



KNIGHTS OF COLUMBUS

IN SERVICE TO ONE. IN SERVICE TO ALL.

Eric R. Miller
Louisiana State Council – State Advocate-Elect
840 Shadow Oak Drive
Baton Rouge, LA 70810

June 12, 2016

To: All Grand Knights

CC: All Financial Secretaries, State Officers

RE: KC Sales Tax Exemptions Revocation

Worth Grand Knights:

If your organization has received an approved Application for Exemption from Collection of Louisiana Sales Tax at Certain Fundraising Activities (Form R-1048, attached) for a particular fundraising event or activity that is being held after April 1, 2016, it is no longer valid. Any event held after April 1, 2016, is subject to the new sales tax requirements. See Acts 25 and 26 of the Louisiana Special Session 2016.

Effective April 1, 2016, various events sponsored by domestic nonprofit, charitable, religious and educational organizations will be subject to 5 percent state sales tax from April 1, 2016, through June 30, 2016. This includes, but is not limited to: sales of admissions to entertainment events; admissions, parking and sales at fundraising events; all outside gate admissions; and parking fees at fairs and festivals sponsored by nonprofit organizations. From July 1, 2016 to June 30, 2018, the sales tax is 4%. Therefore, your Council **MUST** collect sales taxes on certain sales/events, and remit the sales tax to the Louisiana Department of Revenue using the **Form 1029, Louisiana Department of Revenue Sales Tax Return** (attached).

Some quick points:

- KC dues = Not Taxable
- Sales of dinners as a fundraiser = Taxable
- Admission charged at fairs, etc. = Taxable
- Gaming revenues = Not Taxable (although the hall might have to start charging sales tax for concessions)
- Shirts, license plates, and other KC items sold = Taxable
- Donations collected and passed on to charitable organizations (tootsie roll collections for MDF or YEP) = Not Taxable if the Tootsie Rolls are distributed whether a donation is made or not, but if the Council was not required to pay sales tax when the Tootsie Rolls were purchased, then the Council would probably have to pay use tax on the Tootsie Rolls.

- Convention ticketed items, like registration/dinner or crawfish boil, or golf registration fees = Not Taxable. A registration fee would not generally be taxable, even if dinner is included. However, if there is a separate charge for the dinner only (say, for a spouse), then that portion of the registration fee would probably be taxable. All of the rest of the items are taxable.
- Retreats = Taxable if the lodging is broken out separately.
- Sponsorships = Not Taxable
- Raffle Tickets = Not Taxable
- Advertising = Not Taxable
- Booth Fees = Not Taxable

You must record the sales tax charged and paid (e.g., cash register receipt). If you post a sign that lists out the prices, as long as you say "plus tax", then you do not have to have a cash register that gives a receipt that separately states the pre-tax amount, the tax, and the total. **It is against the law to have a sign that says "tax included".**

Some examples (assume a 5% sales tax rate):

<u>Wording on Sign</u>	<u>Amount Collected</u>
Jambalaya - \$4.76, plus tax	\$5.00
Soft drinks - \$0.95, plus tax	\$1.00
Sausage Poboy - \$3.81, plus tax	\$4.00

Whatever gross amount you want to collect, just divide that amount by one plus the tax rate (1.05 in this case) to arrive at the pre-tax amount.

Most of the parishes / municipalities have their own ordinances regarding sales taxes, which have generally replicated the state statutes. But they usually do not "piggyback" the state statutes. We are unaware of any that have done so at this time.

Each Council will need to register with the Louisiana Department of Revenue as a payor. Attached is the **Form R-16019, Application for Louisiana Revenue Account Number** (attached), which you will need to file electronically with LDOR at centralreg@la.gov. Write "Casual Filer" at the top of the application, which will eliminate the need for your Council to file monthly or quarterly - just by the 20th of the month following the event wherein you collected sales taxes. We have also attached some additional information regarding this change in the Louisiana sales tax exemption laws.

Questions should be directed to the LDOR at (225) 219-7462 or sales.inquiries@la.gov.

** You should note: there is a Second Special Session taking up the taxing issues (outline attached), and we will advise you of any changes in the law.

June 12, 2016

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Vivat Jesus, I remain,

Fraternally,



Eric R. Miller
Louisiana State Advocate-Elect

840 Shadow Oak Drive
Baton Rouge, LA 70810
(225) 933-9760
ermccm@yahoo.com

EM/



Louisiana Department of Revenue
 PO Box 201 Baton Rouge LA 70821-0201
Application for Exemption from Collection of Louisiana Sales Taxes
at Certain Fund-Raising Activities
 (Louisiana Revised Statute 47:305.14)

This form is for use by any nonprofit domestic, civic, educational, historical, charitable, fraternal, or religious organization when applying for exemption from the collection of state sales tax on parking fees, admissions to, or sales by the organization at fund-raising events. Approval of the application does not authorize the nonprofit organization to be exempted from taxes required by law to be paid on the organization's purchases.

Answers to the questions below should be as full and complete as possible. Incomplete answers will cause the processing to be delayed or the exemption

to be denied. Applications should be submitted as far in advance as possible, but no later than two weeks prior to the event.

Return the completed form to any of the Department's regional offices listed on the back of this application or to the main office: Department of Revenue, Taxpayer Services Division, 617 North Third, PO Box 201, Baton Rouge, LA 70821-0201, Telephone (225) 219-7356.

1. Name of nonprofit organization _____
2. Represented by _____
3. Address _____

 Daytime telephone number _____
4. Purpose of organization _____
5. Does this organization endorse candidates for political office? Yes ☐ No ☐ Explain "yes" answers. _____
 Is the organization otherwise involved in political activities? Yes ☐ No ☐ _____
6. Describe the event for which exemption is sought. _____

7. Location and dates of event _____
8. How will the proceeds, after the payment of direct necessary expenses, be used? If the proceeds are to be donated to a nonprofit organization, explain how the organization will use the funds.

9. Will the event potentially yield a profit to any promoter, individual, or business which has contracted to provide services or equipment for the event?

10. Does any profit-seeking business enterprise, operating in the trade area where this event will be held, sell products or services that are identical or similar to the products or services that will be sold by this organization during the fund-raising event? If yes, please give full details.

I hereby certify that the above-named organization is a bona fide domestic, civic, educational, historical, charitable, fraternal, or religious organization; that the organization is the actual sponsor of the event described; and that all the proceeds from the event, after necessary direct expenses, will be used to further the organization's own purpose or for the educational, chari-

table, religious, or historical restoration purpose stated above. The answers to the above questions are correct and complete, to the best of my knowledge and belief. I also understand that any organization that fraudulently seeks exemption under R.S. 47:305.14 shall be subject to the civil and criminal penalties provided for in the statutes.

APPROVED: _____
 Signature

 Date

DISAPPROVED: _____
 Date



LDLR
Contributing to a better quality of life

Application for Louisiana Revenue Account Number

P.O. Box 201
Baton Rouge, LA 70821-0201
(225) 219-7318

For office use only.

Date of application _____

1. A. Sales/ Use

- ☐ Louisiana General Sales Tax
☐ Statewide Hotel/Motel
☐ Jefferson Parish Hotel/Motel
☐ Orleans Parish Hotel/Motel
☐ Orleans Parish Restaurant
☐ N.O. Airport Food Establishments
☐ Motor Vehicle Lessors/Rentors

B. ☐ Withholding

- ☐ **C. Vehicle Rental Excise**
☐ **D. Severance**
☐ **E. Oil and Gas Classification**
☐ Taxpayer Only
☐ Producer Only
☐ Producer/Taxpayer

F. ☐ Other

2. Reason for applying

- A. ☐ Started new business C. ☐ Other (specify) _____
 B. ☐ Purchased ongoing business: Name of previous owner _____

3. Indicate the account number you use for each tax filed with the Louisiana Department of Revenue.

LA Corp. Tax Number None ☐

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LA Sales Tax Number None ☐

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LA Excise Taxes Number None ☐

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LA Withholding Tax Number None ☐

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LA Severance Tax Number None ☐

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LA Natural Resource Number None ☐

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4. A. Legal name(s)

B. Trade name of business _____

Telephone _____

5. A. Business location address (NO P.O. Box or General Delivery)

B. City and state _____

C. ZIP _____

6. A. Address for receiving tax forms and correspondence (If same location, write "same".)

B. _____
City and State

C. _____
ZIP

D. _____
Telephone

E. ☐ Additional mailing address(es) attached

7. Type of organization:

- A. ☐ Individual B. ☐ Partnership C. ☐ Corporation D. ☐ Governmental E. ☐ Nonprofit F. ☐ Other

8. U.S. NAICS Code (required)

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9. Federal Employer ID Number

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None ☐

10. If sole owner (individual): Name

SSN

Home address _____

Telephone _____

11. If corporation or partnership: name, title, Social Security Number, home address, and telephone number of officers or partners

Name _____ Title _____

Address _____

SSN

Telephone _____

Name _____ Title _____

Address _____

SSN

Telephone _____

12. A. Louisiana Charter Number (if known)

B. State of incorporation (if not Louisiana) _____

13. Permits -Sellers of liquor, beer, or wine (wholesale or retail), must obtain a permit from the Office of Alcohol and Tobacco Control. A permit from the Louisiana State Police Gaming Division must be obtained by sellers of lottery tickets or operators of video poker games. Indicate permit number(s) that you currently hold.

A. Lottery Permit Number _____

B. Expiration Month/Year _____

Alcohol Permit Number _____

Expiration Month/Year _____

VPG Permit Number _____

Expiration Month/Year _____

14. A. Corporation Income/Franchise: Date charter filed with Louisiana Secretary of State

Mo. Day Yr. Domestic Foreign Fiscal Month
B. C.

15. Sales or Use Tax: Date business begins sales operations from this location

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16. Withholding Tax: (See instructions.) Select filing frequency. ☐ quarterly ☐ monthly ☐ semi-monthly

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17. Severance Tax: Select filing frequency. ☐ quarterly ☐ monthly ☐ 45-day

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18. Description of business: (required)

I affirm that the information given on this application is true and correct.

Signature of applicant

Title

Signature of preparer

Date (mm/dd/yyyy)





Instructions for Application for Louisiana Revenue Account Number

***Note:** Corporations that are already registered with the Louisiana Secretary of State (except for Limited Liability Companies) will automatically be given a Corporation Income and Franchise Tax (CIFT) account number, and do not need to fill out this form to obtain a CIFT account number.*

Any corporation not yet registered with the Louisiana Secretary of State's Office wanting to obtain only a Corporate Income and Franchise Tax account, and all businesses registering for any tax type must complete this form to be properly registered.

- 1. Tax registration selection** – Mark the appropriate box(es) to indicate the tax(es) for which you are requesting an account number.
 - A. Sales/Use** – Applicants may need to select more than one box.
 - Louisiana General Sales Tax – for general business
 - Statewide Hotel/Motel – for hotels/motels not in Jefferson or Orleans Parishes
 - Jefferson Parish Hotel/Motel – for hotels/motels located in Jefferson Parish
 - Orleans Parish Hotel/Motel – for hotels/motels located in Orleans Parish
 - Orleans Parish Restaurant – for restaurants located in Orleans Parish
 - N.O. Airport Food Establishments – for food establishments located in New Orleans Airport(s)
 - Motor Vehicle Lessors/Rentors
 - B. Withholding** – Mark this box if you employ one or more persons at a salary of \$375 per month or more.
 - C. Vehicle Rental Excise** – Any business that rents automobiles, vans, light trucks, or any other motor vehicle that is rated for fewer than 9 passengers, wherein the rental duration is 29 days or less, is subject to the Vehicle Rental Excise Tax.
 - D. Severance** – Mark this box if you remove natural resources (e.g., timber, minerals, oil, and/or gas) from the soil or water.
 - E. Oil and Gas Classification** – Mark the appropriate box if you are registering for one of the Oil and Gas Severance account types listed.
 - F. Other** – Mark this box if either:
 - Your business activity (e.g., alcohol, beer, or hazardous waste) was not covered in Categories A through E.
 - Your corporation is not registered with the Louisiana Secretary of State, and you wish to register for only Corporate Income and Franchise Tax.
- 2. Reason for applying** – Mark the appropriate box to indicate the reason you are applying for a tax account number.
 - A. Started new business** – Mark this box if you are starting a new business and applying for any tax account for the first time.
 - B. Purchased ongoing business** – Mark this box if you purchased or came into possession of 90% or more of the assets of another business or received the right to continue to operate the entire trade of business of another. Also, enter the name(s) of the previous owner(s).
 - C. Other (*specify*)** – Mark this box if any of the following apply to your business:
 - A change in business structure
 - Business owned by an individual is now being registered as a partnership for which the individual owner is one of the partners
 - Business owned by a partnership and one of the partners is now the individual owner of the business
 - Business owned by a partnership that is adding or deleting one or more partners
 - Business ownership transferred from one spouse to the other who remains legally married and lives within the **community property state of Louisiana**
 - Business ownership name correction due to misspelling or change of marital status
 - Business is incorporated and is changing to an LLC (Limited Liability Company) and will retain the same Federal Identification Number
 - Business acquired by gift, trust, etc.

3. **Indicate the account number you use for each tax filed with the Louisiana Department of Revenue.** – If you currently have a Louisiana Account Number for any of the above taxes, enter the account number(s) in the spaces provided. If you do not presently have an account number for one or more of the above taxes, mark “None” for each unregistered tax.
4. **Names under which the business is registered**
 - A. **Legal name(s)** – The person(s) or corporation under whose name this business is to be registered. Enter a name followed by your designator indicating the type of business entity.
 - Proprietors’ individual full legal name only
 - For businesses not owned by sole proprietors, enter the full, legal name of the business/corporation followed by your designator indicating the type of business entity:
 - Inc., Corp., Co., Ltd. – designators for corporations
 - LLC – designator for Limited Liability Companies
 - LP – designator for Limited Partnership
 - LLP – designator for Limited Liability Partnership
 - B. **Trade name of business** – An alternative name may be provided if one is utilized by your business in its daily operation. Enter the 10-digit business telephone number.
5. **Business location address** – Enter the complete physical address including street, city, state, and ZIP code in which your business is geographically located, regardless of where you received your mail. A Post Office Box or General Delivery should not be used as the location address. If there is no physical address, the physical home address of the proprietor, officer, or partner shown on Line 4 should be used.
6. **Mailing address** – Enter the address where all correspondence, including tax returns, certificates, and other related communications are mailed. You may select a different mailing address for each tax by marking Box 6E and attaching a separate sheet to your application indicating tax type and corresponding mailing address. Enter the 10-digit telephone number.
7. **Type of organization** – Mark the appropriate box to indicate the type of business entity.
 - A. **Individual** – Mark this box for businesses operated as sole proprietorships.
 - B. **Partnership** – Mark this box for legal entities sanctioned by state law as a partnership, and have met the filing requirements of the Louisiana Secretary of State.
 - C. **Corporations** – Mark this box for legal entities sanctioned by state law as a corporation and have met the requirements of the Louisiana Secretary of State.
 - D. **Governmental** – Mark this box for entities that have been created by a municipal, state, or federal government. Indicate on Line 7D if you are a parish, school district, or related entity such as a hospital or library.
 - E. **Nonprofit** – Mark this box for entities that conform to Federal IRS regulations for determining a nonprofit organization. Indicate on the line provided if organized for religious, scientific, humane, fraternal, or other purposes.
 - F. **Other** – Mark this box if boxes A through E are not applicable.
8. **U. S. NAICS code** – A United States North American Industry Classification System (NAICS) code is required on all applications. A NAICS code should be selected that most closely describes your dominant business activity. Selection of your business code may be obtained from the North American Industry Classification website at www.naics.com. If your business has a Federal Employer Identification Number (FEIN), a NAICS code may have been assigned and may be found on the tax return under “Business Code”. If your business is currently registered for unemployment taxes with the Louisiana Workforce Commission (LWC), then a NAICS code has already been assigned to your business. Please contact the Louisiana Workforce Commission at (225) 342-3160 for information about your NAICS code only if your company is currently registered for unemployment taxes with LWC.
9. **Federal employee ID number** – You are required by the Internal Revenue Service to obtain a Federal Employer Identification Number if you are a sole proprietor with at least one employee, your business is a partnership, corporation, or a nonprofit organization. Enter your assigned Federal Employer Identification Number in the space provided. Mark “None” if you do not have an assigned number. Note: A number must be obtained from your local IRS and please provide this number to the Department.
10. **If sole owner (individual)** – If you are a sole proprietor requesting an account number, enter your full name, Social Security Number, home address, and your 10- digit daytime telephone number.

- 11. Corporations or partnerships** – If the entity being registered is a corporation or partnership, enter the name(s), Social Security Number(s), home address(es), and telephone number(s) of all officers and partners. Additional sheets may be attached if needed to complete this information.
- 12. Louisiana charter number and state of incorporation**
- A. Louisiana charter number** – Corporations incorporated in the State of Louisiana should enter their Louisiana Charter Number in the space provided.
- B. State of incorporation** – Enter the state of incorporation if outside Louisiana.
- 13. Permits and expirations** – Enter permit numbers and corresponding expiration dates for permits acquired from the Office of Alcohol and Tobacco Control (ATC) and the Louisiana State Police Gaming Division.
- 14. Corporation Income/Franchise** – Corporations seeking an account number must list the date the charter was filed with the Louisiana Secretary of State, and indicate if the corporation is domestic (chartered in Louisiana) or foreign (chartered outside of Louisiana). Corporations using accounting years that do not end at the end of the calendar year must enter the month in which their accounting period ends in Box 14C.
- 15. Sales or Use Tax** – Enter the date in which the business begins sales operations from this location. This would be either the starting date of a new business, or the date on which activities subject to sales tax began. If the business has not opened, or activities subject to sales tax have not begun, enter the anticipated starting date.
- 16. Withholding Tax** – If you employ one or more persons at a salary of \$375 per month or more, you must register for Louisiana Withholding tax. Enter the date for which the business became or will become liable for Louisiana Withholding tax. Select the filing frequency based on the minimum criteria shown in the table below. Unless specified on the application, all new withholding accounts are registered to file on a quarterly basis. You may register as a more frequent filer if desired.

Filing Frequency	Total monthly LA income withholdings from all employees
Quarterly	Less than \$500/month
Monthly	At least \$500/month, but less than \$2,000/month
Semi-monthly	At least \$2,000/month or more

- 17. Severance tax** – Enter the date that your business began activities making it liable for Louisiana Severance Tax. Select the appropriate filing frequency. Only Oilfield Restoration applicants should select “quarterly.” Oil, timber, mineral, and gas applicants should select “monthly.” Applicants applying for a gas account number with monthly tax liabilities in excess of \$100,000 should select 45 days.
- 18. Description of business** – Provide a brief description of the business’ purpose or activities at this location. The description must be formatted as shown in the following examples:
- Trade** – State type of sales and principal line of goods sold; i.e. retail workmen’s clothing, wholesale petroleum-bulk station, retail hardware, or manufacturer’s representative for oil machinery.
- Manufacturing** – State type of establishment operated and the principal products manufactured.
- Contract construction** – State whether general contractor and type of work normally performed, i.e. general contractor for highway or electrical subcontractor.
- Governmental** – State type of governmental organization or relationship to such entity.
- Other** – State the exact type of business operated; i.e. farm, labor union, Motion Picture Theater, real estate agent, rental or coin operated vending machines, investment club, advertising agency, or trust.
- Nonprofit** – State whether organized for religious, charitable, scientific, literary, educational, or humane purposes, and then state principal activity; i.e. charitable organization-hospital, or educational- school for the blind.

Note: You must sign and date your application. If someone else prepared your application, the preparer must also sign in the appropriate space. Mail the application to the Louisiana Department of Revenue, Taxpayer Services Division, P.O. Box 4998, Baton Rouge, LA 70821-4998.

Location address:



FOR OFFICE USE ONLY. Field flag

**Do not use this form
for filing periods
prior to April 2016.**

Filing period

U.S. NAICS
Code

Please use blue or black ink.

Round to the nearest dollar. Do not use dashes.

[illegible]

WEB

**SPEC
CODE**

4612

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20C	<div></div>	,	<div></div>	,	<div></div>	*	<div>00</div>
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35C Donation of Refund

Signature _____ Date _____ Telephone () _____

Preparer signature _____

Parent Company FEIN

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Enter date
business
sold/terminated.

If amended return,
mark this box.

4613

Enter your Louisiana Revenue Account Number:

Schedule A-1: Other Totally Tax Exempt Sales					
Description	Sales Tax Exemption Code		Total Sales		
		1			00
		2			00
		3			00
		4			00
		5			00
		6			00
		7			00
		8			00
		9			00
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		16			00
		17			00
		18			00
		19			00
		20			00
21 Add Lines 1 - 20; enter here and on Line 33 of Schedule A.		21			00



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Enter your Louisiana Revenue Account Number:

Schedule A-2: Transactions Subject to 4% tax					
Description	Sales Tax Exemption Code		Total Sales		
		1			00
		2			00
		3			00
		4			00
		5			00
		6			00
		7			00
		8			00
		9			00
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		14			00
		15			00
		16			00
		17			00
		18			00
		19			00
20 Add Lines 1 - 19.		20			00
21 Multiply Line 20 by 20% (.20). Enter here and on Line 23 of Schedule A.		21			00








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Sales Tax Exemptions *for* Nonprofit Organizations

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	Nonprofit Entities That Train or Employ Persons with Disabilities
	Girl Scouts, Boy Scouts, Big Brother, and Big Sister Organizations
	Nonprofit Literacy Organizations
	Museums Operated by Nonprofit Institutions
	Retreat Facilities Owned and Operated by Nonprofit Organizations
	Homeless Shelters Operated by Nonprofit Organizations
	Nonprofit Organizations—Sales, Event Admission Charges, Parking Fees, and Newspapers
	Sickle Cell Disease Organizations
	Thrift Shops Located in Military Installations
	Sheltered Workshops for the Mentally Retarded
	Nonprofit Organizations that Donate Toys to Children
	Nonprofit Corporations that Participate in National School Lunch/ Breakfast Programs
	Construction Material Purchases by Certain Nonprofit Organizations
	Parish Councils on Aging
	Fore!Kids Foundation
	Restricted Refund for Qualified Charitable Institutions
	Suspended Exemptions
	• Nonprofit Ballet Organizations
	• Nonprofit Charitable, Educational and Religious Organizations
	• Nonprofit Musical Organizations
	• Nonprofit Organizations Dedicated to the Conservation of Fish or Migratory Waterfowl
	• Fairs, Festivals, and Expositions Sponsored by Nonprofit Organizations
	Injunction Barring Enforcement of the Sales Tax Exclusions for Churches, Synagogues, and the Society of the Little Sisters of the Poor

Certain Nonprofit Organizations that Provide Funding for Training Blind Persons

Revised Statute 47:305.15 (B) provides a sales tax exemption for purchases made by nonprofit organizations that use public funds for at least 75 percent of their operational funding and primarily operate to provide funding for and training to blind persons. The organization must collect sales tax on sales. Organizations must apply for the exemption certificate by completing Form R-1303.

Nonprofit Blood Banks and Collection Centers

Revised Statute 47:301(16)(j) provides a sales tax exclusion for materials used directly in the collection, separation, treatment, testing, and storage of blood by nonprofit blood banks and nonprofit blood collection centers. This exclusion also includes apheresis kits and leuko reduction filters.

Boys State and Girls State of Louisiana Inc.

Revised Statutes 47:301(7)(g), (10)(r), and (18)(f) provide sales tax exclusions for Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. for leases or rentals and purchases for their educational and public service programs for youth. Exemption certificate Form R-1059 should be presented by the organization to their vendors.

Nonprofit Carnival Organizations

Revised Statute 47:301(13)(l) provides a sales tax exclusion for specialty items sold to members for fund-raising purposes by nonprofit carnival organizations domiciled within Louisiana and participating in a parade sponsored by a carnival organization. Carnival organizations must complete Form R-1312 to apply for an authorization certificate from the Department of Revenue before the exclusion can be used.

Nonprofit Civic Organizations—Membership Fees or Dues

Revised Statute 47:301(14)(b) provides a sales tax exclusion for membership fees or dues of nonprofit, civic organizations, including the Young Men's Christian Association, the Catholic Youth Organization, and the Young Women's Christian Association.

Nonprofit Entities that Train or Employ Persons with Disabilities

Revised Statute 47:301(8)(f) provides a sales tax exclusion for purchases by nonprofit entities that sell donated goods and spend 75 percent or more of their revenues on directly employing or training for employment persons with disabilities or workplace disadvantages. Nonprofit entities must apply for an exclusion certificate annually using Form R-1315.

Girl Scouts, Boy Scouts, Big Brother, and Big Sister Organizations

Revised Statute 47:301(10)(h) provides a sales tax exclusion for sales of food items by youth serving organizations chartered by United States Congress.



Certain Nonprofit Organizations that Provide Funding for Training Blind Persons

Revised Statute 47:305.15 (B) provides a sales tax exemption for purchases made by nonprofit organizations that use public funds for at least 75 percent of their operational funding and primarily operate to provide funding for and training to blind persons. The organization must collect sales tax on sales. Organizations must apply for the exemption certificate by completing Form R-1303.

Nonprofit Blood Banks and Collection Centers

Revised Statute 47:301(16)(j) provides a sales tax exclusion for materials used directly in the collection, separation, treatment, testing, and storage of blood by nonprofit blood banks and nonprofit blood collection centers. This exclusion also includes apheresis kits and leukoreduction filters.

Boys State and Girls State of Louisiana Inc.

Revised Statutes 47:301(7)(g), (10)(r), and (18)(f) provide sales tax exclusions for Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. for leases or rentals and purchases for their educational and public service programs for youth. Exemption certificate Form R-1059 should be presented by the organization to their vendors.

Nonprofit Carnival Organizations

Revised Statute 47:301(13)(l) provides a sales tax exclusion for specialty items sold to members for fund-raising purposes by nonprofit carnival organizations domiciled within Louisiana and participating in a parade sponsored by a carnival organization. Carnival organizations must complete Form R-1312 to apply for an authorization certificate from the Department of Revenue before the exclusion can be used.

Nonprofit Civic Organizations—Membership Fees or Dues

Revised Statute 47:301(14)(b) provides a sales tax exclusion for membership fees or dues of nonprofit, civic organizations, including the Young Men’s Christian Association, the Catholic Youth Organization, and the Young Women’s Christian Association.

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Revised Statute 47:301(10)(h) provides a sales tax exclusion for sales of food items by youth serving organizations chartered by United States Congress.



Nonprofit Literacy Organizations

Revised Statute 47:305.14(A)(5) provides a sales tax exemption for purchases of tangible personal property or taxable services by nonprofit literacy organizations in compliance with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code. The exemption is limited to books, workbooks, computers, computer software, films, videos, and audio tapes. To obtain the exemption, qualifying nonprofit literacy organizations must complete sales tax exemption certificate Form R-1321 and present it to their vendors.

Museums Operated by Nonprofit Institutions

Revised Statute 47:301(14)(b)(ii) provides a sales tax exclusion from collection of the sales tax on admissions for museums operated by private nonprofit institutions that are permanently organized for educational or aesthetic purposes. The exclusion does not apply to the sales tax on purchases or importations. To qualify for the exclusion, the museum must own or use tangible objects that are displayed, use professional staff to care for the objects, and must exhibit the objects to the public on a regular basis.

Qualifying museums include museums relating to art, history, historic buildings, natural history, science, and technology; aquariums and zoological parks; botanical gardens and arboretums; nature centers; and planetariums.

Retreat Facilities Owned and Operated by Nonprofit Organizations

Revised Statute 47:301(6)(b) provides a sales tax exclusion for room rentals by camp and retreat facilities owned and operated by nonprofit organizations.

Revised Statute 47:301(14)(b)(iv) provides an exclusion from the sales tax on places of amusement for camp and retreat facilities owned and operated by nonprofit organizations.

To qualify for the exclusions, the nonprofit organization must be exempt from federal income tax under Section 501(a) of the Internal Revenue Code and the net revenue derived from the organization's property must be devoted wholly to the nonprofit organization's purposes. In addition, if the facility rents accommodations to transient guests who are not attending a nonprofit organization function, the tax must be collected. Necessary expenses include fees paid for guest speakers, chair and table rentals, and food and beverages and related items.

Homeless Shelters Operated by Nonprofit Organizations

Revised Statute 47:301(6)(c) provides a sales tax exclusion for room rentals at qualifying homeless shelters. The homeless shelter must be owned by a an IRS-designated Section 501(c)(3) organization. The rooms must be rented to homeless transient persons who are financially challenged and unable to obtain a regular room rental. The room rental charge cannot be greater than twenty dollars per day and the rental period cannot last longer than thirty days.

To qualify for the exclusion, organizations must submit a Homeless Shelter Certification Application, Form R-1389 and be approved by the Department.

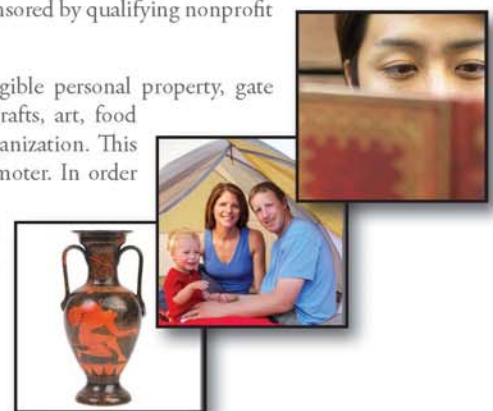
Nonprofit Organizations—Sales, Event Admission Charges, Parking Fees, and Newspapers

Revised Statute 47:305.14 provides a sales tax exemption for sales of tangible personal property at, admission charges for, outside gate admissions to, or parking fees associated with events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious organizations that are nonprofit if the entire proceeds, except for the necessary expenses connected with the event are used for educational, charitable, religious, or historical restoration purposes, including the furtherance of the civic, educational, historical, charitable, fraternal, or religious purpose of the organization. Necessary expenses include fees paid for guest speakers, chair and table rentals, and food and beverages and related items.

Organizations must apply for the exemption before the date of the event using Form R-1048. To qualify for the exemption, the event may not be intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

The exemption does not apply to purchases made by the organization and does not exempt regular commercial ventures such as bookstores, restaurants, gift shops, commercial flea markets, and similar activities that are sponsored by qualifying nonprofit organizations that are in competition with retail merchants.

Revised Statute 47:301(10)(hh) and (14)(k) provide a sales tax exemption for sales of tangible personal property, gate admissions, or parking fees associated with an event providing Louisiana heritage, culture, crafts, art, food and music which is sponsored by an IRS-designated Section 501(c)(3) domestic nonprofit organization. This exemption applies even if the sponsoring nonprofit organization has engaged a for-profit promoter. In order to qualify, the event must meet certain criteria. To date, only the Louisiana Jazz and Heritage Festival meets the criteria and is exempt from collecting state sales tax on their sales of tangible personal property, admission charges, outside gate admissions and parking fees associated with the event.



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Organizations must apply for the exemption before the date of the event using Form R-1048. To qualify for the exemption, the event may not be intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

The exemption does not apply to purchases made by the organization and does not exempt regular commercial ventures such as bookstores, restaurants, gift shops, commercial flea markets, and similar activities that are sponsored by qualifying nonprofit organizations that are in competition with retail merchants.

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Sickle Cell Disease Organizations

Revised Statute 47:305.53 provides a state and local sales tax exemption for sales, rentals or leases, taxable services, and purchases by nonprofit organizations that conduct comprehensive programs on sickle cell disease including free education, testing, counseling, prescriptions, transportation and food packages for sickle cell patients. To qualify for the exemption, organizations must apply to LDR using Form R-1314.

Thrift Shops Located in Military Installations

Revised Statute 47:305.14(A)(4) provides a sales tax exemption for sales made by thrift shops located on military installations.

Sheltered Workshops for the Mentally Retarded

Revised Statute 47:305.38 provides a state and local sales tax exemption for sheltered workshops for the mentally retarded licensed by the Department of Social Services as a day developmental training center. The exemption covers the sales and purchases of tangible personal property by the sheltered workshop. Sheltered workshops must complete Form R-1327 and submit the application to the Special Programs Division for approval.

Nonprofit Organizations that Donate Toys to Children

Revised Statute 47:301(10)(aa) and (18)(m) provide a state and local sales tax exclusion for purchases of toys by a nonprofit organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. In order for the exemption to apply, the sole purpose of purchasing the toys is to donate toys to minors and the toys are, in fact, donated. The exclusion does not apply if the donation is intended to ultimately yield a profit to a promoter of the organization or to any individual contracted to provide services or equipment, or both, to the organization.

To qualify for the sales tax exclusion, organizations must submit an Application for Sales Tax Exclusion for Purchases of Toys by Nonprofit Organizations for Donation to Minors, Form R-1313 and be approved by the Department.

Nonprofit Corporations that Participate in National School Lunch/Breakfast Programs

Revised Statute 47:301(10)(dd) provides a state sales tax exclusion for purchases of food items by nonprofit corporations for school lunch or breakfast programs which serve students in nonpublic elementary or secondary schools that participate in the National School Lunch and School Breakfast Programs. Nonprofit corporations must complete the sales tax exemption form R-1323 and present it to their vendors.

Construction Material Purchases by Certain Nonprofit Organizations

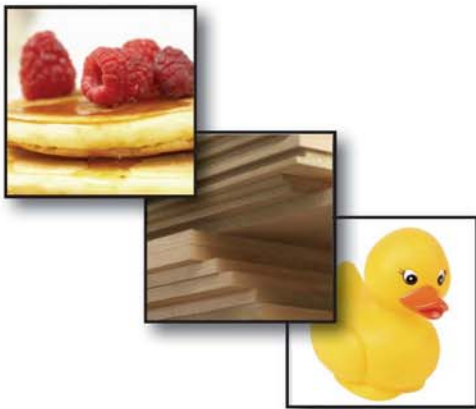
Revised Statute 47:305.59 provides a state sales and use tax exemption for the sale of construction materials to Habitat for Humanity and the Fuller Center for Housing affiliates located in this state when the materials are intended for use in constructing new residential dwellings in this state. Effective July 1, 2012, the Make It Right Foundation is also eligible for the sales and use tax exemption on the purchase of construction materials. These organizations must complete Form R-1324 and present it to their vendors.

Parish Councils on Aging

Revised Statute 47:305.66 provides a sales tax exemption on the sales, purchases, leases and rentals of tangible personal property and services to nonprofit domestic parish councils on aging.

Fore!Kids Foundation

Revised Statute 47:305.68 provides a sales tax exemption on the sales, purchases, leases and rentals of tangible personal property and services to the Fore!Kids Foundation.



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Restricted Refund for Qualified Charitable Institutions

Revised Statute 47:315.5 authorizes an exemption in the form of a restricted refund of sales tax collected by a qualified charitable institution on the sale of donated tangible personal property or items made from donated property. In order to qualify, the charitable institution must qualify as a nonprofit organization under IRS Code Section 501(c)(3), its principal place of business is within the state, it routinely sells donated property or items made from donated property and it spends at least seventy-five percent of its annual revenue on job training, job placement, the direct employment of, or other related community services or support programs for, people with workplace disabilities or disadvantages. The refund must be used exclusively in Louisiana for land acquisition, capital construction, or equipment, or related debt service or job training, job placement, employment, or other related community services and support program costs. The Department of Revenue is authorized to audit the institutions receiving refunds.

To qualify for the restricted refund, organizations must submit R-1385–*Application for Sales Tax Exemption Certificate for Charitable Institutions* and be approved by the department.

Suspended Exemptions

The following exemptions are partially suspended and subject to the one percent state sales tax imposed by Revised Statute 47:321(H).

Nonprofit Ballet Organizations

Revised Statute 47:305.42 provides a state sales tax exemption for sales of tickets to ballet performances by domestic nonprofit organizations engaged in the preparation and presentation of any dance, drama, or any of the performing arts.

Nonprofit Charitable, Educational and Religious Organizations

Revised Statute 47:305.13 provides a sales tax exemption for admissions to entertainment events furnished by recognized domestic nonprofit charitable, educational, and religious organizations when the entire proceeds from the admission sales, except for necessary expenses connected with the entertainment events, are used for the purposes for which the organizations furnishing the events were organized.

Nonprofit charitable, educational and religious organizations may also apply for exemption under Revised Statute 47:305.14. If approved under this exemption, sales tax would not apply to sales of tangible personal property at, or admission charges, for, outside gate admissions to, or parking fees associated with events sponsored by nonprofit charitable, educational or religious organizations. To apply for the exemption, organizations must submit R-1048 Application for Exemption from Collection of Louisiana Sales Taxes at Certain Fund-Raising Activities to LDR for approval.

Nonprofit Musical Organizations

Revised Statute 47:305.7 provides a sales tax exemption for admission ticket sales to musical performances by domestic nonprofit musical organizations including symphony organization and societies or organizations engaged in the presentation of musical performances. The sales tax exemption does not apply to performances given by out-of-state or nonresident symphony companies or performances intended to yield a profit to the promoters.

Nonprofit Organizations Dedicated to the Conservation of Fish or Migratory Waterfowl

Revised Statute 47:305.43 provides a state and local sales tax exemption for the sales and purchases by 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 the waterfowl, when the entire proceeds, except for the necessary expenses, are used in furtherance of the organization’s exempt purpose. The exemption does 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. Organizations must apply for and be granted an exemption certificate to qualify for the exemption.

Restricted Refund for Qualified Charitable Institutions

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Fairs, Festivals, and Expositions Sponsored by Nonprofit Organizations

Revised Statute 47:305.18 provides a state sales tax exemption for fairs, festivals, and expositions sponsored by recognized nonprofit organizations chartered in the state. The exemption applies to outside gate admissions to grounds and parking fees at fairs and festivals sponsored by the nonprofit organization. The exemption does 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 exemption does not apply to sales or use taxes on purchases made by the organization. Organizations that endorse candidates for political office or are otherwise involved in political activities are not eligible for the exemption.

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Injunction Barring Enforcement of the Sales Tax Exclusions for Churches, Synagogues, and the Society of the Little Sisters of the Poor

On April 17, 2006, The United States District Court for the Eastern District of Louisiana in New Orleans in *Secular Humanist Association, Inc. v. Bridges* (No. 04-3165, 04/17/2006) issued a preliminary injunction barring the Louisiana Department of Revenue from enforcing the sales tax exclusions for churches, synagogues, and the Society of The Little Sisters Of The Poor. Under Revised Statute 47:301(8)(d) and (e), churches and synagogues were previously excluded from paying the state sales tax on purchases of bibles, song books, and literature used for religious instruction classes, and the Society of the Little Sisters of the Poor was excluded from paying the state sales tax on all purchases.

Unless and until the judicial injunction is lifted, these exclusions cannot be claimed. Churches, synagogues, and the Society of the Little Sisters of the Poor will be required to pay the state sales or use tax on all of their purchases, including those previously excluded from taxation by these two statutes. These organizations will not hereafter be authorized to present, and selling dealers will not hereafter be authorized to accept, exemption certificates in lieu of the sales or use tax on any taxable purchase.

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Shreveport

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OFFICE of the GOVERNOR

STABILIZING THE BUDGET: UNFINISHED BUSINESS

2016 SECOND SPECIAL SESSION PLAN

(To realize the revenue needed to correct the remaining \$600 million budget shortfall in FY 2017, which begins July 1, 2016, including additional work towards permanent structural budget stabilization)

Goals

- Raise the revenue still lacking to fully fund FY 2017 budget – including TOPS scholarships, higher education, K-12 education (including student voucher funding), as well as safety net hospitals and many critical health care services for Louisiana citizens – without continuing budget gimmicks used in the past.
- Clean up errors resulting from the handling of legislation at the end of the 2016 First Special Session.
- Take additional steps now toward broader, stabilizing tax reform as recommended by the Task Force on Structural Changes in Budget and Tax Policy.

Plan

- Address any budget steps needed (although the administration is not currently anticipating issues with HB 1 or HB 2) to make use of additional FY 2017 revenue realized during the 2016 Second Special Session (Items 1-4).
- Raise additional revenue through restructuring of license and premium taxes on certain health care entities (Items 5-6).
- Clean up various unintended tax consequences created at the end of the 2016 First Special Session (Items 7-35). This clean-up includes **removing taxes** inadvertently imposed on the following:
 - Tickets to school athletic and entertainment events.
 - Food sales by youth serving organizations (such as Girl Scouts).
 - Sales or leases to Boys State, Girls State.
 - Sales and donations to food banks.
 - Room rentals at non-profit camp and retreat facilities, and certain homeless shelters.
 - Sales, lease, rental and use of educational (and certain other) materials for parochial and private schools.
 - Non-profit organization's sales of donated goods when the organization uses 75% or more of the revenue to employ or train persons with disabilities.
 - Garage sales.
 - Fire-fighting equipment purchased, leased or rented by volunteer fire departments.
 - Purchases, leases or rentals by hospitals that provide free care to all patients.
 - Membership fees or dues of non-profit civic organizations.

- Non-profit fundraiser/entertainment events and musicals; Little Theatre organizations' events; fairs and festivals; and certain non-profit admissions, parking fees, and sales.
- Sales of human transplants; items used in collecting blood, and treating blood-borne diseases.
- Prosthetic devices; wheelchairs and prescription eye-glasses; colostomy bags; adaptive driving equipment and motor vehicle modifications; and sales/rentals of kidney dialysis machines and supplies prescribed for home use.
- School lunches and meals furnished by various educational, religious, or medical organizations.
- Licensed commercial fishermen's purchases of fishing boats, boat supplies, fuels, and repairs.
- Sales of any fuel or gas, including butane and propane purchase for private residential consumption.
- Saints, Pelicans, and Zephyrs tickets, in keeping with the state's contracts with these entities.
- Allow consideration of certain tax credits in certain sunsetted items addressed in Acts 123 and 125 of 2015 (Items 36-37).
- Address certain corporate income tax changes and a proposed constitutional amendment contained in Acts 8, 30, and 31 of 2016 First Special Session (Items 38-40).
- Address state income tax deduction for net capital gains (Item 41).
- Return to allowing a lower percentage of personal excess federal itemized deductions to be used in computing state income taxes (Item 42).
- Consider making changes to the rates and brackets for individual taxpayers' state income taxes (Item 43).
- Address apportionment percentage and foreign trade zones as related to corporation income and franchise taxes (Item 44).
- Address interest paid on refunds of tax overpayments (Item 45).
- Address the tax credit for the Louisiana Citizens Property Insurance Corporation 2005 regular assessment (Item 46).
- Allow consideration of changes to certain existing refundable tax credits (Item 47).
- Address the "primary use test" as applied to Louisiana's "further processing" exclusion (Item 48).