.

Legal Citation

R.S. 47:305.44

Origin

Acts 1985, No. 847

Effective Date

July 23, 1985

Beneficiaries

Commercial printers

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

Sales Tax

143

{ Exemptions }

142. Piggy-back Trailers or Containers and Rolling Stock

This exemption allows the tax-free sale or lease of piggy-back trailers or containers and rolling stock. Per diem or car-hire charges are also exempted. Railroad companies and other operators of qualifying equipment are eligible for the exemption. Rail-car leases are also covered by an exclusion under R.S. 47:301(4)(k) (See number 10, Sales Tax Section). The purpose of this exemption is to provide financial assistance to railroads and other rail-car operators and piggy-back trailers. A similar exemption for rail rolling stock appears under R.S. 47:305.50(B).

Legal Citation

R.S. 47:305.45

Origin

Acts 1986, No. 476

Effective Date

July 1, 1986

Beneficiaries

Railroad companies and other operators of railroad transportation equipment

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

143. Pharmaceutical Samples Distributed in Louisiana

This exemption allows pharmaceutical samples to be exempt from sales and use tax when they are distributed without charge to physicians, dentists, clinics, and hospitals. The purpose of this exemption is to provide financial assistance to drug manufacturers.

Legal Citation

R.S. 47:305.47

Origin

Acts 1989, No. 383

Effective Date

June 30, 1989

Beneficiaries

Drug manufacturers

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

Sales Tax

{ Exemptions }

148, # 148.1

146. Certain Contract Carrier Buses Used 80 Percent in Interstate Commerce

This provision allows certain contract carrier buses used 80 percent of the time in interstate commerce to be exempt from sales and use tax. The bus must meet the definition in the exemption, which requires the bus to be a commercial vehicle with a minimum capacity of 35 passengers and have a minimum gross weight of 26,000 lbs. The purpose of this exclusion is to provide financial assistance to large contract carrier buses operating in interstate commerce.

Legal Citation

R.S. 47:305.50(B)

Origin

Acts 1998, No. 41; amended by Acts 2000, No. 27 and Acts 2002, No. 2

Effective Date

June 30, 1998

Beneficiaries

Purchasers of large contract carrier buses used 80 percent in interstate commerce

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

See number 145, Sales Tax Section.

147. Rail Rolling Stock Sold or Leased in Louisiana

This provision allows a state and local sales and use tax exemption for rail rolling stock sold or leased in Louisiana. R.S. 47:305.50(B)(2) provides a state and local sales tax exemption for parts or services used in the fabrication, modification, or repair of rail rolling stock. Political subdivisions are authorized to provide by ordinance that the sales or use tax exemption provided by R.S. 47:305.50(B)(2) will not apply within their jurisdictions and that their sales or use taxes will be due on parts or services used in the fabrication, modification, or repair of rail rolling stock.

Legal Citation

R.S. 47:305.50(E)(1) and (2)

Origin

Acts 1996, No. 36; amended by Acts 1998, No. 41; Acts 2005, No. 397

Effective Date

July 1, 1996

Sunset Date

June 30, 1998

Reestablished

July 1, 2005

Beneficiaries

Taxpayers who sell or lease rail rolling stock in Louisiana and their customers

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

153

{ Exemptions }

152. Sales of Original One-of-a-Kind Works of Art from Certain Locations

This exemption allows the sale of original one-of-a-kind works of art from an established location within the boundaries of a cultural product district without any sales tax.

Legal Citation

R.S.47:305.57

Origin

Acts 2007, No. 298

Effective Date

January 1, 2008

Beneficiaries

Purchasers of original one-of-a-kind works of art

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

153. Hurricane Preparedness Louisiana Sales Tax Holiday

This provision allows an exemption from the state sales and use tax from 12:01 a.m. on Saturday until 11:59 p.m. on Sunday during the last weekend in May of each year, on the first \$1500 of the purchase price of certain hurricane preparedness items or supplies.

Legal Citation

R.S. 47:305.58

Origin

Acts 2007, No. 429

Effective Date

The last weekend of May each year beginning at 12:01 a.m. on Saturday and ending at 11:59 p.m. on Sunday

Beneficiaries

Individuals purchasing hurricane preparedness items or supplies

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$46,000	\$47,000

Sales Tax

{ Exemptions }

#167

{ Alternate-Reporting Methods }

166. Antique Airplanes Held by Private Collectors and not used for Commercial purposes

This exemption allows the tax-free purchase of antique aircraft by collectors. Many of these sales are also exempted under the isolated or occasional sale provision of R.S. 47:301(10)(c) (See number 4, Sales Tax Section). The aircraft must be manufactured at least 25 years prior to the date of purchase. The purpose of this exemption was to provide financial assistance to antique aircraft collectors.

Legal Citation

R.S. 47:6001

Origin

Acts 1980, No. 567

Effective Date

September 12, 1980

Beneficiaries

Collectors of antique aircraft

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

167. Certain Interchangeable Components; Optional Method to Determine

This alternate-reporting method allows importers or users of certain measurement-while-drilling equipment to store equipment in the state without paying the use tax due upon importation. Instead, taxes would be paid on $\frac{1}{60}$ of the total material cost of all equipment stored within Louisiana each month. The purpose of this method is to offer relief from use tax on equipment stored in Louisiana, but seldom used in this state.

Legal Citation

R.S. 47:301(3)(d)

Origin

Acts 1990, No. 719

Effective Date

July 1, 1990

Beneficiaries

Companies that use certain measurement-while-drilling equipment

Administration

The purpose of this provision is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this alternate reporting method is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Sales Tax

{ Credits }

{ Refunds }

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176. Student Assessment for a Valuable Education (SAVE)

Students enrolled at a public institution of higher education will be granted a transferable, nonrefundable SAVE credit against individual income, sales and use, gasoline, and special fuels taxes equal to the amount of the SAVE assessment. The amount of the credit will not exceed the average household tax liability in Louisiana for the following: individual income, sales and use, gasoline, and special fuels taxes, as determined and published by the Department of Revenue no later than June 30th of each fiscal year. The aggregate amount of SAVE credits granted in any fiscal year cannot exceed \$350 million.

The Save credit is a transferable, nonrefundable credit, which will be transferred to the Board of Regents. The Board of Regents will certify to the Department of Revenue the total headcount enrollment at public institutions of higher learning for the previous fall. The Department of Revenue will then determine the total amount of the credit and will provide to the treasurer from current collections an amount of funds equal to such determination. Upon notification from the Department of Revenue, the treasurer will deposit or transfer such funds into the Higher Education Initiatives Fund.

Legal Citation

R.S. 47:6039

Origin

Acts 2015, No. 140

Effective Date

June 19, 2015

Sunset Date

July 1, 2020

Beneficiaries

Students enrolled at a public institution of higher education

Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect

The estimated fiscal effect of this credit is shown in the listing of credits for individual income tax and includes the total revenue loss for individual income, sales and use, gasoline, and special fuels taxes.

177. Sales Tax Remitted on Bad Debts from Credit Sales

This refund provision grants financial relief to vendors who remit sales taxes to the state that they are subsequently unable to collect from their customers. The sales tax bad-debt recovery provision does not include rentals and leases. The purpose of this refund was to allow taxpayers a refund of sales taxes remitted to the Department, but not collected from their customers.

Legal Citation

R.S. 47:315

Origin

Acts 1976, No. 153; amended by Acts 1985, No. 516

Effective Date

July 20, 1976

Beneficiaries

Vendors who have remitted the tax on credit sales of tangible personal property that ultimately was uncollectible from their customers.

Administration

The purpose of this provision is achieved in a fiscally effective manner.

Estimated Fiscal Effect

During fiscal year 2014-2015, \$337,247 in sales tax refunds were issued for bad debts on credit sales. We are unable to predict the future fiscal effect.

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186. Credit for Use Tax Paid on Automobiles Imported by Certain Members of the Armed Services

This provision allows a credit to Louisiana residents, who have served in the armed services for two years or more, for sales taxes paid on automobiles. This credit will be honored for state and local taxes paid to any other state. The purpose of this credit is to provide financial assistance to members of the armed services.

Legal Citation

R.S. 47:303(A)(3)(a)

Origin

Acts 1965, No. 122; amended Acts 2005, No. 394

Effective Date

July 28, 1965

Beneficiaries

Louisiana residents who serve in the armed services

Administration

The purpose of this provision is achieved in a fiscally effective manner.

Estimated Fiscal Effect

We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

187. Use of Vehicles in Louisiana by Active Military Personnel

This exemption allows active military personnel to transfer motor vehicles into Louisiana exempt from sales tax under the following conditions:

- the personnel is on active duty in Louisiana;
- sales tax was collected in the state that the vehicle was purchased; and,
- the purchaser was a resident or stationed on military duty in the state that the vehicle was purchased.

The vehicle becomes subject to Louisiana sales tax when the person leaves active military service. A credit is allowed for taxes paid to other states under R.S. 47:303(A). This statute is similar to provisions of the Federal Soldiers and Sailors Civil Relief Act of 1940 (50 U.S.C. 574). Because of the provisions of the federal act, the credit allowed for taxes paid other states is not expected to create an additional loss of tax revenues. The purpose of this provision is to reciprocate for the credit allowed by other states.

Legal Citation

R.S. 47:305.48

Origin

Acts 1989, No. 435

Effective Date

September 3, 1989

Beneficiaries

Active military personnel

Administration

The purpose of this provision is achieved in a fiscally effective manner.

Estimated Fiscal Effect

We are unable to estimate the fiscal effect; there is no reporting requirement for the data.