

Regular Session, 2013

HOUSE BILL NO. 496

BY REPRESENTATIVE MACK

TAX EXEMPTIONS: Creates a sales tax holiday period for consumer purchases of firearms and ammunition manufactured in Louisiana

1 AN ACT

2 To enact R.S. 47:305.55, relative to the state and local sales and use tax; to provide for an
3 annual sales tax holiday period; to provide that the state and local sales and use tax
4 shall not apply to consumer purchases of firearms and ammunition manufactured in
5 Louisiana for a certain period of time; to provide with respect to eligible purchases;
6 to provide with respect to payment, orders, layaways and returns; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:305.55 is hereby enacted to read as follows:

10 §305.55. Exemption; annual sales tax holiday; firearms and ammunition
11 manufactured in Louisiana

12 A. Notwithstanding any other provisions of law to the contrary, the sales and
13 use tax levied by the state of Louisiana and its political subdivisions shall not apply
14 to the sales price or cost price of any consumer purchases of firearms and
15 ammunition that are manufactured in Louisiana that occur during an eligible tax
16 exemption period.

17 B. For purposes of this Section:

18 (1) "Consumer purchases" mean purchases by individuals of firearms and
19 ammunition which purchases are not for business purposes.

1 (2) "Eligible items" mean a firearm or ammunition provided the item is
2 manufactured in Louisiana.

3 (3) "Firearm" means a shotgun, rifle, pistol, revolver, or other handgun.

4 (4) "Tax exemption period" means the last week of October of each year.

5 C. The provisions of this Section shall apply if, during the tax exemption
6 period, one of the following occurs:

7 (1) Title to or possession of a firearm or ammunition is transferred from a
8 selling dealer to a purchaser.

9 (2) A customer selects an eligible item from the selling dealer's inventory for
10 layaway that is physically set aside in the selling dealer's inventory for future
11 delivery to that customer.

12 (3) The customer makes final payment and withdraws an item from layaway.

13 (4) The customer places an order and pays for an eligible item and the selling
14 dealer accepts the order for immediate shipment, even if delivery is made after the
15 tax exemption period, provided that the customer has not requested delayed
16 shipment.

17 D. Eligible items that customers purchase during the tax exemption period
18 with "rain checks" will qualify for exemption regardless of when the "rain checks"
19 were issued. However, issuance of "rain checks" during the exemption period will
20 not otherwise qualify items for exemption if the items are actually paid for after the
21 tax exemption period.

22 E.(1) When a customer purchases an eligible item during the tax exemption
23 period and exchanges the item for an essentially identical item of different size,
24 caliber, color, or other feature, without additional cash consideration and after such
25 time period, no additional tax is due.

26 (2) When a customer, after the tax exemption period, returns an eligible item
27 that was purchased during such time period and receives credit on the purchase of
28 a different item, the appropriate sales tax is due on the purchase of the new item.

1 F. For a sixty-day period after the tax exemption period, when a customer
 2 returns an item that would qualify for an exemption, no credit or refunds of sales tax
 3 shall be given unless the customer provides a receipt or invoice that shows that the
 4 sales tax was paid or the retailer has sufficient documentation that shows that the tax
 5 was paid on the specific item. This sixty-day period is not intended to change a
 6 dealer's policy concerning the time period during which returns will be accepted.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Mack

HB No. 496

Abstract: Creates an annual sales tax holiday period during the last week of Oct. to exempt state and local sales and use tax for consumer purchases of firearms and ammunition manufactured in Louisiana.

Proposed law provides for a sales tax holiday period during the last week of Oct. to exempt state and local sales and use tax for consumer purchases of firearms and ammunition manufactured in Louisiana.

Proposed law provides that, in order to be exempt, one of the following needs to occur during the tax holiday period:

- (1) Title to or possession of the item must be transferred from a selling dealer to a purchaser.
- (2) A customer must select an eligible item from the selling dealer's inventory for layaway, which item is physically set aside in the selling dealer's inventory for future delivery to that customer.
- (3) The customer must make final payment and withdraw the item from layaway that might have been placed before the tax holiday period.
- (4) The customer must order and pay for the item and the dealer must accept the order for immediate shipment, even if delivery is made after the tax holiday period, provided the customer has not requested delayed shipment.

Items that customers purchase during the time period with "rain checks" are exempt, regardless of when the "rain checks" are issued. However, purchases with "rain checks" issued during the tax holiday period are not exempt if the items are actually paid for after the tax holiday period. The exchange of an item purchased during the tax holiday period without additional cash consideration for an essentially identical item is exempt, but if the exchange results in credit on the purchase of a new item, the sale is taxable.

exemption for a 60-day period after the sales tax holidays unless the customer provides a receipt or invoice that shows that the sales tax was paid or the retailer has sufficient documentation showing that the tax was paid.

(Adds R.S. 47:305.55)