

LEGISLATIVE DIGEST

2012 REGULAR SESSION OF THE LOUISIANA LEGISLATURE

Sales Tax-State and Local

[Act 266 \(HB 568\)](#) Adds R.S. 47:305.71 and 337.9(D)(33). Exempts purchases by the "St. Bernard Project" organization. This organization is similar to Habitat for Humanity and rebuilds houses for persons in Orleans and Jefferson Parishes. This exemption applies to the state and local sales and use tax. Effective July 1, 2012.

[Act 438 \(HB 1120\)](#) Amends La. R. S. 47:301(10)(a)(ii) to provide that the resale of services is not taxable provided the retail sale of the service is subject to the sales tax in this state. This includes repairs services for resale. This legislation also requires the local taxing authorities to accept the state resale certificate if the parish location principal place of business and the local sales tax account number is shown on the certificate. This exemption certificate requirement does not apply to intra-parish sales transactions. Effective August 1, 2012.

[Act 787 \(SB 475\)](#) Adds R.S. 39:469. At this time this legislation applies only to Bayou Country Fest which is held in annually in Baton Rouge, LA. This rebate applies to all ticket and parking sales and will be administered by the East Baton Rouge Parish sales tax collector. Effective July 1, 2012.

Sales Tax-State Only

[Act 800 \(HB 754\)](#) Adds R.S. 39:100.126 and R.S. 47:6301. Authorizes the secretary of the Dept. of Economic Development (DED) to enter into a contract with a procurement processing company which recruits purchasing companies to Louisiana. The contract shall provide for incentive rebate payments in exchange for the generation of new state tax revenue from new taxable sales to a purchasing company which is managed by the procurement processing company. Effective July 1, 2012.

Ad Valorem

[Act 65 \(HB 225\)](#) Amends R.S. 47:1851(B). Removes overnight leisure passenger vessels from the definition of "barge line, towing, and other water transportation companies" for purposes of ad valorem tax assessment of public service properties. Effective August 1, 2012.

[Act 77 \(HB 302\)](#) Adds R.S. 47:2129.1. Authorizes tax collectors in Rapides Parish to accept quarterly payments of estimated ad valorem taxes and related statutory impositions subject to approval of the taxing authority levying the tax. Specifically provides that in Rapides Parish only, a collector shall have the discretionary authority to accept the payment of estimated ad valorem taxes and statutory impositions upon the approval of the taxing authority imposing the tax. Includes other provisions for the collection and accounting for such taxes. Effective May 11, 2012.

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Act 499 (HB 694) Adds R.S. 47:4351-4355. Establishes a program to implement the ad valorem tax exemption provided by the proposed constitutional amendment contained in Act 871 (HB 674) for "targeted non-manufacturing businesses". The program shall be implemented and administered by the Department of Economic Development. Such an exemption contract shall be available only in a parish which has agreed to participate in the program. Participation by a parish is subject to the approval of the parish governing authority, all municipalities and school boards which levy an ad valorem tax, the law enforcement district and the assessor. This Act further provides that any one of the local entities which approve participation may also withdraw the participation of a parish by providing written notification to the secretary of DED of its intention to discontinue participation. This Act law defines "facility", "headquarters jobs", "shared service center jobs", and "new direct jobs" and makes further provisions for the oversight and administration of this Act and the proposed constitutional amendment. Effective for all calendar years commencing after the constitutional amendment proposed in Act 871 (HB 674 of this 2012) is adopted and becomes effective.

Act 539 (SB 177) Amends R.S. 47:1705(B)(2)(c)(i)(intro para), (ii), and (iii)(cc). Authorizes an extension of the deadline for publication of the notice in the official journal from July 15th to July 25th if the taxing authority submits the notice to the official journal by the date required for publication by July 15th, and the official journal fails to publish the notice by July 15th. Prior law required the notice by the political subdivision to be of a size not less than two inches by four inches. Act 539 changes the required size of the publication from not less than two inches by four inches to not less than two columns by four inches. Effective August 1, 2012.

Act 554 (SB 397) Amends R.S. 47:1991(A) to provide that when the correction of an assessment is related to an assessment for a closed business and the owner cannot be located by the assessor and the business is classified as inactive, the affidavit shall state that the correction of the assessment relates to a closed, inactive business and that the owner of the business cannot be located. Further exempts these corrections from the requirement that the affidavit of the assessor be accompanied by the rendition of the taxpayer required in prior law in order for the Tax Commission to authorize and direct a correction to the assessment on the tax roll.

Act 836 (SB 605) Amends R.S. 47:2126, 2153(A) and (C), 2154, and 2156(B) and (C) relative to the authorization for the assessor to make separate assessments for undivided interests in each tax parcel. Act 836 clarifies that the tax collector may send more than one notice of sale and requires a tax collector, no later than the first Monday in March, to search the mortgage and conveyance records to identify the property's "tax sale parties" and that written notice by certified mail, return receipt requested, be sent to each "tax sale party" informing them that the taxes must be paid within twenty days or the tax sale title to the property will be sold according to law. Act 836 provides that the notice is deemed sufficient if in the form set forth in the Act and also provides that in the absence of actual notice of the sale or the demonstration of a reasonable effort to provide notice, where the name and address of the tax sale party were reasonably ascertainable or where the transfer was recorded after the tax collector completed his pre-sale tax sale party research, the tax collector is to cancel the sale of the property and refund the tax sale purchaser the tax sale purchase price. Act 836 requires that the collector send the transferee a tax notification, inclusive of tax sale costs accrued and requires that the tax sale be conducted on any weekday within the legal hours for judicial sales. This Act also requires that the notice specify the property upon which taxes are delinquent, the amount of taxes due, and the manner in which the property shall be redeemed. Effective August 13, 2012.

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Act 869 (HB 497) Adds Const. Art. VII, §21(L) pending voter approval. The current constitutional provision authorizes various local governments to levy ad valorem taxes and specifies the property that is exempt from such taxes. The proposed constitutional amendment authorizes New Iberia to enter contracts providing for property tax exemptions for property annexed by the city after Jan. 1, 2013 and also provides that such contracts shall become effective only if approved by 2/3rds vote of the governing authority of New Iberia. The proposal also provides that a contract shall grant to the owner of the annexed property a tax exemption for up to five calendar years and may be renewed for an additional five years if renewal is approved by 2/3rds vote of the governing authority. The proposed constitutional amendment requires that all property exempted pursuant to a contract be listed on the assessment rolls, but no taxes shall be collected thereon during the period of exemption; however, the exemption shall in no way affect or impair the security of any bonds payable from the proceeds of a tax. The proposal also provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

Act 871 (HB 674) Adds Const. Art. VII, §21(L) pending voter approval. This proposed constitutional amendment authorizes the granting of an exemption from ad valorem property tax for property owned or leased by, and used by, a "targeted non-manufacturing business" in the operation of its facility pursuant to a contract of exemption which contains such terms and conditions as provided by law. This proposed constitutional amendment provides that land underlying the facility and other property pertaining to the facility on which ad valorem taxes have previously been paid, inventories, consumables and property eligible for the manufacturing exemption in the present constitution shall not be exempt. Further, ad valorem taxes shall apply to the assessed valuation of the first \$10 million or 10% of fair market value of the business' property, whichever is greater. The proposed constitutional amendment defines "targeted non-manufacturing business" as a business which has at least 50% of its total annual sales from sites in the state to out-of-state customers or to in-state customers but the product or service is resold by the purchaser to an out-of-state customer for ultimate use, or to the federal government, or any combination thereof. Thus proposal authorizes the legislature to provide by law for the inclusion of sales by affiliates when appropriate in making this 50% determination. The proposed constitutional amendment authorizes the granting of exemption contracts only in parishes which have agreed to participate in the program. This proposal also provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

Act 875 (SB 337) Article VII, Section 21(K)(1) currently exempts from ad valorem tax, property receiving the homestead exemption which is owned by the spouse of a deceased veteran with a service connected disability having a disability rating of 100% by the U.S. Dept. of Veterans Affairs. Act 875 proposes to require the spouse claiming the tax exemption to own and occupy the property receiving the tax exemption. The proposed constitutional amendment extends the exemption to the spouse of such deceased veteran if the veteran passed away prior to the enactment of the exemption. Effective January 1, 2013 if approved by voters. . Act 875 specifies submission of the amendment to the voters at the statewide election to be held on November 6, 2012.

HCR 2 Urges and requests the La. Tax Commission to study and make recommendations relative to the practicality and feasibility of establishing a state-wide homestead exemption database.

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Administration

[Act 20 \(HB 405\)](#) Adds C.C.P. Art. 1922(C) to provide for a recording fee not to exceed \$25 for judgments or liens which do not contain the required social security number for purposes of affidavits of distinction. Effective July 1, 2012.

[Act 490 \(HB 335\)](#) Amends R.S. 33:9038.59(G) relative to the New Orleans City Park Taxing District and the use of state sales tax increments for tax increment financing, changes certain procedures for approval of the use of such state sales tax increments and of related agreements. Effective June 5, 2012.

[Act 708 \(SB 564\)](#) Adds R.S. 33:9038.66 to create the Grambling Legends Square Taxing District within Lincoln Parish. Authorizes the District to levy and collect a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities only after a special election is held and the proposition received the favorable vote of a majority of the electors voting in the election. Act 708 makes other provisions as necessary for the administration and funding of the district. Effective June 13, 2012.

Tax Free Shopping

[Act 435 \(HB 1096\)](#) Re-creates the Louisiana Tax Free Shopping Program and extends the sunset clause to July 1, 2017. Effective July 1, 2012.

Local Only

Franchise Fee

[Act 766 \(SB 273\)](#) Amends R.S. 33:4401; adds R.S. 33:4361(C) and R.S. 45:853 to exclude payments of a franchise fee or similar charge by an electric, gas, or water public utility to a political subdivision in excess of two percent of the annual gross receipts of the utility from adding the payment to the sales price and billing to customers in the political subdivision. Effective August 1, 2012.

Hotel Occupancy Tax

[Act 390 \(HB 412\)](#) Amends R.S. 47:338.210(A)(1), (B), (C), and (D) to substitute the City of Bunkie in place of the current language, which provides that the governing authority of a municipality with a population between 4,150 and 4,250, subject to voter approval, to levy and collect a hotel occupancy tax. Act 390 specifies legislative intent to substitute Bunkie for municipalities in a certain population range and not to authorize an additional tax or require additional voter approval for a tax levied under existing law. Effective May 31, 2012.

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[Act 673 \(SB 600\)](#) Amends R.S. 33:4574.1.1(Q)(1) and adds R.S. 33:4574.1.1(Q)(2)(g) and (3) to terminate the authorization that the Vermilion Parish Tourist Commission had to levy and collect an additional three percent tax on occupancy of hotel rooms, motel rooms, and overnight camping facilities. Act 673 provides that effective January 1, 2013, the tourist commission is authorized to levy and collect a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the commission subject to approval by a majority of the voters residing in the parish voting in favor of the tax. The tax shall not exceed two percent of the rent or fee charged for such occupancy. Act 673 also allocates the tax collected. Effective June 7, 2012.

[Act 796 \(HB 562\)](#) Amends R.S. 33:9039.124(A)(1) and (4) to reduce the tax from 2 percent to 1 percent that the Abbeville Film and Visitors Commission District, through the board, is authorized to levy and collect upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the district, subject to approval by a majority of the electors in the district on or after January 1, 2013.

Insurance Premium Tax

[Act 774 \(SB 391\)](#) Exempts Medicaid Premiums from the Insurance Premium tax base. This bill also gives any local government that does not currently impose an Insurance Premium Tax the option to do so until August 15, 2012. Any local government not assessing this tax after August 15, 2012 is prohibited from collecting this tax in the future. Effective July 1, 2012.

Occupational License Tax

[Act 827 \(HB 1188\)](#) Provides for the Scrap Metal Recycler Law. Effective June 14, 2012.