



NEW DETAILS RELEASED ON LOUISIANA GOVERNOR'S PROPOSED TAX REFORM PLAN

Louisiana Gov. Bobby Jindal's administration and the Louisiana Department of Revenue (the "Department") have now released to the public [a copy of the original draft of the Governor's proposed tax reform bill](#).

Also, the Governor and the Department have recently released additional detailed informational documents regarding the Governor's proposed tax reform plan. Specifically, the Governor's office and the Department have now released (1) [a list of those services that would be subject to state-level sales/use tax under the proposed tax reform plan](#), (2) [a list of those services that would not be subject to state-level sales/use tax under the proposed tax reform plan](#), (3) [a list of those state-level sales/use tax exemptions and exclusions that would be eliminated by the proposed tax reform plan](#), and (4) [a list of those state-level sales/use tax exemptions that would be retained by the proposed tax reform plan](#).

The Jones Walker SALT Team will be tracking the Governor's legislative effort closely and will continue to provide updates throughout this legislative process. Be sure to follow the Jones Walker SALT Team on Twitter [@JonesWalkerSALT](#) to receive breaking updates as they occur.

Below is an overview of the additional information provided by the Governor's office.

Taxable Services:

In an effort to broaden the sales/use tax base, the proposed tax reform bill would impose a state-level sales/use tax on the following services:

- Mining
 - Support services for other mining
- Transportation
 - Transit and ground passenger transportation services
 - Scenic and sightseeing transportation services and support activities for transportation
 - Transportation couriers and messengers services
- Professional Services
 - Accounting, tax preparation, bookkeeping, and payroll services
 - Architectural, engineering, and related services
 - Specialized design services
 - Custom computer programming services
 - Computer systems design services
 - Other computer related services, including facilities management



- Management, scientific, and technical consulting services
- Environmental and other technical consulting services
- Scientific research and development services
- Advertising related services
- Photographic services
- Veterinary services
- All other miscellaneous professional, scientific, and technical services
- Business Services
 - Employment services
 - Travel arrangement and reservation services
 - Office administrative services
 - Facilities support services
 - Business support services
 - Investigation and security services
 - Services to buildings and dwellings
 - Other support services
 - Waste management and remediation services
- Information
 - Cable and other subscription services
 - Data processing-hosting-ISP-web search portals
 - Other information services
- Financial Services
 - Insurance related support services
- Agriculture
 - Agriculture and forestry support services
- Entertainment
 - Performing arts
 - Promotional services for performing arts and sports and public figures
 - Independent artists, writers, and performers
 - Museum, heritage, zoo, and recreational services
- Personal Services
 - Personal care services
 - Other personal services



Non-Taxable Services:

The following services will continue to be exempt or excluded from state-level sales/use tax under the proposed tax reform legislation:

- Utilities
 - Utilities
 - Electric power distribution
 - Natural gas distribution
 - Steam and air-conditioning supply
- Construction
 - Construction of buildings
 - Residential remodelers
 - Commercial and institutional building construction
 - Heavy and civil engineering construction
 - Power and communication line and related structures construction
 - Land subdivision
 - Highway, street, and bridge construction
 - Other heavy and civil engineering services
 - Specialty trade contractors
 - Other foundation, structure, and building exterior contractors
 - Other building equipment contractors
 - Other building finishing contractors
 - All other specialty trade contractors
- Finance and Insurance
 - Monetary authorities-central bank
 - Credit intermediation and related activities
 - Other depository credit intermediation
 - All other non-depository credit intermediation
 - Other activities related to credit intermediation
 - Securities, commodity contracts, and other financial investments and related activities
 - Commodity contracts brokerage
 - Securities and commodity exchanges
 - Miscellaneous financial investment activities
 - Insurance carriers and related activities
 - Funds, trusts, and other financial vehicles
 - Other insurance funds
 - Other financial vehicles



- Management of Companies and Enterprises
 - Management of companies and enterprises
 - Corporate, subsidiary, and regional managing offices
- Educational Services
 - Educational services
 - Elementary and secondary schools
 - Junior colleges
 - Professional management development training
 - Other technical and trade schools
 - All other miscellaneous schools and instruction
 - Educational support services
- Health Care and Social Assistance
 - Ambulatory health care services
 - Offices of physicians, mental health specialists
 - Offices of dentists
 - Offices of all other miscellaneous health practitioners
 - All other outpatient care centers
 - Diagnostic imaging centers
 - Home health care services
 - All other miscellaneous ambulatory health care services
 - Hospitals
 - General medical and surgical hospitals
 - Psychiatric and substance abuse hospitals
 - Specialty (except psychiatric and substance abuse) hospitals
 - Nursing and residential care facilities
 - Nursing care facilities
 - Residential mental health and substance abuse facilities
 - Homes for the elderly
 - Other residential care facilities
 - Social assistance
 - Other individual and family services
 - Emergency and other relief services
 - Vocational rehabilitation services
 - Child day care services
- Air Transportation
 - Scheduled freight air transportation
 - Other nonscheduled air transportation



- Rail Transportation
 - Short-line railroads
- Water Transportation
 - Coastal and great lakes passenger transportation
 - Inland water passenger transportation
- Truck Transportation
 - General freight trucking, long-distance, less than truckload
 - Specialized freight (except used goods) trucking long-distance
- Pipeline Transportation
 - Pipeline transportation of crude oil
 - Pipeline transportation of natural gas
 - All other pipeline transportation
- Postal Service
 - Postal service
- Real Estate
 - Lessors of other real estate property
 - Offices of real estate agents and brokers
 - Other activities related to real estate
 - Reinsurance carriers
- Religious, Grantmaking, Civic, Professional, and Similar Organizations
 - Religious organizations
 - Other grantmaking and giving services
 - Other social advocacy organizations
 - Civic and social organizations
- Business, Professional, Labor, Political and Similar Organizations
 - Business associations
 - Professional organizations
 - Labor unions and similar labor organizations
 - Political organizations
 - Other similar organizations (except business, professional, labor, and political organizations)
- Internet Publishing and Broadcasting and Web Search Portals
 - Internet publishing and broadcasting and web search portals
- Support Activities for Oil and Gas Operations
- Legal Services
 - Offices of lawyers
 - Office of notaries
 - Other legal services
 - Title abstract and settlement offices
 - All other legal services



- Death Care Services
 - Funeral homes and funeral services
 - Cemeteries and crematories
- Advertising

Eliminated Exemptions / Exclusions:

In an effort to broaden the sales/use tax base, the proposed tax reform bill would eliminate the following state-level sales/use tax exemptions and exclusions (therefore resulting in the imposition of state-level sales/use taxes on these items, activities, and taxpayers):

- Oil & Gas
 - Installation of board roads to oil-field operators
 - Property used in the manufacture, production, or extraction of unblended diesel
 - Pollution control devices and systems
 - Alternate substance used as a fuel
 - Natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities
 - Sales of anthropogenic carbon dioxide used in qualified tertiary recovery projects
 - Lease or rental of certain vessels in mineral production
 - Sales of gasohol
- Racetracks/Racehorses
 - Purchases by off-track wagering facilities
 - Purchases by pari-mutuels racetracks
 - Racehorses claimed at races in Louisiana
- General Business
 - Purchases, services, and rentals for construction of sewerage or wastewater treatment facility
 - Purchases of consumables by paper and wood manufacturers and loggers
 - Purchases of school buses by independent operators
 - Use tax on residue or by-products consumed by the producer
 - Advertising services
 - Additional tax levy on contracts entered into prior to and within 90 days of tax levy
 - Raw materials used in the printing process
 - Sales of railroad ties to railroads for use in other states
 - Purchase of certain water conservation equipment for use in the Sparta Groundwater Conservation District
 - Certain interchangeable components; optional method to determine
 - Cash-basis sales tax reporting and remitting for health and fitness club membership contracts
 - Collection from interstate and foreign transportation dealers



- Installation Charges on Tangible Personal Property
- Nonprofits/Religious
 - Room rentals at certain homeless shelters
 - Sales and rentals to Boys State of La., Inc. and Girls State of La., Inc.
 - Qualifying events providing Louisiana heritage, culture, crafts, art, food, and music sponsored by domestic nonprofit organizations
 - Outside gate admissions and parking fees at fairs, festivals, and expositions sponsored by nonprofit organizations
 - Construction materials and operating supplies for certain nonprofit retirement centers
 - Tickets to dance, drama, or performing arts presentations by certain nonprofit organizations
 - Purchases by and sales by certain nonprofit organizations dedicated to the conservation of fish and migratory waterfowl
 - Sales of construction materials to Habitat for Humanity
 - Purchases of construction materials by Hands on New Orleans and Rebuilding Together New Orleans Covenant Partners
 - Parish Councils on Aging
 - Purchases by the Fore!Kids Foundation
 - Purchases of construction materials by the Make it Right Foundation
 - Sales tax collected by a qualified charitable institutions
- Aircraft
 - Rental or purchase of airplanes or airplane equipment and parts by Louisiana-domiciled commuter airlines
 - Certain aircraft assembled in Louisiana with a capacity of 50 people or more
 - Trucks, automobiles, and new aircraft removed from inventory for use as demonstrators
 - Antique airplanes held by private collectors and not used for commercial purposes
- Education
 - Certain educational materials and equipment used for classroom instruction
 - Purchases by regionally accredited independent educational institutions
 - Purchases by a private post-secondary academic degree-granting institution
- Retail/Sales
 - Sales through coin-operated vending machines
 - Purchases of certain custom computer software
 - Receipts from coin-operated washing and drying machines in commercial laundromats
 - Purchases and sales by Ducks Unlimited and Bass Life
 - Credit for costs to reprogram cash registers
- Advertising
 - Sales of telephone directories by advertising companies
 - Catalogs distributed in Louisiana



- Telecommunications
 - Sales of cellular telephones and electronic accessories
 - Interstate telecommunication services purchased by defined call centers
 - Telecommunication services through coin-operated telephones
 - Miscellaneous telecommunication services
- Homes
 - Purchases of storm shutter devices
 - Used manufactured homes and 54% of cost of new manufactured homes
 - Certain digital television and digital radio conversion equipment
 - Cable television installation and repair services
 - Extended time to register mobile homes
 - Materials used in the construction, restoration, or renovation of housing in designated areas
- Mardi Gras
 - Specialty Mardi Gras items sold by certain organizations
- Art
 - Admissions to museums
 - Sales of admission tickets by little theater organizations
 - Rentals of motion-picture film to commercial theaters
 - Sales of original one-of-a-kind works of art sold in certain locations
- Precious Metals
 - Coin bullion with a value of \$1,000 or more
- Recreational Vehicles/Vessels
 - Boats, vessels, and other watercraft as demonstrators
 - Purchases of off-road vehicles by certain buyers domiciled in another state
- Automobiles Rented/Owned
 - Adaptive driving equipment and motor vehicle modification
 - New vehicles furnished by a dealer for driver-education programs
- Seafood/Fishing
 - Purchases of supplies, fuels, and repair services for boats used by commercial fishermen
- General Public
 - Annual Louisiana Sales Tax Holiday
 - Hurricane Preparedness Louisiana Sales Tax Holiday
 - Second Amendment Sales Tax Holiday



Retained Exemptions/Exclusions:

The following state-level sales/use tax exemptions and exclusions would be retained under the proposed tax reform legislation:

- Oil & Gas
 - Rentals or leases of certain oil-field property to be released or re-rented
 - Repairs, renovations, or conversions of drilling rigs
 - Certain geophysical survey information and data analyses
 - Repairs and materials used on drilling rigs and equipment
 - Helicopters leased for use in the extraction, production, or exploration for oil, gas, or other minerals
 - "Sales or cost price" of refinery gas
- Racetracks/Racehorses
 - Feed and feed additives for animals held for business purposes
- General Business
 - Work products of certain professionals
 - Fees paid by radio and television broadcasters for the rights to broadcast films, videos, and tapes
 - Vendor's compensation * (amended & capped)
 - Sales tax remitted on bad debts from credit sales
- Isolated or Occasional Sales of Tangible Personal Property
- Nonprofits/Religious
 - Room rentals at camp and retreat facilities owned by IRC 501(c)(3)
 - Donation of toys
 - Tickets to musical performances by nonprofit musical organizations, educational, and religious organizations
 - Sales of newspapers by religious organizations
 - Sales to nonprofit literacy organizations
- Automobiles Rented/Owned
 - Vehicle rentals for re-rent to warranty customers
 - Sales of motor vehicles to be leased or rented by qualified lessors
- Seafood/Fishing
 - Materials used in the production or harvesting of crawfish
 - Materials used in the production or harvesting of catfish
 - Certain seafood-processing facilities
- General Public
 - Sales of newspapers
 - Purchase of breastfeeding items
 - Louisiana Tax Free Shopping Program
 - Purchases made with WIC vouchers and food stamps



- Credit for sales and use taxes paid to other states on property imported into Louisiana
- Sales of food for preparation and consumption in the home
- Automobiles/Dealers
 - Manufacturers rebates on new motor vehicles
 - Manufacturers rebates paid directly to a dealer
 - Credit for use tax paid on automobiles imported by certain members of the armed services
 - Use of vehicles in Louisiana by active military personnel
- Railroads
 - Leases or rentals of railroad rolling stock and leases or rentals by railway companies and railroad corporations
 - Piggyback trailers or containers and rolling stock
 - Rail rolling stock sold or leased in Louisiana
- Manufacturing Machinery and Equipment
 - Purchases of manufacturing machinery and equipment
 - Purchases of certain machinery and equipment used to produce a new publication
 - First \$50,000 of new farm equipment used in poultry production
 - Purchases by motor vehicle manufacturers
 - Purchases by glass manufacturers
 - Purchases of machinery and equipment by owners of certain radio stations
 - Purchases of machinery and equipment by certain utilities
- Non-Residential Utilities
 - Purchases of electric power and natural gas by paper or wood products manufacturing facilities
 - Natural gas used in the production of iron
 - Electricity for chlor-alkali manufacturing process
 - Pelletized paper waste used in a permitted boiler
 - Purchases by nonprofit electric cooperatives
 - Sales of steam – nonresidential
 - Sales of water – nonresidential
 - Sales of electric power or energy – nonresidential
 - Sales of natural gas – nonresidential
 - Materials and energy sources used for boiler fuel
 - Utilities used by steelworks and blast furnaces
- Medical
 - Purchases and leases by free hospitals
 - Sales of human-tissue transplants
 - Materials used directly in the collection of blood
 - Apheresis kits and leukoreduction filters
 - Pharmaceutical samples distributed in Louisiana
 - Sickle Cell Disease organizations



- Purchase, lease, or repair of certain capital equipment and computer software of qualifying radiation therapy treatment centers
- Purchases and leases of durable medical equipment paid by or under provisions of Medicare
- Drugs prescribed by physicians or dentists
- Nonprofit/Education
 - Certain educational materials and equipment used for classroom instruction
 - Purchases by nonprofit entities that sell donated goods
 - Sales of food items by youth organizations
 - Tangible personal property sold to food banks
 - Purchases of food items for school lunch or breakfast programs by nonprofit elementary or secondary schools
 - Admissions to athletic or entertainment events by elementary and secondary educational institutions and membership dues of certain nonprofit, civic
 - Admissions to places of amusement at camp or retreat facilities
 - Donations to certain schools and food banks from resale inventory
 - Sales of food by certain institutions
 - Admissions to entertainment by domestic nonprofit charitable, educational, and religious organizations
 - Sales of tangible personal property at or admissions to events sponsored by certain nonprofit groups
- Manufacturing
 - Leases or rentals of pallets used in packaging products produced by a manufacturer
- Government Purchases
 - Purchases by state and local governments
 - Sales to the United States government and its agencies
- Tangible Personal Property
 - Purchases of tangible personal property for lease or rental
 - Articles traded in on tangible personal property
 - Property purchased for exclusive use outside the state
- Agriculture
 - Sales of raw agricultural products
 - Pharmaceuticals administered to livestock for agricultural purposes
 - Sales of farm products direct from the farm
 - Farm products produced and used by the farmers
 - Sales of fertilizers and containers to farmers
 - Sales of seeds for planting crops
 - Sale of polyroll tubing
- Government
 - Purchases of equipment by bona fide volunteer and public fire department
 - Sales by state-owned domed stadiums



- Sales by certain publicly-owned facilities
- Residential Utilities
 - Purchases of fuel or gas by residential consumers
 - Purchases of certain fuels for private residential consumption
 - Sales of electric power or energy to the consumer for residential use
 - Sales of natural gas to the consumer for residential use
 - Sales of water to the consumer for residential use
- Military
 - Sales of tangible personal property by the Louisiana military department
 - Sales by thrift shops on military installations
- Construction/Repairs
 - Repair services performed in Louisiana when the repaired property is exported
 - Other constructions permanently attached to the ground
- Transportation/Large Vessels & Trucks
 - Sales of 50-ton vessels and new component parts and sales of certain materials and services to vessels operating in interstate commerce
 - Certain trucks and trailers used 80% in interstate commerce
 - Certain contract carrier buses used 80% in interstate commerce
- Disabled
 - Sales or purchases by blind persons operating small businesses
 - Purchases by certain organizations that promote training for the blind
 - Purchases of vehicles modified for use by an orthopedically disabled person
- Fuels Subject to Excise Tax
 - Sales of gasoline, gasohol, and diesel

— [Justin B. Stone](#) and [Matthew A. Mantle](#)



Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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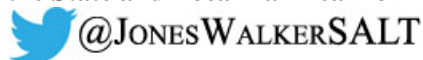
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