

Revenue Information Bulletin No. 16-029

April 26, 2016

Sales Tax

Frequently Asked Questions on College and University Compliance with Acts 25 and 26 of the 2016 First Extraordinary Session of the Louisiana Legislature

1. How much sales tax will be imposed upon tickets to college and university events?

Prior to April 1, 2016, there was a sales tax exclusion from state sales tax for admissions to amusement events, athletic entertainment events, and recreational events of colleges and universities pursuant to La. R.S. 47:301(14)(b)(i).

Acts 25 and 26 of the First Extraordinary Session of the Louisiana Legislature have imposed a state sales tax on the cost of admissions to amusement events, athletic entertainment, and recreational events of colleges and universities at the following rates:

<u>Period</u>	<u>State Sales Tax Rates</u>
4/1/2016-6/30/2016	5%
7/1/2016-6/30/2018	3%
7/1/2018-3/31/2019	0%

Tickets sold or invoiced to the ticket holder before April 1, 2016 or postmarked before April 1, 2016 are not subject to state sales taxes. Tickets sold on or after April 1, 2016 through June 30, 2016 are subject to 5% state sales tax. Tickets sold on or after July 1, 2016 are subject to 3% state sales tax. Tickets sold on or after July 1, 2018 will not be subject to state sales tax.

2. What events qualify as amusement events, athletic entertainment events, and recreational events?

Qualifying events include but are not limited to plays, band performances, ballet and dance performances, choir performances, and sporting events.

3. Are donations to private, nonprofit corporations dedicated to supporting a college or university and its athletic program subject to state sales tax?

A donation to a non-profit corporation is not a sale as defined in La. R.S. 47:301(13) and is not subject to state sales tax.

4. Are membership dues or fees paid to a private non-profit athletic booster club or non-profit foundation subject to state sales tax?

Louisiana Revised Statute 47:301(14)(b)(i) provides a sales tax exclusion for membership fees or dues paid to nonprofit, civic organizations granting access to clubs or the privilege of having access to amusement, entertainment, athletic, or recreational facilities. However, this sales tax exclusion is not operative and in effect for purposes of Acts 25 and 26. Therefore, membership fees and dues paid to these organizations will be subject to state sales tax. Membership fees or dues paid to nonprofit, civic organizations such as the Young Men's Christian Association, which grant members the privilege of having access to workout facilities, clubs, and swimming pools will be subject to state sales tax. Membership fees or dues that entitle the member to use the organization's clubs, or amusement, entertainment, athletic, or recreational facilities will be subject to state sales tax. Membership fees or dues paid to a club, which does not grant its members access to a club or the privilege of accessing amusement, entertainment, athletic, or recreational facilities will not be subject to state sales

If the non-profit athletic booster club or non-profit foundation does not grant its members access to a club or the privilege of accessing amusement, entertainment, athletic or recreational facilities, then its membership fees or dues will not be subject to state sales tax.

5. Are meal plans sold to college and university students as part of bed and board subject to state sales tax?

If the meal is part of room and board and is included with tuition or fees, then it is considered to be part of the educational services provided by the college or university. An educational service is not one of the defined sales of services pursuant to La. R.S. 47:301(14); therefore, it is a non-taxable service. Sales of single meals to students, which are not included as a part of tuition or fees, will be subject to state sales tax.

6. If a guest speaker is invited to lecture at a college or university, will admission to this event be taxable?

Typically, a guest speaker is invited to speak on a particular topic. A college or university will facilitate this activity as part of its mission to educate its students and the community at large. The college or university is providing an educational service, which is a non-taxable service.

7. If a college or university holds athletic camps or enrichment classes for elementary or secondary school students during the summer or at other times of the year, will the tuition for the athletic camp or enrichment class be subject to state sales tax? If a meal is included as part of the tuition for the athletic camp or enrichment class, is the sale of the meal subject to tax?

Admission to a class is educational service; an educational service is not one of the enumerated taxable services pursuant to La. R.S. 47:301(14). Therefore, tuition paid for the athletic camp or enrichment class is not subject to state sales tax. If a meal is included as part of the tuition for the athletic camp or enrichment class, then it is part of the educational services provided by the college or university and is not subject to state sales tax.

8. If an amusement, entertainment, or athletic event sponsored by a non-profit corporation or another type of entity is held on a college or university campus, are admissions to this event subject to state sales tax?

Yes. Admissions to this event will be subject to state sales tax. Please see [Revenue Information Bulletin 16-020](#) *Taxability of Admissions to Places of Amusement, Athletic Entertainment, and Recreational Events* for state sales tax rates applicable to each type of event.

Individuals attending an athletic or entertainment event are the "taxpayers", who are liable for paying the sales tax. The non-profit corporation or entity hosting or sponsoring the event on the college or university campus is a "dealer" within the meaning of La. R.S. 47:301(4) and would be responsible for collecting and remitting the state sales taxes to the Louisiana Department of Revenue (hereinafter "LDR").

9. If a public college or university student is required to attend or participate in a play, band performance, choir performance, or sporting event as a class requirement and the cost of admission is covered by the public college or university, is this admission subject to state sales tax?

No. If a public college or university student is required to attend or participate in a play, band performance, choir performance, or sporting event as a class requirement and the cost of admission is covered by the public college or university, then there is no state sales tax due on the price of admission, because public colleges and universities are exempt from state sales tax pursuant to La. R.S. 47:301(8)(c).

10. If a college or university provides testing services, is this service subject to state sales tax?

No. Testing is not one of the defined sales of services pursuant to La. R.S. 47:301(14); therefore, it is a non-taxable service.

11. If a college or university provides veterinary services, is this service subject to state sales tax?

No. A veterinary service is not one of the defined sales of services pursuant to La. R.S. 47:301(14); therefore, it is a non-taxable service.

12. If a college or university is not registered to collect state sales tax, what is the registration process?

A college or university can register for a sales tax account online with the Louisiana Taxpayer Access Point (LaTAP) on the LDR Website, www.revenue.louisiana.gov.

Questions concerning the collection of state sales tax in effect can be directed to sales.inquiries@la.gov.

Kimberly Lewis Robinson
Secretary

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