

RS 47:305.14

§305.14. Exclusions and exemptions; nonprofit organizations; nature of exemption; limitations; qualifications; newspapers; determination of tax exempt status

A.(1)(a) ~~The sales and use taxes imposed by taxing authorities shall 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 domestic, civic, educational, historical, charitable, fraternal, or religious organizations, which are nonprofit, when the entire proceeds, except for necessary expenses such as fees paid for guest speakers, chair and table rentals, and food and beverage utility related items connected therewith, 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.~~ In addition, newspapers published in this state by religious organizations shall also be exempt from such taxes, provided that the price paid for the newspaper or a subscription to the newspaper does not exceed the cost to publish such newspaper.

(b) ~~Notwithstanding any other provision of this Section, the sales and use tax imposed by taxing authorities shall not apply to an event sponsored by a domestic nonprofit organization that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code when the event provides Louisiana heritage, culture, crafts, art, food, and music, and the sponsor has contracted for production management and financing services for the event.~~ Such services shall constitute necessary expenses of the sponsor for purposes of the event. The provisions of this Subparagraph shall apply only to the sales of tangible personal property and admission charges for, outside gate admissions to, or parking fees associated with an event when the sales, charges, and fees are payable to or for the benefit of the sponsor of the event. The provisions of this Subparagraph shall apply only to an event which transpires over a minimum of seven but not more than twelve days and has a five-year annual average attendance of at least three hundred thousand over the duration of the event. For purposes of determining the five-year annual average attendance, the calculation shall include the total annual attendance for each of the five most recent years.

(2) The exemption provided herein shall not apply to any event intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

(3) This Section shall not be construed to exempt any organization or activity from the payment of sales or use taxes otherwise required by law to be made on purchases made by these organizations.

(4) This Section shall not be construed to exempt regular commercial ventures of any type such as bookstores, restaurants, gift shops, commercial flea markets, and similar activities that are sponsored by organizations qualifying hereunder which are in competition with retail merchants. However, the exemption provided in this Section shall apply to thrift shops located on military installations, the operation of which is deemed to be an "event" for purposes of this exemption.

(5) Notwithstanding any other provision of law to the contrary, for purposes of state and political subdivision sales and use tax, "sales and use" shall not mean the purchase 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, limited to books, workbooks, computers, computer software, films, videos, and audio tapes.

B. This sponsorship of any event by any organization applying for an exemption hereunder must be genuine. Sponsorship will not be genuine in any case in which exemption from taxation is a major consideration leading to such sponsorship.

C.(1) An annual exemption certificate shall be obtained from the collector of revenue, under such regulations as he shall prescribe, in order for nonprofit organizations to qualify for the exemption provided in this Section. Any event held pursuant to such annual exemption certificate shall be subject to review for compliance with the provisions of law and regulations governing this exemption.

(2) In the event the collector of revenue denies tax exempt status under this Section, the organization may appeal such ruling to the Board of Tax Appeals, which may overrule the collector of revenue and grant tax exempt status if the Board of Tax Appeals determines that the denial of tax exempt status by the collector of revenue was arbitrary, capricious, or unreasonable.

(3) However, any organization that endorses any candidate for political office or otherwise is involved in political activities shall not be eligible for the exemption herein provided.