



**Revenue Ruling  
No. 07-002-A  
October 22, 2007  
Sales Tax**

**Additional Information Concerning The Department's Prospective  
Application of the *Word of Life* Louisiana Supreme Court Decision  
Affecting the Use Taxation of Airplanes**

The department announced in [Revenue Ruling No. 07-002](#) that it would apply prospectively from July 1, 2007, the decision in *Word of Life Christian Center v. West*, 936 So.2d 1226, 2004-1484 (La. Sup. Ct. 4/17/06), in regard to the Louisiana use taxability of airplanes imported into the state. The purpose of this Revenue Ruling is to answer questions that have arisen as to how the prospective application of the decision will affect the Louisiana use taxability of aircraft which were imported into the state before July 1, 2007, and that have remained in the state since July 1, 2007.

The prospective application of the *Word of Life* decision means that the department will not apply the more restrictive interpretation by the Louisiana Supreme Court of the term "bona fide interstate commerce" to those airplanes, the first potential Louisiana taxable incident of which occurred before July 1, 2007, even though such airplanes are or have continued to be located in the state on or after July 1, 2007. For aircraft imported into the state before July 1, 2007, for use in interstate travel, the department will apply the interpretations of R.S. 47:305(E), the statute that sets forth the Legislative intent of the use tax law not to levy a tax on bona fide interstate commerce, that were enunciated by First Circuit Court of Appeal in *Shaw Group, Inc. v. Kennedy*, 767 So.2d 937, 1999-1871 (La.App. 1 Cir. 9/22/00). Such aircraft that qualified for use tax exemption using the *Shaw Group* standards at the time of their first importation into Louisiana before July 1, 2007, will continue to qualify for exemption on the original aircraft using the less stringent *Shaw Group* standards, as long as those less stringent "bona fide interstate commerce" standards continue to be met, regardless of the duration of time that the airplanes remain in the state. On airplanes imported into the state on or after July 1, 2007, and on parts replacements or additions after July 1, 2007, to pre-July 1, 2007, aircraft, the interpretation of the term "bona fide interstate commerce" made by the Supreme Court in *Word of Life*, and as more fully discussed in Revenue Ruling No. 07-002, will be applied.

Questions concerning this matter can be directed to the department's Policy Services Division at 225.219.2780.

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A Revenue Ruling is written to provide guidance to the public and to Department of Revenue employees. It is issued under LAC 61:III.101.C to apply principles of law to a specific set of facts. A Revenue Ruling does not have the force and effect of law and is not binding on the public. It is a statement of the Department's position and is binding on the department until superseded or modified by a subsequent change in statute, regulation, declaratory ruling, or court decision.