

The following sales and use tax exclusions and exemptions may be considered by the Sales Tax Streamlining and Modernization Commission on Tuesday, January 24, 2017.

#99	Sales of water - nonresidential	R.S. 47:305(D)(1)(c)
#11	Purchases of manufacturing machinery and equipment	R.S. 47:301(3)(i), (13)(k), (28)(a), and R.S. 47:337.10(I)
#100	Sales of electric power or energy - nonresidential	R.S. 47:305(D)(1)(d) #29
#42	Pelletized paper waste used in a permitted boiler	R.S. 47:301(10)(n)
#23	Property used in the manufacture, production, or extraction of unblended diesel	R.S. 47:301(7)(j), (10)(v) and (18)(k)
#103	Materials and energy sources used for boiler fuel	R.S. 47:305(D)(1)(h)
#102	Sales of natural gas - nonresidential	R.S. 47:305(D)(1)(g)
#150	Utilities used by steelworkers and blast furnaces	R.S. 47:305.51
#77	Purchases by motor vehicle manufacturers	R.S. 47:301(16)(m)
#78	Purchases by glass manufacturers	R.S. 47:301(16)(m)
#80	Purchases of machinery and equipment by certain utilities	R.S. 47:301(16)(o)(i) and (ii)
#98	Sales of steam - nonresidential	R.S. 47:305(D)(1)(b)
#13	Purchases of electric power and natural gas by paper or wood	R.S. 47:301(3)(j) and (13)(m)
#32	Natural gas used in the production of iron	R.S. 47:301(10)(c)(i) (bb)

The following sales and use tax exclusions and exemptions may be considered by the Sales Tax Streamlining and Modernization Commission on Tuesday, January 24, 2017.

#33	Electricity for chlor-alkali manufacturing process	R.S. 47:301(10)(c)(ii) (aa)
#175	Vendor's compensation	R.S. 47:306(A)(3)
#94	Materials used in the production or harvesting of crawfish	R.S. 47:305(A)(5)
#95	Materials used in the production or harvesting of catfish	R.S. 47:305(A)(6)
#128	Purchases of supplies, fuels, and repair services for boats used by commercial fishermen	R.S. 47:305.20 (A) and (G)
#158	Sale of polyroll tubing	R.S. 47:305.63
#92	Livestock and racehorses	R.S. 47:305(A)(2)
#130	First \$50,000 of the sales price of certain farm equipment	R.S. 47:305.25 and 337.10(I)
#57	First \$50,000 of new farm equipment used in poultry production	R.S. 47:301(13)(c)
#129	Certain seafood-processing facilities	R.S. 47:305.20(C)
#68	Certain geophysical survey information and data analyses	R.S.47:301(16)(b)(iii)
#6	Installation of board roads to oil-field operators	R.S. 47:301(3)(c)
#55	Qualifying events providing Louisiana heritage, culture, crafts, art, food and music sponsored by a domestic nonprofit organization	R.S. 47:301(10)(hh) and (14)(k) and 305.14(A)(1)(b)
#88	Sales at certain publicly-owned facilities	R.S. 39:468
#87	Sales at state-owned domed facilities	R.S. 39:467

The following sales and use tax exclusions and exemptions may be considered by the Sales Tax Streamlining and Modernization Commission on Tuesday, January 24, 2017.

#69	Work products of certain professionals	R.S. 47:301(16)(e)
#66	Miscellaneous telecommunication services	R.S. 47:301.1(B)(2) (a), (b), (c), (e), (f)
#79	Purchases of machinery and equipment by owners of certain radio stations	R.S. 47:301(16)(n)
#12	Purchases of certain machinery and equipment used to produce a news publication	R.S.47:301(3)(i)(ii) (aa)(I)(eee) and 337.10(l)
#9	Purchases of consumables by paper and wood manufacturers and loggers	R.S. 47:301(3)(k)
#192.2	Orthotic devices, including prescription eyeglasses and contact lenses, wheelchairs and lifts, and prosthetic devices as prescribed by a physician, optometrist, or licensed chiropractor for personal use	R.S. 47:305(D)(1)(k)
#192.3	Sales of ostomy, colostomy, and ileostomy devices and equipment	R.S. 47:305(D)(1)(l)
#192.4	Sales of patient aides prescribed by a physician or chiropractor	R.S. 47:305.1(D)(l)(u)
#192.5	Sales of medical devices used by patients in the medical treatment of various diseases or administered to a patient by a health care provider or facility under the supervision of and prescribed by a physician	R.S. 47:305(D)(1)(s)
#192.6	Sales of orthotic devices, prosthetic devices prostheses and restorative materials utilized by or prescribed by a dentist	R.S. 47:305(D)(1)(t)

The following sales and use tax exclusions and exemptions may be considered by the Sales Tax Streamlining and Modernization Commission on Tuesday, January 24, 2017.

#192.7 Purchase or rental of kidney dialysis machines, parts, materials, and supplies for home use under a physician's prescription

R.S. 47:305(G)

Sales Tax Streamlining and Modernization Commission
January 24, 2017 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

{ 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

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{ Exclusions }

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.

Sales Tax

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{ Exclusions }

11. Purchases of Manufacturing Machinery and Equipment

The exclusions, phased in over seven years, allow manufacturing machinery and equipment to be purchased free from the state sales, use, lease, and rental tax by eligible manufacturers. The term “manufacturer” is defined as a person whose principal activity is manufacturing, and who is assigned by the Louisiana Workforce Commission a North American Industry Classification code within the agricultural, forestry, fishing, and hunting Sector 11 or manufacturing Sectors 31-33, as they existed in 2002. Acts 2005, No. 471 expanded the definition of manufacturer to include those who would be assigned a NAICS code within Sector 11 or 31-33 but are not required to register with the Louisiana Workforce Commission for unemployment insurance and therefore do not receive such assignment. This same act also enacted a provision that allows machinery and equipment used by an industrial manufacturing plant to generate electric power for self consumption or cogeneration to be included in the definition of “machinery and equipment” for purposes of the sales tax exclusions for manufacturing and agricultural machinery and equipment. To qualify for the exclusion, the machinery and equipment must be used by the manufacturer in a plant facility and be used predominantly and directly in the actual manufacturing process. Acts 2007, No. 429 further expanded the definition of manufacturer to include certain recyclable material merchant wholesalers.

Effective July 1, 2005, 19 percent of the price of eligible manufacturing machinery and equipment was excluded from the state sales tax, increasing to 35 percent effective July 1, 2006 then 54 percent effective July 1, 2007. Effective July 1, 2008, 68 percent of the purchase price will be excluded. Effective July 1, 2009, 100 percent of the purchase price is excluded.

Legal Citation

R.S. 47:301(3)(i)(i), (13)(k)(i) and (28)(a), R.S. 47:337.10(I),

Origin

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

Amended by Acts 2005, No. 471; Acts 2007, No. 429

Effective Date

July 1, 2004

11. Purchases of Manufacturing Machinery and Equipment (*continued*)

Beneficiaries

Manufacturers that have a NAICS Sector code of 31-33 or Sector 11 and certain recyclable material merchant wholesalers

Administration

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

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$76,575,000	\$78,106,000

Sales Tax

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{ Exclusions }

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12. Purchases of Certain Machinery and Equipment Used to Produce a News Publication

This exclusion, phased in over seven years, allows certain machinery and equipment used primarily to produce a news publication to be purchased free from state sales, use and lease tax. Effective July 1, 2007, 54 percent of the price of eligible machinery and equipment was excluded from the state sales tax, increasing to 68 percent effective July 1, 2008, then 100 percent effective July 1, 2009.

Legal Citation

R.S. 47:301(3)(i)(ii)(aa)(I)(eee), R.S. 47:301(3)(i)(ii)(bb)(III)

Origin

Acts 2007, No. 339

Effective Date

July 1, 2007

Beneficiaries

Producers of news publications.

Administration

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

Estimated Fiscal Effect

See number 11, Sales Tax Section

13. Purchases of Electric Power and Natural Gas by Paper or Wood Products Manufacturing Facilities

This provision originally provided a state sales tax exclusion for purchases of electric power by paper or wood products manufacturing facilities for the period July 1, 2006 through December 31, 2008 and allowed these facilities to pay 3.3 percent tax on natural gas purchased for energy purposes only up to the purchase price of \$6.20 per MMBtu and fully excluded any amounts in excess of the \$6.20 per MMBtu price.

Acts 2007, No. 471 amends R.S. 47:301(3)(j) and 13(m) and repeals R.S. 47:302(T), 321(J) and 331(R) to provide a full state sales tax exclusion for purchases of electric power and natural gas by paper or wood products manufacturing facilities effective July 1, 2007.

Legal Citation

R.S. 47:301(3)(j) and 13(m), R.S. 47:302(T), 321(J) and 331(R) – repealed by Acts 2007, No. 471

Origin

Acts 2005, 1st Ex. Sess., No. 48, amended by Acts 2007, No. 471

Effective Date

July 1, 2006

Beneficiaries

Paper or wood products manufacturers

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 for FY 6-16, see number 99 for FY 6-17.

Note: This exemption is not affected by the partial suspension of certain business utilities under HCR 8 of 2015.

Sales Tax

{ Exclusions }

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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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32. Natural Gas Used in the Production of Iron

This exclusion allows purchases of natural gas to be free of sales tax when the natural gas is used to manufacture iron using the “direct reduced iron process.” The exclusion considers the natural gas to be a material for further processing into an article of tangible personal property. The purpose of this exclusion is to provide a company or an industry an incentive to locate in Louisiana.

Legal Citation

R.S. 47:301(10)(c)(i)(bb)

Origin

Acts 1995, No. 284

Effective Date

July 1, 1995

Beneficiaries

Iron manufacturers using the “direct reduced iron process”

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 for FY 6-16, see number 99 for FY 6-17.

Note: This exemption is not affected by the partial suspension of certain business utilities under HCR 8 of 2015.

33. Electricity for Chlor-alkali Manufacturing Process

This exclusion allows tax-free purchases of electricity when the electricity is used in the chlor-alkali manufacturing process. The chlor-alkali manufacturers are responsible for reporting the amount of electricity used to the utility company. The purpose of this exclusion is to remove chlor-alkali manufacturers from taxation on their purchases of electricity.

Legal Citation

R.S. 47:301(10)(c)(ii)(aa)

Origin

Acts 1987, No. 199

Effective Date

July 1, 1987

Beneficiaries

Chlor-alkali manufacturers

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 for FY 6-16, see number 99 for FY 6-17.

Note: This exemption is not affected by the partial suspension of certain business utilities under HCR 8 of 2015.

Sales Tax

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{ Exclusions }

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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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

{ Exclusions }

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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 }

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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.

Sales Tax

77

{ Exclusions }

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76. Purchases by Motor Vehicle Manufacturer

This exclusion allows motor vehicles manufacturers to make purchases of machinery and equipment without the payment of sales or use taxes.

Legal Citation
R.S.47:301(16)(m)

Origin
Acts 2007, No. 1

Effective Date
May 31, 2007

Beneficiaries
Motor vehicle manufacturers with a North American Industry Classification System (NAICS) code beginning with 3361.

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

Estimated Fiscal Effect
See number 11, Sales Tax section.

77. Purchases by Glass Manufacturers

This exclusion allows glass manufacturers to make purchases of qualifying machinery and equipment without the payment of sales or use taxes.

Legal Citation
R.S. 47:301(16)(m)(i)

Origin
Acts 2009, No. 459

Effective Date
July 1, 2009

Beneficiaries
Glass manufacturers with a North American Industry Classification System (NAICS) code of 327213.

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

Estimated Fiscal Effect
See number 11, Sales Tax section.

Sales Tax

79

{ Exclusions }

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78. Purchases of Machinery and Equipment by Owners of Certain Radio Stations

This exclusion allows the owners of certain radio stations to make purchases of machinery and equipment without the payment of sales or use taxes.

Legal Citation

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

Origin

Acts 2007, No. 339

Effective Date

July 1, 2007

Beneficiaries

Owners of certain radio stations.

Administration

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

Estimated Fiscal Effect

See number 11, Sales Tax section.

79. Purchases of Machinery and Equipment Purchased by Certain Utilities

This exclusion allows certain utilities assigned North American Industry Classification Systems Sector 22111, electric power generation, to purchase machinery and equipment without the payment of sales or use tax.

Legal Citation

R.S. 47:301(16)(o)(i) and (ii)

Origin

Acts 2007, No. 427

Effective Date

July 1, 2008

Beneficiaries

Certain utilities assigned North American Industry Classification System Sector 22111.

Administration

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

Estimated Fiscal Effect

See number 11, Sales Tax section.

Sales Tax

87

{ Exemptions }

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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

{ Exemptions }

#92

90. Sales of Farm Products Directly from the Farm

This exemption allows the tax-free sale of livestock, poultry, and other farm products if sold directly by the producer. This exemption includes sales by farmers, livestock producers, nurserymen, and other producers of farm products. Most sales by qualified producers are to wholesalers, but some producers sell their products directly to the consumer. The purpose of this exemption is to relieve the producer of the burden for charging and remitting sales tax.

Legal Citation

R.S. 47:305(A)(1)

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

Producers of farm products

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.

91. Racehorses Claimed at Races in Louisiana

This exemption allows the tax-free sale of racehorses entered in races and claimed (sold) at any meet in Louisiana, or sold through any public sale sponsored by any breeders, registry association, or livestock auction market. The purpose of this exemption is to provide financial assistance to the breeders association, registry associations, racetracks, and public sales of racehorses.

Legal Citation

R.S. 47:305(A)(2)

Origin

Acts 1979, No. 796

Effective Date

September 7, 1979

Beneficiaries

Racetracks and breeding and registry associations

Administration

Acts 2007, No. 424 amended R.S. 47:302(R) and 321(H) and enacted R.S. 47:331(P)(3) to reinstate this exemption that had previously been suspended, effective July 1, 2007.

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 }

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92. Feed and Feed Additives for Animals Held for Business Purposes

This exemption allows tax-free sales of feed and feed additives for the purpose of sustaining animals primarily for commercial, business, or agricultural use. The exemption does not apply to food for pets or hunting dogs. The purpose of this exemption is to provide financial relief from the use tax imposed on feed for animals held for business purposes.

Legal Citation

R.S. 47:305(A)(4)

Origin

Acts 1986, No. 677

Effective Date

August 30, 1986

Beneficiaries

Persons or companies that feed animals for commercial, business, or agricultural use

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.

93. Materials Used in the Production or Harvesting of Crawfish

This exemption allows tax-free sales of bait and feed when used in the production or harvesting of crawfish. The sales of materials, supplies, equipment, fuel, and related items, other than vessels, when used in the production or harvesting of crawfish are subject to one percent tax. This exemption is not limited to commercial farmers. The exemption includes a good faith clause that requires the vendor to use due care when accepting this exemption certificate. The purpose of this exemption is to provide financial assistance to crawfish farmers.

Legal Citation

R.S. 47:305(A)(5)

Origin

Acts 1987, No. 364; Acts 2009, No. 455

Effective Date

September 1, 1987

Beneficiaries

Producers and harvesters of crawfish

Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely. However, crawfish feed and bait is totally exempt.

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

95

{ Exemptions }

94. Materials Used in the Production or Harvesting of Catfish

This exemption allows tax-free sales of materials, supplies, equipment, fuel, bait, and related items, other than vessels, when used in the production or harvesting of catfish. This exemption is not limited to commercial farmers. The exemption includes a good faith clause that requires the vendor to use due care when accepting this exemption certificate. The purpose of this exemption is to provide financial assistance to catfish farmers.

Legal Citation

R.S. 47:305(A)(6)

Origin

Acts 1988, No. 948

Effective Date

September 1, 1988

Beneficiaries

Producers and harvesters of catfish

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.

95. Farm Products Produced and Used by Farmers

This exemption allows farmers and their families to consume the products, grown primarily to be sold, without paying a use tax. The exemption applies to livestock, poultry, and agricultural products. The purpose of this exemption is to provide financial assistance to farmers.

Legal Citation

R.S. 47:305(B)

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

Farmers and their families

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 }

98

96. Sales of Gasoline (not subject to motor fuels tax)

This exemption allows the sale of gasoline to be exempt when sold in Louisiana. La. Const. art. VII, §27 extends an exclusion for gasoline sold that has been subject to a Louisiana road use tax [See number 183, Sales Tax Section]. This exemption exempts gasoline sold when the road use tax has not been levied. The purpose of this exemption is to reduce the tax due by consumers.

Legal Citation

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

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

Consumers of gasoline for off-road use

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.

97. Sales of Steam

This exemption allows the tax-free sale of steam. The purpose of this exemption is to provide tax relief to industrial users of steam.

Legal Citation

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

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

Industrial users of steam

Administration

This exemption has been suspended at the rate of 3.8 percent for the period 7/1/04-6/30/08 and at the rate of 2.8 percent for the period 7/1/08-6/30/09. This exemption is subject to zero percent tax effective 7/1/2009.

Estimated Fiscal Effect

See number 98, Sales Tax Section.

Sales Tax

99

{ Exemptions }

100

98. Sales of Water

This exemption allows the tax-free sale of water sold other than in containers. The purpose of this exemption is to benefit the non-residential users of water utility services.

Legal Citation

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

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

Beneficiaries

Nonresidential users of water utility services

Administration

This exemption has been suspended at the rate of 3.8 percent for the period 7/1/04-6/30/08 and at the rate of 2.8 percent for the period 7/1/08-6/30/09. This exemption is subject to zero percent tax effective 7/1/2009.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$5,090,000	\$6,923,000

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.

99. Sales of Electric Power or Energy - Non-residential

This exemption allows the tax free sale of electric power or energy and any materials or energy sources used to fuel the generation of electric power for resale or used by an industrial manufacturing plant for self-consumption or cogeneration. As the sale of electricity for residential use is constitutionally protected, this exemption benefits the non-residential users of electrical utility services.

Legal Citation

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

Origin

Acts 1948, No. 9; amended by Acts 1980, No. 159; Acts 1984, No. 183

Effective Date

June 7, 1948

Beneficiaries

Nonresidential users of electrical utility services and industrial manufacturing plants that generate their own electricity

Administration

This exemption has been suspended at the rate of 3.3 percent for the period 1/1/06-6/30/08 and at the rate of 2.3 percent for the period 7/1/08-6/30/09. This exemption is subject to zero percent tax effective 7/1/2009.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$257,513,000	\$350,218,000

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.

Sales Tax

{ Exemptions }

102

100. Sales of Fertilizers and Containers to Farmers

This exemption allows tax-free sales of fertilizers and containers for farm products if sold directly to the commercial farmer. Fertilizers and containers are exempt as a resale item under R.S. 47:301(10)(a). The purpose of this exemption is to clarify that fertilizers and containers are not taxable as a raw material.

Legal Citation

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

Origin

Acts 1948, No. 9

Effective Date

June 7, 1948

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.

101. Sales of Natural Gas - Non-residential

This exemption allows tax-free sales of natural gas. The purpose of this exemption is to provide financial assistance to nonresidential consumers of natural gas.

Legal Citation

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

Origin

Acts 1948, No. 9; amended by Acts 1985, No. 258; Acts 1990, Act 476

Effective Date

June 7, 1948

Beneficiaries

Nonresidential consumers of natural gas

Administration

This exemption has been suspended at the rate of 3.3 percent for the period 1/1/06-6/30/08 and at the rate of 2.3 percent for the period 7/1/08-6/30/09. This exemption is subject to zero percent tax effective 7/1/2009.

Estimated Fiscal Effect

See number 99, Sales Tax Section.

Sales Tax

103

{ Exemptions }

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

{ Exemptions }

128

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

#129

{ Exemptions }

#130

128. Certain Seafood-processing Facilities

This exemption allows qualifying processors to purchase materials, supplies, and repair services exempt from the general sales tax. This exemption applies only to processing facilities that process seafood from vessels owned, leased, or contracted exclusively to the facility. The purpose of this exemption is to provide financial assistance to qualifying facilities.

Legal Citation

R.S. 47:305.20(C)

Origin

Acts 1991, No. 896

Effective Date

September 6, 1991

Beneficiaries

Qualifying seafood processing facilities

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.

129. First \$50,000 of the Sales Price of Certain Farm Equipment and Attachments

This provision exempts the first \$50,000 of the sales price on qualifying farm equipment. Those items included under the original act have been protected from the suspension of exemptions. Such items include: rubber-tired farm tractors, cane harvesters, combines and cane loaders. Items later added to the exemption through amendments are subject to one percent tax. The purpose of this exemption is to provide financial assistance to agricultural producers.

Legal Citation

R.S. 47:305.25

Origin

Acts 1978, No. 638; amended by Acts 1979, No. 787; Acts 1982, No. 167; Acts 1985, No. 836

Effective Date

September 8, 1978

Beneficiaries

Producers of agricultural products

Administration

Acts 2007, No. 424 amended R.S. 47:302(R) and R.S. 47:321(H) and enacted R.S. 47:331(P)(3) to reinstate the previously suspended exemption for farm irrigation equipment under R.S. 47:305.25(A)(3). R.S. 47:305.25(A)(4) and (5) are subject to one percent tax effective 7/1/2009.

Estimated Fiscal Effect

See number 11, Sales Tax Section.

Sales Tax

{ Exemptions }

158

156. Second Amendment Sales Tax Holiday

This provision creates a three day sales tax holiday on consumer purchases of firearms, ammunition and hunting supplies for the first consecutive Friday through Sunday of September. The sales tax holiday is applicable to both state and local sales tax.

Legal Citation

R.S. 47:305.62

Origin

Acts 2009, No. 453

Effective Date

July 9, 2009

Beneficiaries

Individuals purchasing firearms, ammunition and hunting supplies.

Administration

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

157. Sales of Polyroll Tubing

This provision creates a state sales tax exemption for polyroll tubing used for commercial farm irrigation.

Legal Citation

R.S. 47:305.63

Origin

Acts 2009, No. 450

Effective Date

July 8, 2009

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.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$809,000	\$826,000

Sales Tax

{ Exemptions }

#150

148. Sales of Railroad Ties to Railroads for Use in Other States

This provision creates a sales tax exemption for railroad ties purchased by a railroad prior to long-term preservative treatment and installed into the railroad's track system outside the jurisdiction.

Legal Citation

R.S. 47:305.50(F)

Origin

Acts 2009, No. 442

Effective Date

July 1, 2009

Beneficiaries

Railroads

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.

149. Utilities Used by Steelworks and Blast Furnaces

This provision allows utilities, including electricity, used by steelworks and blast furnaces to be exempt from sales tax. The facility must employ more than 125 full-time workers and is classified as code 331111 of the North American Industry Classification System to qualify. The purpose of this exemption is to provide an economic incentive for a steel mill to locate in Louisiana.

Legal Citation

R.S. 47:305.51

Origin

Acts 1998, No. 28; amended by Acts 2001 1st Ex. Sess., No. 5; Acts 2002, No. 49; Acts 2004 1st Ex. Sess., No. 5; Acts 2009, no. 443

Effective Date

March 27, 2001

Beneficiaries

Any steel mill meeting the minimum requirements.

Administration

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

Estimated Fiscal Effect

See number 99, Sales Tax Section.

Note: This exemption is subject to the partial suspension of certain business utilities under HCR 8 of 2015.

Sales Tax

#175

{ Credits }

174. Vendor's Compensation

This credit compensates the dealer in accounting for and remitting the sales tax. Each dealer is allowed to deduct 1.1 percent from the tax due provided the reports are submitted and paid to the Department of Revenue on a timely basis. The amount of the vendor's compensation is computed on the sales tax collections before credit is taken for taxes paid on goods for resale. The purpose of this credit is to compensate the dealer in accounting for and remitting the sales taxes.

Effective July 1, 2013, the vendor's compensation rate was reduced to 0.935 percent.

Legal Citation

R.S. 47:306(A)(3)(a)

Origin

Acts 1948, No. 9; amended by Acts 1986, No. 916; Acts 1991, No. 709; Acts 1995, No. 1186; Acts 1996, 1st Ex. Sess., No. 32; Acts 1998, 1st Ex. Sess., No. 50; Acts 2001, No. 7; Acts 2013, No. 425

Effective Date

June 7, 1948

Beneficiaries

Dealers who report and remit taxes on a timely basis

Administration

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

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$26,401,000	\$26,929,000

175. Credit for Costs to Reprogram Cash Registers

This credit allows dealers to claim up to \$25 per register to recoup costs incurred to reprogram cash registers because of changes in the sales tax rate or base. The purpose of this credit is to compensate taxpayers for costs to reprogram cash registers because of tax changes.

Legal Citation

Acts 1990, No. 386, Section 4

Origin

Acts 1990, No. 386

Effective Date

July 12, 1990

Beneficiaries

Dealers collecting Louisiana sales tax

Administration

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

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$15,000	\$15,000

#192

Sales Tax

{ State Exemptions with Prohibitions on Taxation }

#192 will include: 192.2, 192.3, 192.4, 192.5, 192.6, and 192.7

192. Drugs Prescribed by Physicians or Dentists

This exemption allows drugs prescribed by a physician or dentist and drugs that are dispensed to patients by hospitals under orders of the physician to be purchased free from sales tax. Drugs as defined in R.S. 47:301(20) include all pharmaceuticals and medical devices which are prescribed for use in the treatment of any medical disease. On November 5, 2002, voters approved a constitutional amendment that prohibits the taxation of prescription drugs. The purpose of this prohibition is to provide financial assistance to consumers.

Legal Citation

La. Const. art. VII, § 2.2

Origin

Constitutional Amendment

Effective Date

January 1, 2003

Beneficiaries

Individuals who purchase prescription drugs and hospitals.

Administration

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

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$306,837,000	\$312,973,000