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Introduction
Introduction

Louisiana’s state government relies on tax revenues to fund valuable services for its citizens. Ensuring that the system of taxation is fair, equitable, and efficient is vital to our economic success and quality of life. In setting tax policies, we must consider the taxpayer’s ability to pay, the impact of those policies on economic development, and the interaction of tax policies with other policy goals.

Tax exemptions are an important component of Louisiana’s tax policies. According to RS 47:1517(E), tax exemptions refer to “those revenue losses attributable to provisions of the state tax statutes or rules promulgated pursuant to such statutes, which allow a special exclusion, exemption, or deduction from gross income or sales or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.” Granting a tax exemption can be a powerful tool for providing economic development incentives or for mitigating the regressive qualities of certain tax types. However, tax exemptions always come with a cost. Exemptions reduce revenues otherwise available for programs or for tax relief for taxpayers who do not benefit from the exemptions. Therefore, it is critical that policymakers understand both the cost of exemptions and their effectiveness at achieving their intended goals.

Recognizing the need for this information, the legislature mandated in Section 1517 of Title 47 of the Louisiana Revised Statutes (“Revised Statutes”) that the Louisiana Department of Revenue (“Department of Revenue”) prepare and submit to the governor and the legislature an annual tax exemption budget. In addition, the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs are required to conduct hearings on the tax exemption budget every odd-numbered year. These committees analyze and consider tax exemptions which have caused revenue loss to the state of ten million dollars or more in any one of the last three fiscal years. These committees may also report to the legislature findings or recommendations developed as a result of the hearings.

Statutory Requirements

According to the Revised Statutes, the tax exemption budget must include the following information pertaining to the state’s tax exemptions:

1. Listing of each tax exemption
2. Statutory citation
3. Purpose
4. Estimate of revenue loss to the state for the three preceding years
5. Estimate of revenue loss to the state for the current fiscal year
6. Estimate of revenue loss to the state for the ensuing fiscal year
7. Estimated cost of administering and implementing each tax exemption for the three preceding fiscal years, the current fiscal year, and the ensuing fiscal year
8. Schedule listing all tax exemptions by categories as required by Acts 2016, No. 592

In addition, the Revised Statutes require that the annual tax exemption budget include an assessment of each tax exemption based on the following criteria:

1. Whether or not each tax exemption has been successful in meeting the purpose for which it was enacted, in particular, whether each tax exemption benefits those originally intended to be benefited, and if not, those who do benefit
2. Whether each tax exemption is the most fiscally effective means of achieving its purpose
3. Unintended or inadvertent effects, benefits, or harm caused by each tax exemption, including whether each tax exemption conflicts with other state laws or regulations
4. Whether each tax exemption simplifies or complicates the state tax statutes

Contents of the Report

Part 1, the Introduction, provides a general description of the statutory requirements for the Department of Revenue to prepare an annual tax exemption budget.

Part 2, the Overview, provides further explanation of the purpose of the tax exemption budget, methodology for measuring the fiscal effect of tax exemptions, reliability and source data of estimates, and terminology used to describe the fiscal effect of a tax exemption device.

Part 3, the Executive Summary, provides graphical representations of state revenue losses related to Fiscal Year 2015–2016 by major tax type.

Part 4, the Five-Year Estimate of Revenue Loss, is a listing of each tax exemption by major tax type and the state revenue losses for the three preceding years, the current year, and the ensuing year.

Part 5, the Tax Exemptions by Classification Five-Year Estimated Revenue Loss, is a listing of each tax exemption by category and the state revenue losses for the three preceding years, the current year, and the ensuing year. The tax exemptions are listed by tax type within each category and the numbers correspond to their placement in the List of Tax Exemptions.

Part 6, the Listing of Tax Exemptions, is arranged alphabetically by major tax type and provides general information regarding each tax exemption. Each section contains a discussion of the major tax type, the legal citations, the
Introduction

tax base, the tax rate, and any significant changes to the imposition or administration of the tax exemption. In addition, an index of each tax exemption, the legal citation, and the page number is provided to aid the reader.

Part 7, Appendices, provides the following additional information:

Appendix A- Louisiana Revised Statute 47:1517

Appendix B- Comparison of Major Tax Exemptions with Southeastern States

Part 8, Glossary, provides definitions for terms used in the tax exemption budget.

Data Limitations of the Tax Exemption Budget

The Department of Revenue is able to provide all of the required information for the annual tax exemption budget except for the following:

1. The cost of administering and implementing each tax exemption.

2. A determination of whether each tax exemption has been successful in meeting the purpose for which it was enacted and whether it benefits those originally intended to be benefited.

3. A determination of whether each tax exemption is the most fiscally effective means of achieving its purpose.

4. A determination of unintended or inadvertent effects, benefits, or harm caused by each tax exemption.

5. A determination of whether each tax exemption simplifies or complicates the state tax statutes.

Currently, the Department of Revenue does not capture the data required to offer an opinion on the information above. The lack of historical data for specific exemptions, both financial and statistical in nature, limits the Department’s ability to make a determination with any significant confidence about its degree of accuracy.
Overview

Part 2
The Purpose of the Tax Exemption Budget

Louisiana’s governmental policy objectives are achieved through direct spending programs and through tax exemptions which reduce actual tax collection revenues. Similar to direct spending programs, tax exemptions are designed to encourage certain activities or to provide financial assistance to persons, businesses, or groups in particular situations. The purpose of this report is to provide information to facilitate a regular, comprehensive legislative review of tax exemptions.

Measurements of Tax Exemptions

The fiscal impacts of tax exemptions are often difficult to measure, and estimates of the effect of tax exemptions are subject to limitations and require that assumptions be made. Generally, in calculating the state revenue loss related to a tax exemption, it is assumed that only the provision in question is changed and that all other aspects of the tax system remain the same. Consistent with accepted revenue estimating practices, the estimates also assume that economic variables, taxpayer behavior and other factors would be unaffected by the repeal of a tax exemption. As a result, the calculations did not consider any side effects that could result from the removal of any other tax exemption.

In addition, the estimates are limited to the accuracy and completeness of the source data. In some cases, little data is available and estimates were made using external sources or indirect information. Specifically, the following two scenarios are highlighted as areas of potential understatement of estimates in the tax exemption budget:

- Revenue losses associated with nonrefundable individual income tax, corporation income tax, and corporation franchise tax credits, including nonrefundable credits reported in the tax incentive and exemption contracts section have been limited to the tax liability reported.
- Revenue losses associated with transferable tax credits, such as the Motion Picture Investor Tax Credit and the credit for the Rehabilitation of Historic Structures are reported only for those claimed as credits on a tax return or that were sold directly to the state. In addition, revenue loss associated with the use of transferable tax credits as payments for outstanding liabilities is only reported if the tax credit is in the Tax Credit Registry under R.S. 47:1524.

Reliability of Data Sources

The precision of the fiscal effect of the tax exemptions reported in this document varies with the source of the data and the applicability of the data to the specific tax exemption provision. Regardless of the data source, the reliability of estimates for the current and ensuing years is of distinctly lower quality than that of the historical numbers. Whenever possible, data from actual tax returns is used to estimate the fiscal effect of a tax exemption. Other sources of data include informational reports filed with the Department of Revenue, Summary of Refunds and Rebates Issued Report, Office of Motor Vehicles, and Department of Economic Development (LED).

For purposes of this report, the following terminology is used to describe the fiscal effect for tax exemptions with the following situations:

- **Negligible** – state revenue loss is estimated at $10,000 or less.
- **No data** – historical data was not available to estimate the state revenue loss.
- **Unable to anticipate** – source data was not available to predict the future state revenue loss.
- ******* – tax exemption was not in effect for tax periods that would be filed during the fiscal year.

Due to changes made to deductions and credits in the 2015 Regular Session and the First and Second Extraordinary Sessions of 2016 that impacted returns received on or after July 1, 2015 and July 1, 2016 respectively, regardless of the tax year, the normal pattern of when taxpayers file has changed. For example, many taxpayers that traditionally file on extension in the fall filed their returns before July 1, 2015 in order to not be subject to the legislative changes. This effect can be seen in the revenue loss reported for Fiscal Year (FY) 2014-2015 and FY 2015-2016. In order to project the loss for FY 2016-2017 and FY 2017-2018, the Department first recalculated the revenue loss for FY 2014-2015 using the current law and then took an average of the recalculated FY 2014-2015 and the actual from FY 2015-2016. This average was used to calculate the projections for FY 2016-2017 and 2017-2018 after applying any other legislative changes.
Overview

NRR – source data was not available because there is no reporting requirement for the data. Generally, this is the case for income tax and corporation franchise tax exemptions, since many of the corporations are not required to file tax returns.

See number (x) – used in the sales tax listing to indicate that the fiscal effect for a tax exemption is included with the fiscal effect of the referenced exemption/exclusion. Generally, this applies to those tax exemptions that have been superseded by an exclusion or grouped with a like item.

Explanation of Certain Reporting Disclosures in the Five-Year Revenue Loss Schedule

State Exemptions and Federal Exemptions – There are several statutory tax exemptions that are also prohibited from taxation by the state constitution, federal laws, or existing reciprocal agreements. Because of these additional prohibitions, repeal of the statutory exemption would not yield the fiscal effect indicated. For this reason, these exemptions are separately grouped at the end of each major tax listing.

Other Classifications – In the event that a revenue loss for a new exemption is not separately stated when applicable to more than one tax, then the revenue loss is reported as such:

- When applicable to corporation income and franchise taxes, the loss is reported under corporation income taxes
- When applicable to individual income and corporation income, the loss is reported under corporation income taxes
- When applicable to individual income, corporation income and franchise taxes, the loss is reported under corporation income taxes

Explanation of Certain Reporting Disclosures in the Five-Year Revenue Loss Schedule – Sales Tax

Exemptions subject to the 1% suspended rate – Estimation of the fiscal effect for sales tax exemptions is complicated by the suspension of exemptions beginning in 1986. Until March 31, 2016, exemptions found under R.S. 47:305 were exempt from three of the four percent general sales tax. The revenue loss for these exemptions are reported in the row labeled “Exemptions subject to 1% suspended rate” for FY 2013-2014, FY 2014-2015 and FY 2015-2016.

Beginning with FY 2016-2017, the Department of Revenue began collecting data on all exemptions. All exemptions that are reported on the tax return are listed separately with FY 2016-2017.

Act 25 of the 2016 First Extraordinary Legislative Session imposed the four percent state sales tax on all exemptions and exclusions not specifically listed in the Act for the period of April 1, 2016 through June 30, 2016. Beginning July 1, 2016 through June 30, 2018, Act 25 will continue to impact sales tax exclusions and exemptions through the imposition of two percent state sales tax under R.S. 47:302 except for the manufacturing machinery and equipment exclusion found under R.S. 47:301(3)(i)(i) and the business utilities of sales of steam, water, electric power, or energy, and natural gas found under R.S. 47:305(D)(1) et. al.

In addition, Act 26 of the 2016 First Extraordinary Legislative Session imposed an additional state sales tax in the amount of one percent. The new state sales tax is in addition to the sales taxes already levied pursuant to Louisiana R.S. 47:302, 321 and 331. Only those exclusions and exemptions listed in Act 26 are operable and in effect for the purpose of the imposition of the additional one percent sale tax. This additional state sales tax is in effect from April 1, 2016 until its expiration on June 30, 2018.

loss. As a result, the total revenue loss is shown under this heading for FY 2013-2014, FY 2014-2015 and FY 2015-2016.

Beginning with FY 2016-2017, the Department of Revenue began collecting data on all exemptions. All exemptions that are reported on the tax return are listed separately with FY 2016-2017.

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Executive Summary

Analysis of Tax Collections vs. Exemptions
In Millions
{FY 2015-16}

<table>
<thead>
<tr>
<th></th>
<th>Corporation Income</th>
<th>Corporation Franchise</th>
<th>Severance</th>
<th>Individual Income</th>
<th>Sales</th>
<th>Petroleum Products</th>
<th>Other</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Collections</td>
<td>$ 145</td>
<td>$ 48</td>
<td>$ 445</td>
<td>$ 2,866</td>
<td>$ 2,906</td>
<td>$ 625</td>
<td>$ 209</td>
<td>$ 7,244</td>
</tr>
<tr>
<td>Estimated Exemptions</td>
<td>$ 1,404</td>
<td>$ 15</td>
<td>$ 196</td>
<td>$ 2,221</td>
<td>$ 2,706</td>
<td>$ 96</td>
<td>$ 195</td>
<td>$ 6,833</td>
</tr>
<tr>
<td>Total Potential Collections</td>
<td>$ 1,549</td>
<td>$ 63</td>
<td>$ 641</td>
<td>$ 5,087</td>
<td>$ 5,612</td>
<td>$ 721</td>
<td>$ 404</td>
<td>$ 14,077</td>
</tr>
</tbody>
</table>

Percentage of Estimated Exemptions to Total Potential Collections
90.6% 23.8% 30.6% 43.7% 48.2% 13.3% 48.3% 48.5%

* The revenue losses reported under tax incentive and exemption contracts has been included with their respective taxes of corporation income, sales, corporation franchise and individual income. The revenue losses for rebates under Tax Incentive are paid out of collections of income taxes and are thus included there.
Executive Summary

Top Tax Exemptions 2015-16
All Taxes Administered by the Department of Revenue

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Income Tax Deduction (Individual and Corporation Income Tax)</td>
<td>$1,045,497,007</td>
</tr>
<tr>
<td>2</td>
<td>Subchapter S Corporation (Corporation Income Tax)</td>
<td>503,679,326</td>
</tr>
<tr>
<td>3</td>
<td>Sales of Food for Preparation and Consumption in the Home (Sales Tax)</td>
<td>424,070,647</td>
</tr>
<tr>
<td>4</td>
<td>Drugs Prescribed by Physicians or Dentists (Sales Tax)</td>
<td>358,956,487</td>
</tr>
<tr>
<td>5</td>
<td>Excess Federal Itemized Deductions (Individual Income Tax)</td>
<td>350,221,223</td>
</tr>
<tr>
<td>6</td>
<td>Sales of Gasoline, Gasohol, and Diesel (Sales Tax)</td>
<td>327,701,562</td>
</tr>
<tr>
<td>7</td>
<td>Personal Exemption-Standard Deduction (Individual Income Tax)</td>
<td>254,456,333</td>
</tr>
<tr>
<td>8</td>
<td>Inventory Tax/Ad Valorem Tax Credit (Individual and Corporation Income Tax)</td>
<td>225,576,838</td>
</tr>
<tr>
<td>9</td>
<td>Motion Picture Investor &amp; Infrastructure Credit (Individual and Corporation Income Tax)</td>
<td>211,235,516</td>
</tr>
<tr>
<td>10</td>
<td>All Other Exemptions (All Taxes)</td>
<td>3,131,748,304</td>
</tr>
</tbody>
</table>

Total Exemptions $6,833,143,243
## Executive Summary

### Top Tax Exemptions 2015-16

**Sales Tax**

<table>
<thead>
<tr>
<th>Exemption Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of Food for Preparation and Consumption in the Home</td>
<td>$424,070,647</td>
<td>15.67%</td>
</tr>
<tr>
<td>Drugs Prescribed by Physicians or Dentists</td>
<td>$358,956,487</td>
<td>13.27%</td>
</tr>
<tr>
<td>Sales of Gasoline, Gasohol, and Diesel</td>
<td>$327,701,562</td>
<td>12.11%</td>
</tr>
<tr>
<td>Purchases by State and Local Governments</td>
<td>$204,874,940</td>
<td>7.57%</td>
</tr>
<tr>
<td>Sales of Electric Power or Energy to the Consumer for Residential Use</td>
<td>$166,725,153</td>
<td>6.16%</td>
</tr>
<tr>
<td>Sales of Electric Power or Energy-Nonresidential</td>
<td>$138,288,865</td>
<td>5.11%</td>
</tr>
<tr>
<td>Purchases of Manufacturing Machinery and Equipment</td>
<td>$88,666,688</td>
<td>3.28%</td>
</tr>
<tr>
<td>Sales of Motor Vehicles to be Leased or Rented by Qualified Lessors</td>
<td>$61,668,309</td>
<td>2.28%</td>
</tr>
<tr>
<td>Quality Jobs Rebates</td>
<td>$28,558,140</td>
<td>1.06%</td>
</tr>
<tr>
<td>All Other Exemptions</td>
<td>$906,410,086</td>
<td>33.50%</td>
</tr>
<tr>
<td><strong>Total Exemptions</strong></td>
<td><strong>$2,705,920,877</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Executive Summary

Top Tax Exemptions 2015-16
Individual Income Tax

<table>
<thead>
<tr>
<th>Exemption</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Federal Income Tax Deduction</td>
<td>$870,033,014</td>
<td>39.17%</td>
</tr>
<tr>
<td>2  Excess Federal Itemized Deductions</td>
<td>350,221,223</td>
<td>15.77%</td>
</tr>
<tr>
<td>3  Personal Exemption-Standard Deduction</td>
<td>254,456,333</td>
<td>11.46%</td>
</tr>
<tr>
<td>4  Social Security Benefits</td>
<td>96,820,152</td>
<td>4.36%</td>
</tr>
<tr>
<td>5  State Employees, Teachers, and Other Retirement Benefit Exclusion</td>
<td>96,291,418</td>
<td>4.34%</td>
</tr>
<tr>
<td>6  Deduction for Net Capital Gains</td>
<td>89,122,558</td>
<td>4.01%</td>
</tr>
<tr>
<td>7  Motion Picture Investor Tax Credit</td>
<td>84,717,447</td>
<td>3.81%</td>
</tr>
<tr>
<td>8  Net Income Taxes Paid to Other States</td>
<td>50,827,918</td>
<td>2.29%</td>
</tr>
<tr>
<td>9  Earned Income Tax Credit</td>
<td>48,894,977</td>
<td>2.20%</td>
</tr>
<tr>
<td>10 All Other Exemptions</td>
<td>279,718,359</td>
<td>12.59%</td>
</tr>
<tr>
<td><strong>Total Exemptions</strong></td>
<td><strong>$2,221,103,399</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
### Executive Summary

**Top Tax Exemptions 2015-16**

**Corporation Income Tax**

<table>
<thead>
<tr>
<th>Exemption Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Subchapter S Corporation</td>
<td>$503,679,326</td>
<td>35.87%</td>
</tr>
<tr>
<td>2 Inventory Tax/Ad Valorem Tax Credit</td>
<td>210,007,000</td>
<td>14.96%</td>
</tr>
<tr>
<td>3 Federal Income Tax Deduction</td>
<td>175,463,993</td>
<td>12.50%</td>
</tr>
<tr>
<td>4 Motion Picture Investor and Infrastructure Tax Credit</td>
<td>126,518,069</td>
<td>9.01%</td>
</tr>
<tr>
<td>5 Louisiana Quality Jobs Program</td>
<td>120,665,576</td>
<td>8.59%</td>
</tr>
<tr>
<td>6 Net Louisiana Operating Loss</td>
<td>112,007,179</td>
<td>7.98%</td>
</tr>
<tr>
<td>7 Enterprise Zones</td>
<td>38,020,141</td>
<td>2.71%</td>
</tr>
<tr>
<td>8 Insurance Company Premium Tax</td>
<td>33,146,177</td>
<td>2.36%</td>
</tr>
<tr>
<td>9 Ad Valorem Tax Credit for Offshore Vessels</td>
<td>28,664,406</td>
<td>2.04%</td>
</tr>
<tr>
<td>10 All Other Exemptions</td>
<td>56,084,066</td>
<td>3.99%</td>
</tr>
</tbody>
</table>

**Total Exemptions** $1,404,255,933 100.00%
# Executive Summary

## Tax Incentives and Exemption Contracts 2015-16

### By Tax Type

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>Corporation Income</th>
<th>Individual Income</th>
<th>Sales</th>
<th>Corporation Franchise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brownfields Investor Tax Credit</td>
<td>Note 1</td>
<td>Note 1</td>
<td>N/A</td>
<td>Note 1</td>
<td>$ 34,670</td>
</tr>
<tr>
<td>Motion Picture Investor Tax Credit</td>
<td>$ 126,518,069</td>
<td>$ 84,717,447</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 211,235,516</td>
</tr>
<tr>
<td>Research and Development Tax Credit</td>
<td>$ 2,212,448</td>
<td>$ 955,397</td>
<td>N/A</td>
<td>$ 1,532,450</td>
<td>$ 4,700,295</td>
</tr>
<tr>
<td>Digital Interactive Media &amp; Software Tax Credit</td>
<td>$ 9,855,505</td>
<td>$ 1,091,340</td>
<td>N/A</td>
<td>(506)</td>
<td>$ 10,946,339</td>
</tr>
<tr>
<td>Louisiana Motion Picture Incentive Program</td>
<td>$ 12,462</td>
<td>$ 60,919</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 73,381</td>
</tr>
<tr>
<td>Louisiana Capital Companies Tax Credit Program</td>
<td>Note 1</td>
<td>Note 1</td>
<td>N/A</td>
<td>Note 1</td>
<td>$ 3,588,383</td>
</tr>
<tr>
<td>New Markets Tax Credit</td>
<td>$ 601,118</td>
<td>$ 680,283</td>
<td>N/A</td>
<td>$ 708,368</td>
<td>$ 1,989,769</td>
</tr>
<tr>
<td>Industrial Tax Equalization Program</td>
<td>Note 1</td>
<td>Note 1</td>
<td>$ 0</td>
<td>Note 1</td>
<td>$ 1,318,199</td>
</tr>
<tr>
<td>Enterprise Zones</td>
<td>$ 38,020,141</td>
<td>$ 1,949,426</td>
<td>$ 4,076,969</td>
<td>$ 1,001,579</td>
<td>$ 45,048,115</td>
</tr>
<tr>
<td>Sound Recording Investor Tax Credit</td>
<td>$ 330,206</td>
<td>$ 0</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 330,206</td>
</tr>
<tr>
<td>Technology Commercialization Credit Program</td>
<td>$ 0</td>
<td>$ 78,780</td>
<td>N/A</td>
<td>Note 2</td>
<td>$ 78,780</td>
</tr>
<tr>
<td>Angel Investor Tax Credit Program</td>
<td>$ 28,000</td>
<td>$ 508,475</td>
<td>N/A</td>
<td>Note 2</td>
<td>$ 536,475</td>
</tr>
<tr>
<td>Musical &amp; Theatrical Productions Tax Credit</td>
<td>$ 3,814,021</td>
<td>$ 1,506,848</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 5,320,869</td>
</tr>
<tr>
<td>Retention and Modernization Credit</td>
<td>$ 1,360,848</td>
<td>$ 300,000</td>
<td>N/A</td>
<td>Note 2</td>
<td>$ 1,660,848</td>
</tr>
<tr>
<td>Louisiana Quality Jobs Program</td>
<td>$ 120,665,576</td>
<td>$ 0</td>
<td>$ 28,558,140</td>
<td>N/A</td>
<td>$ 149,223,716</td>
</tr>
<tr>
<td>Procurement Processing Company Rebate Program</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 204,154</td>
<td>N/A</td>
<td>$ 204,154</td>
</tr>
<tr>
<td>Other Exemptions</td>
<td>$ 3,779,551</td>
<td>$ 44,177</td>
<td>N/A</td>
<td>$ 1,117,524</td>
<td>$ 1,532,450</td>
</tr>
<tr>
<td><strong>Total Exemptions</strong></td>
<td><strong>$ 307,197,945</strong></td>
<td><strong>$ 91,893,092</strong></td>
<td><strong>$ 32,839,263</strong></td>
<td><strong>$ 4,359,415</strong></td>
<td><strong>$ 436,289,715</strong></td>
</tr>
</tbody>
</table>

### Footnotes

1. The estimated revenue loss for these credits are included on the Other Exemption line due to the confidentiality provisions of R.S. 47:1508.
2. The estimated revenue loss for these credits are included in the total revenue loss for corporation income tax.
Five-Year Estimated Revenue Loss
## Summary of All Taxes

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales Tax</td>
<td>$2,974,363,344</td>
<td>$2,909,545,379</td>
<td>$2,673,081,614</td>
<td>$2,338,093,000</td>
<td>$2,381,243,000</td>
</tr>
<tr>
<td>2. Income Tax - Individual&lt;sup&gt;2&lt;/sup&gt;</td>
<td>2,026,050,295</td>
<td>2,191,000,136</td>
<td>2,129,210,307</td>
<td>2,112,103,000</td>
<td>2,147,374,000</td>
</tr>
<tr>
<td>3. Income Tax - Corporation&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1,246,099,693</td>
<td>1,794,439,071</td>
<td>1,097,057,988</td>
<td>1,225,323,000</td>
<td>1,245,071,000</td>
</tr>
<tr>
<td>4. Tax Incentives and Exemption Contracts&lt;sup&gt;2&lt;/sup&gt;</td>
<td>428,265,262</td>
<td>400,477,643</td>
<td>436,289,715</td>
<td>602,356,000</td>
<td>584,472,000</td>
</tr>
<tr>
<td>5. Natural Resources - Severance&lt;sup&gt;2&lt;/sup&gt;</td>
<td>293,348,194</td>
<td>379,733,938</td>
<td>195,956,452</td>
<td>170,242,000</td>
<td>170,852,000</td>
</tr>
<tr>
<td>6. Tobacco Tax</td>
<td>83,278,065</td>
<td>92,221,632</td>
<td>190,383,425</td>
<td>213,619,000</td>
<td>217,143,000</td>
</tr>
<tr>
<td>7. Petroleum Products Tax</td>
<td>79,089,759</td>
<td>105,589,928</td>
<td>96,166,529</td>
<td>101,943,000</td>
<td>103,977,000</td>
</tr>
<tr>
<td>8. Corporation Franchise Tax&lt;sup&gt;2&lt;/sup&gt;</td>
<td>14,719,775</td>
<td>18,667,939</td>
<td>10,224,932</td>
<td>14,672,000</td>
<td>14,964,000</td>
</tr>
<tr>
<td>9. Liquors - Alcoholic Beverage Taxes</td>
<td>2,644,020</td>
<td>2,780,460</td>
<td>2,848,912</td>
<td>2,959,000</td>
<td>2,929,000</td>
</tr>
<tr>
<td>10. Public Utilities and Carriers Taxes&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2,962,000</td>
<td>2,831,000</td>
<td>1,906,620</td>
<td>1,209,000</td>
<td>1,185,000</td>
</tr>
<tr>
<td>11. Hazardous Waste Disposal Tax&lt;sup&gt;1&lt;/sup&gt;</td>
<td>19,500</td>
<td>16,800</td>
<td>16,749</td>
<td>17,000</td>
<td>17,000</td>
</tr>
<tr>
<td>12. Telecommunications Tax&lt;sup&gt;1&lt;/sup&gt;</td>
<td>15,600</td>
<td>11,100</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Total Tax Revenue Loss&lt;sup&gt;2&lt;/sup&gt;</strong></td>
<td>$7,150,855,507</td>
<td>$7,897,315,026</td>
<td>$6,833,143,243</td>
<td>$6,782,536,000</td>
<td>$6,869,227,000</td>
</tr>
</tbody>
</table>

### Footnotes for Summary of All Taxes

1. Included on the miscellaneous tax table.
2. The FYE 6-14 and 6-15 revenue loss have been restated to conform with the FYE 6-16 presentation.
### Exemptions and Exclusions

<table>
<thead>
<tr>
<th>Exemptions and Exclusions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Credit Unions</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>2. Certain Foreign Corporations</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>3. Electric Cooperatives</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>4. State Banking Corporations and Shareholders</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>5. Dividends from National Banking Corporations and State Banking Corporation</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>6. Interest on State or Local Government Obligations</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>7. Certain Exempt Entities</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>8. Louisiana Community Development Financial Institutions</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>9. Governmental Subsidies for Operating Public Transportation Systems</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>10. Subchapter S Corporation(^1,^2)</td>
<td>$438,799,535</td>
<td>$596,800,542</td>
<td>$503,679,326</td>
<td>$561,245,000</td>
<td>$572,470,000</td>
</tr>
</tbody>
</table>

### Deductions

<table>
<thead>
<tr>
<th>Deductions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Percentage Depletion</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>12. Net Louisiana Operating Loss(^1,^2)</td>
<td>$205,127,045</td>
<td>$318,887,830</td>
<td>$112,007,179</td>
<td>$156,229,000</td>
<td>$159,353,000</td>
</tr>
<tr>
<td>13. I.R.C. Section 280C Expense</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>14. Interest Income and Dividend Income</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>15. Hurricane Recovery Entity Benefits</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
</tbody>
</table>

### Credits

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Insurance Company Premium Tax(^2)</td>
<td>$25,359,334</td>
<td>$39,578,635</td>
<td>$33,146,177</td>
<td>$36,576,000</td>
<td>$37,307,000</td>
</tr>
<tr>
<td>17. Bone Marrow Donor Expense</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>No data</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>18. Employment of Certain First-Time Nonviolent Offenders</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>19. Donations to Assist Qualified Playgrounds</td>
<td>$0</td>
<td>Negligible</td>
<td>$0</td>
<td>No data</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>20. Contribution of Tangible Property of a Sophisticated and Technological Nature to Educational Institutions(^3)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>21. Employee and Dependent Health Insurance Coverage</td>
<td><strong>(</strong>*)</td>
<td><strong>(</strong>*)</td>
<td><strong>(</strong>*)</td>
<td><strong>(</strong>*)</td>
<td><strong>(</strong>*)</td>
</tr>
<tr>
<td>22. Donations to Public Elementary or Secondary Schools</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Footnotes for Corporation Income Tax

1. The revenue loss for this exemption does not include any loss from amended returns filed during the fiscal year.
2. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
## Five-Year Revenue Loss

### Corporation Income Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credits Continued</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Debt Issuance Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>24. Donations of Property to Certain Offices and Agencies</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>25. Donations of Materials, Equipment, or Instructors Made to Certain</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>Training Providers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Employment of the Previously Unemployed</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>27. Purchase of a Qualified Recycling Equipment&lt;sup&gt;6&lt;/sup&gt;</td>
<td>$57,711</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>28. Louisiana Basic-Skills Training</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>29. Apprenticeship&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$284,733</td>
<td>$310,196</td>
<td>$265,178</td>
<td>$288,000</td>
<td>$288,000</td>
</tr>
<tr>
<td>30. Cash Donations to Dedicated Research Investment Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>31. New Jobs&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$558,076</td>
<td>$643,804</td>
<td>$330,059</td>
<td>$405,000</td>
<td>$413,000</td>
</tr>
<tr>
<td>32. Certain Refunds Issued by Utilities&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>33. Hiring Eligible Re-Entrants</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>34. Neighborhood Assistance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>35. Rehabilitation of Historic Structures&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$5,544,961</td>
<td>$12,347,012</td>
<td>$11,588,294</td>
<td>$12,205,000</td>
<td>$12,449,000</td>
</tr>
<tr>
<td>36. Louisiana Community Development Financial Institutions Act</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>37. Low-Income Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>38. Inventory Tax/Ad Valorem Tax&lt;sup&gt;1, 3&lt;/sup&gt;</td>
<td>$365,316,118</td>
<td>$556,413,793</td>
<td>$210,007,000</td>
<td>$215,807,000</td>
<td>$220,123,000</td>
</tr>
<tr>
<td>39. Ad Valorem Tax on Natural Gas&lt;sup&gt;2, 3&lt;/sup&gt;</td>
<td>$4,197,767</td>
<td>$7,873,032</td>
<td>$2,135,428</td>
<td>$3,635,000</td>
<td>$3,708,000</td>
</tr>
<tr>
<td>40. Ad Valorem Tax on Offshore Vessels&lt;sup&gt;1, 3&lt;/sup&gt;</td>
<td>$27,824,395</td>
<td>$41,589,046</td>
<td>$28,664,406</td>
<td>$35,819,000</td>
<td>$36,535,000</td>
</tr>
<tr>
<td>41. Ad Valorem Tax Paid by Certain Telephone Companies&lt;sup&gt;1, 3&lt;/sup&gt;</td>
<td>$22,499,484</td>
<td>$28,723,996</td>
<td>$6,299,521</td>
<td>$22,949,000</td>
<td>$23,408,000</td>
</tr>
<tr>
<td>42. Purchases from Prison Industry Enhancement Contractors&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>43. LA Citizens Property Insurance Corporation Assessment&lt;sup&gt;1, 4&lt;/sup&gt;</td>
<td>$4,156,086</td>
<td>$4,752,769</td>
<td>$2,586,774</td>
<td>$1,592,000</td>
<td>$1,592,000</td>
</tr>
<tr>
<td>44. Sugarcane Transport&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$2,663,562</td>
<td>$208,001</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>45. Solar Energy System&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$31,708,798</td>
<td>$34,678,642</td>
<td>$7,381,590</td>
<td>$10,000,000</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

### Footnotes for Corporation Income Tax

1. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The estimated revenue loss for these credits includes the total revenue loss for corporation income and franchise taxes.
4. The estimated revenue loss includes credits claimed on a stand alone form for taxpayers not required to file a corporation income tax return.
5. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
### Five-Year Revenue Loss

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credits Continued</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46. Milk Producers(^2, 3)</td>
<td>$250,702</td>
<td>$137,500</td>
<td>$112,902</td>
<td>$108,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>47. Conversion of Vehicles to Alternative Fuel(^1)</td>
<td>$2,863,778</td>
<td>$6,231,328</td>
<td>$738,972</td>
<td>$2,682,000</td>
<td>$2,736,000</td>
</tr>
<tr>
<td>48. School Readiness Child Care Provider(^2, 3)</td>
<td>$2,329,756</td>
<td>$2,388,761</td>
<td>$2,112,961</td>
<td>$2,296,000</td>
<td>$2,342,000</td>
</tr>
<tr>
<td>49. School Readiness Business Supported Child Care(^3)</td>
<td>$264,130</td>
<td>$341,917</td>
<td>$139,225</td>
<td>$245,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>50. School Readiness Fees and Grants to Resource &amp; Referral Agencies(^1, 3)</td>
<td>$227,578</td>
<td>$187,921</td>
<td>$187,342</td>
<td>$191,000</td>
<td>$195,000</td>
</tr>
<tr>
<td><strong>Rebates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51. Donations to School Tuition Organization</td>
<td>$0</td>
<td>$60,975</td>
<td>$211,661</td>
<td>$1,000,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Other Exemptions</strong></td>
<td>$8,214,481</td>
<td>$0</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total State Revenue Loss</strong></td>
<td>$1,148,248,030</td>
<td>$1,652,156,458</td>
<td>$921,593,995</td>
<td>$1,063,272,000</td>
<td>$1,079,779,000</td>
</tr>
<tr>
<td><strong>Exemption Required by the State Constitution</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52. Federal Income Tax Deduction(^1, 4)</td>
<td>$97,851,663</td>
<td>$142,282,613</td>
<td>$175,463,993</td>
<td>$162,051,000</td>
<td>$165,292,000</td>
</tr>
<tr>
<td><strong>Total Corporation Income Tax Revenue Loss</strong></td>
<td>$1,246,099,693</td>
<td>$1,794,439,071</td>
<td>$1,097,057,988</td>
<td>$1,225,323,000</td>
<td>$1,245,071,000</td>
</tr>
</tbody>
</table>

### Footnotes for Corporation Income Tax

1. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. The 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The estimated revenue loss for these credits includes the total revenue loss for corporation income and franchise taxes.
4. The revenue loss for this exemption does not include any loss from amended returns filed during the fiscal year.
## Five-Year Revenue Loss

### Individual Income Tax

<table>
<thead>
<tr>
<th>Exemptions/Exclusions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interest on State and Local Obligations</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>2. Exemption for Estate or Trust</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>3. Annual Retirement Income Exclusion</td>
<td>$21,584,576</td>
<td>$23,133,580</td>
<td>$24,226,682</td>
<td>$24,154,000</td>
<td>$24,637,000</td>
</tr>
<tr>
<td>4. Disability Income Exclusion</td>
<td>$4,550,094</td>
<td>$5,176,689</td>
<td>$4,634,881</td>
<td>$5,004,000</td>
<td>$5,104,000</td>
</tr>
<tr>
<td>5. State Employees, Teachers, and Other Retirement Benefit Exclusion</td>
<td>$84,790,445</td>
<td>$89,284,717</td>
<td>$96,291,418</td>
<td>$94,644,000</td>
<td>$96,537,000</td>
</tr>
<tr>
<td>6. Federal Retirement Benefits Exclusion</td>
<td>$29,348,245</td>
<td>$30,419,557</td>
<td>$31,907,589</td>
<td>$31,787,000</td>
<td>$32,423,000</td>
</tr>
<tr>
<td>7. Social Security Benefits Exclusion</td>
<td>$84,954,647</td>
<td>$92,010,157</td>
<td>$96,820,152</td>
<td>$96,303,000</td>
<td>$98,230,000</td>
</tr>
<tr>
<td>8. Military Pay Exclusion</td>
<td>$5,808,399</td>
<td>$5,921,603</td>
<td>$6,033,323</td>
<td>$6,097,000</td>
<td>$6,219,000</td>
</tr>
<tr>
<td>9. S Bank Income Exclusion</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
</tr>
<tr>
<td>10. Adaptive Home Improvements for Disabled Individuals</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
</tr>
<tr>
<td>11. Dependent Exemption/Deduction</td>
<td>$30,802,961</td>
<td>$30,883,285</td>
<td>$31,880,435</td>
<td>$32,009,000</td>
<td>$32,650,000</td>
</tr>
<tr>
<td>12. Construction Code Retrofitting</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>13. Excess Federal Itemized Deductions</td>
<td>$336,986,908</td>
<td>$342,184,069</td>
<td>$350,221,223</td>
<td>$353,127,000</td>
<td>$360,189,000</td>
</tr>
<tr>
<td>14. Hurricane Recovery Entity Benefits</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>15. Recreation Volunteer</td>
<td>$19,211</td>
<td>$19,849</td>
<td>$61,240</td>
<td>$41,000</td>
<td>$42,000</td>
</tr>
<tr>
<td>16. Volunteer Firefighter</td>
<td>$59,799</td>
<td>$60,400</td>
<td>$57,998</td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>17. START Savings Program Contribution</td>
<td>$1,963,205</td>
<td>$2,137,671</td>
<td>$2,228,981</td>
<td>$2,227,000</td>
<td>$2,272,000</td>
</tr>
<tr>
<td>18. I.R.C. Section 280C Expense</td>
<td>$441,161</td>
<td>$490,214</td>
<td>$443,298</td>
<td>$476,000</td>
<td>$486,000</td>
</tr>
<tr>
<td>19. Teachers</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>20. Net Capital Gains</td>
<td>$42,874,515</td>
<td>$43,606,314</td>
<td>$89,122,558</td>
<td>$33,846,000</td>
<td>$34,523,000</td>
</tr>
<tr>
<td>21. Personal Exemption-Standard Deduction</td>
<td>$245,545,667</td>
<td>$246,869,102</td>
<td>$254,456,333</td>
<td>$255,676,000</td>
<td>$260,789,000</td>
</tr>
<tr>
<td>22. Military Family Assistance Fund</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
</tr>
</tbody>
</table>

### Footnotes for Individual Income Tax

1. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. This includes the revenue loss and projected loss for disability income exclusion, S Bank income exclusion, deduction for military family assistance fund, and deduction for adaptive home improvements for disabled individuals.
3. The fiscal effect assumes no restrictions on eliminating this deduction. Assuming that to reduce this deduction below the levels in effect January 1, 1974, would require a constitutional amendment, 58 percent of the fiscal effect should be considered protected.
### Exemptions

<table>
<thead>
<tr>
<th>Deductions Continued</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. Elementary &amp; Secondary School Tuition²</td>
<td>$21,392,688</td>
<td>$21,374,514</td>
<td>$21,493,926</td>
<td>$21,863,000</td>
<td>$22,300,000</td>
</tr>
<tr>
<td>24. Educational Expenses for Home-Schooled Children²</td>
<td>$210,050</td>
<td>$228,750</td>
<td>$261,344</td>
<td>$250,000</td>
<td>$255,000</td>
</tr>
<tr>
<td>25. Fees and Other Educational Expenses for a Quality Public Education²</td>
<td>$2,589,435</td>
<td>$2,855,240</td>
<td>$3,061,098</td>
<td>$3,017,000</td>
<td>$3,078,000</td>
</tr>
<tr>
<td>26. Employment of Qualified Disabled Individuals</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

### Credits

<table>
<thead>
<tr>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. Net Income Taxes Paid to Other States²</td>
<td>$84,587,832</td>
<td>$103,808,582</td>
<td>$50,827,918</td>
<td>$61,525,000</td>
</tr>
<tr>
<td>28. Contribution of Tangible Property of a Sophisticated and Technological Nature to Educational Institutions²</td>
<td>$959,108</td>
<td>$1,411,309</td>
<td>$894,438</td>
<td>$974,000</td>
</tr>
<tr>
<td>29. Certain Disabilities²</td>
<td>$2,883,839</td>
<td>$2,838,812</td>
<td>$2,214,169</td>
<td>$2,172,000</td>
</tr>
<tr>
<td>30. Special Allowable Credits²</td>
<td>$1,178,654</td>
<td>$1,172,645</td>
<td>$793,619</td>
<td>$835,000</td>
</tr>
<tr>
<td>31. Education²</td>
<td>$16,864,230</td>
<td>$16,476,887</td>
<td>$9,751,540</td>
<td>$11,024,000</td>
</tr>
<tr>
<td>32. Certain Child Care Expenses²</td>
<td>$18,544,997</td>
<td>$17,704,968</td>
<td>$17,935,243</td>
<td>$18,177,000</td>
</tr>
<tr>
<td>33. Gasoline &amp; Special Fuels Taxes for Commercial Fisherman¹</td>
<td>$25,041</td>
<td>$10,043</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>34. Family Responsibility¹</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
</tr>
<tr>
<td>35. Small Town Doctor/Dentist²</td>
<td>$892,131</td>
<td>$850,296</td>
<td>$511,297</td>
<td>$573,000</td>
</tr>
<tr>
<td>36. Bone Marrow Donor Expense</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
</tr>
<tr>
<td>37. Educational Expense Incurred for a Degree Related to Law Enforcement²</td>
<td>$75,337</td>
<td>$76,834</td>
<td>$32,645</td>
<td>$45,000</td>
</tr>
<tr>
<td>38. Employment of Certain First Time Drug Offenders</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>39. Purchase of Bulletproof Vest²</td>
<td>$16,262</td>
<td>$14,686</td>
<td>$15,241</td>
<td>$13,000</td>
</tr>
<tr>
<td>40. Employment of Certain First-Time Nonviolent Offenders</td>
<td>$22,356</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>41. Accessible and Barrier-Free Constructed Home³</td>
<td>$40,972</td>
<td>$45,866</td>
<td>Negligible</td>
<td>$18,000</td>
</tr>
<tr>
<td>42. Donations to Assist Qualified Playgrounds³</td>
<td>$39,859</td>
<td>$38,663</td>
<td>$14,997</td>
<td>$22,000</td>
</tr>
<tr>
<td>43. Debt Issuance Costs</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
</tr>
</tbody>
</table>

### Footnotes for Individual Income Tax

1. The FYE 6-14 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
### Five-Year Revenue Loss

#### Individual Income Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>44. Donations of Property to Certain Offices and Agencies</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>45. Donations of Materials, Equipment, or Instructors Made to Certain Training Providers</td>
<td>$211,828</td>
<td>$48,048</td>
<td>Negligible</td>
<td>$22,000</td>
<td>$22,000</td>
</tr>
<tr>
<td>46. Long-term Insurance Premiums</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>47. Living Organ Donation</td>
<td>$22,845</td>
<td>$18,730</td>
<td>$18,873</td>
<td>$17,000</td>
<td>$17,000</td>
</tr>
<tr>
<td>48. Employment-related Expenses for Maintaining Households for Certain Disabled Dependents</td>
<td>$369,386</td>
<td>$361,146</td>
<td>$104,764</td>
<td>$238,000</td>
<td>$242,000</td>
</tr>
<tr>
<td>49. Employment of the Previously Unemployed</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>50. Purchase of a Qualified Recycling Equipment</td>
<td>$28,885</td>
<td>$12,306</td>
<td>$48,668</td>
<td>$29,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>51. Louisiana Basic Skills Training</td>
<td>$37,121</td>
<td>$22,992</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>52. Apprenticeship</td>
<td>$282,802</td>
<td>$349,017</td>
<td>$193,087</td>
<td>$271,000</td>
<td>$271,000</td>
</tr>
<tr>
<td>53. Cash Donations to Dedicated Research Investment Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>54. Rehabilitation of Historic Structures</td>
<td>$25,499,228</td>
<td>$36,970,742</td>
<td>$37,289,516</td>
<td>$37,873,000</td>
<td>$38,630,000</td>
</tr>
<tr>
<td>55. Louisiana Community Development Financial Institutions Act</td>
<td>$126,391</td>
<td>$148,998</td>
<td>$170,665</td>
<td>$142,000</td>
<td>$145,000</td>
</tr>
<tr>
<td>56. Low-Income Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>57. Rehabilitation of an Owner Occupied Residential or Mixed-Use Property</td>
<td>$275,457</td>
<td>$373,547</td>
<td>$298,743</td>
<td>$293,000</td>
<td>$299,000</td>
</tr>
<tr>
<td>58. Property Insurance</td>
<td>$31,760</td>
<td>Negligible</td>
<td>Negligible</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>59. Earned Income Tax Credit</td>
<td>$47,620,398</td>
<td>$47,314,323</td>
<td>$48,894,977</td>
<td>$49,067,000</td>
<td>$50,048,000</td>
</tr>
<tr>
<td>60. Amounts Paid by Certain Military Service members for Obtaining Louisiana Hunting and Fishing Licenses</td>
<td>$130,578</td>
<td>$144,115</td>
<td>$96,425</td>
<td>$102,000</td>
<td>$104,000</td>
</tr>
<tr>
<td>61. Inventory Tax/Ad Valorem Tax</td>
<td>$11,204,084</td>
<td>$13,978,169</td>
<td>$15,569,838</td>
<td>$10,441,000</td>
<td>$10,650,000</td>
</tr>
<tr>
<td>62. Ad Valorem Tax on Natural Gas</td>
<td>$62,225</td>
<td>$49,301</td>
<td>$110,398</td>
<td>$113,000</td>
<td>$115,000</td>
</tr>
<tr>
<td>63. Ad Valorem Tax on Offshore Vessels</td>
<td>$18,803,577</td>
<td>$34,677,871</td>
<td>$6,444,872</td>
<td>$20,973,000</td>
<td>$21,392,000</td>
</tr>
<tr>
<td>64. Ad Valorem Tax Paid by Certain Telephone Companies</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>65. Purchases from Prison Industry Enhancement Contractors</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>66. LA Citizens Property Insurance Corporation Assessment</td>
<td>$40,602,049</td>
<td>$39,683,346</td>
<td>$25,927,922</td>
<td>$14,442,000</td>
<td>$12,998,000</td>
</tr>
</tbody>
</table>

#### Footnotes for Individual Income Tax

1. The FYE 6-14 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
4. The estimated revenue loss includes credits claimed on a stand alone form for taxpayers not required to file an individual income tax return.
## Individual Income Tax

### Exemptions

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>67. Sugarcane Transport&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$60,050</td>
<td>$0</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>68. Solar Energy System&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$31,345,907</td>
<td>$37,741,598</td>
<td>$10,009,311</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>69. Milk Producers&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$1,295,000</td>
<td>$986,250</td>
<td>$737,778</td>
<td>$738,000</td>
</tr>
<tr>
<td>70. Conversion of Vehicles to Alternative Fuel&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$783,573</td>
<td>$826,594</td>
<td>$503,279</td>
<td>$560,000</td>
</tr>
<tr>
<td>71. School Readiness Child Care&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$3,159,938</td>
<td>$3,238,177</td>
<td>$3,098,313</td>
<td>$3,232,000</td>
</tr>
<tr>
<td>72. School Readiness Child Care Provider&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$2,311,547</td>
<td>$2,256,055</td>
<td>$2,138,664</td>
<td>$2,241,000</td>
</tr>
<tr>
<td>73. School Readiness Child Care Directors and Staff&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$8,071,133</td>
<td>$8,158,998</td>
<td>$8,580,787</td>
<td>$8,537,000</td>
</tr>
<tr>
<td>74. School Readiness Business Supported Child Care Care&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$359,729</td>
<td>$215,361</td>
<td>$179,634</td>
<td>$201,000</td>
</tr>
<tr>
<td>75. School Readiness Fees &amp; Grants to Resource &amp; Referral Agencies&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$359,214</td>
<td>$759,294</td>
<td>$539,178</td>
<td>$662,000</td>
</tr>
</tbody>
</table>

### Rebates

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>76. Donations to School Tuition Organization</td>
<td>$0</td>
<td>$0</td>
<td>$101,660</td>
<td>$1,600,000</td>
</tr>
</tbody>
</table>

### Other Exemptions

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negligible</td>
<td>$0</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Total State Revenue Loss

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,233,107,329</td>
<td>$1,309,440,280</td>
<td>$1,257,250,938</td>
<td>$1,217,753,000</td>
<td>$1,235,137,000</td>
</tr>
</tbody>
</table>

### Exemptions Required by the State Constitution, Federal Law or US Constitution

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77. Federal Income Tax Deduction&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$791,019,776</td>
<td>$879,742,313</td>
<td>$870,033,014</td>
<td>$892,385,000</td>
</tr>
<tr>
<td>78. Interest on United States Government Obligations&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$1,742,363</td>
<td>$1,634,102</td>
<td>$1,696,673</td>
<td>$1,731,000</td>
</tr>
<tr>
<td>79. Native American Income&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$180,827</td>
<td>$183,441</td>
<td>$229,682</td>
<td>$234,000</td>
</tr>
</tbody>
</table>

### Total Individual Income Tax Revenue Loss

<table>
<thead>
<tr>
<th>Credits</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,026,050,295</td>
<td>$2,191,000,136</td>
<td>$2,129,210,307</td>
<td>$2,112,103,000</td>
<td>$2,147,374,000</td>
</tr>
</tbody>
</table>

### Footnotes for Individual Income Tax

1. The FYE 6-14 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
## Five-Year Revenue Loss

### Sales Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exclusions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Purchases by Pari-Mutuel Horse Racetracks</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$64,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>2. Purchases by Off-Track Wagering Facilities</td>
<td>###</td>
<td>###</td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>3. Purchases by Louisiana Insurance Guaranty Association</td>
<td>###</td>
<td>###</td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>4. Purchases, Services and Rentals on Construction or Operation of Sewerage or Wastewater Treatment Facilities</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$100,000</td>
<td>$102,000</td>
</tr>
<tr>
<td>5. Isolated or Occasional Sales of Tangible Personal Property</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$6,999,000</td>
<td>$7,139,000</td>
</tr>
<tr>
<td>6. Installation Charges on Tangible Personal Property</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$27,821,000</td>
<td>$28,377,000</td>
</tr>
<tr>
<td>7. Separately Stated Labor Charges on Property Repaired Out-of-State</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$80,000</td>
<td>$81,000</td>
</tr>
<tr>
<td>8. Installation of Board Roads to Oilfield Operators</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$69,000</td>
<td>$71,000</td>
</tr>
<tr>
<td>9. Manufacturers Rebates on New Motor Vehicles</td>
<td>$18,234,529</td>
<td>$16,172,513</td>
<td>$12,507,858</td>
<td>$11,227,000</td>
<td>$11,451,000</td>
</tr>
<tr>
<td>10. Manufacturers Rebates Paid Directly to a Dealer</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>11. Purchases of Consumables by Paper and Wood Manufacturers and Loggers</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$328,000</td>
<td>$335,000</td>
</tr>
<tr>
<td>12. Purchases of Manufacturing Machinery and Equipment</td>
<td>$74,324,589</td>
<td>$75,073,201</td>
<td>$88,666,688</td>
<td>$89,920,000</td>
<td>$91,718,000</td>
</tr>
<tr>
<td>13. Purchases of Certain Machinery and Equipment Used to Produce a News Publication</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
</tr>
<tr>
<td>14. Purchases of Electric Power and Natural Gas by Paper or Wood Products Manufacturing Facilities</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>$1,986,000</td>
<td>$2,025,000</td>
</tr>
<tr>
<td>15. Room Rentals at Camp and Retreat Facilities</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$23,000</td>
<td>$23,000</td>
</tr>
<tr>
<td>16. Room Rentals at Certain Homeless Shelters</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>17. Rentals or Leases of Certain Oilfield Property to be Re-Leased or Re-Rented</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$243,000</td>
<td>$248,000</td>
</tr>
<tr>
<td>18. Certain Transactions Involving the Construction or Overhaul of U.S. Navy Vessels</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$747,000</td>
<td>$762,000</td>
</tr>
<tr>
<td>19. Rental or Purchase of Airplanes or Airplane Equipment and Parts by Louisiana Domiciled Commuter Airlines</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>20. Purchases, Leases and Sales of Services by Free Hospitals</td>
<td>###</td>
<td>###</td>
<td></td>
<td>$220,000</td>
<td>$225,000</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

### Included in the row labeled other exemptions.
## Five-Year Revenue Loss

### Sales Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exclusions Continued</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Certain Educational Materials and Equipment Used for Classroom Instruction</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$121,000</td>
<td>$123,000</td>
</tr>
<tr>
<td>22. Sales and Rentals to Boys State of La., Inc. and Girls State of La., Inc.</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>23. Vehicle Rentals for Re-Rent to Warranty Customers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$2,552,000</td>
<td>$2,603,000</td>
</tr>
<tr>
<td>24. Property Used in the Manufacture, Production, or Extraction of Unblended Diesel</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$28,000</td>
<td>$29,000</td>
</tr>
<tr>
<td>25. Leases or Rentals of Pallets Used in Packaging Products Produced by a Manufacturer</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>26. Purchases by Regionally Accredited Independent Educational Institutions</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$771,000</td>
<td>$786,000</td>
</tr>
<tr>
<td>27. Purchases by State and Local Governments¹</td>
<td>$195,649,046</td>
<td>$189,068,941</td>
<td>$204,874,940</td>
<td>$247,531,000</td>
<td>$252,481,000</td>
</tr>
<tr>
<td>28. Purchases of Certain Bibles, Songbooks, or Literature by Certain Churches or Synagogues for Religious Instructional Classes²</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
</tr>
<tr>
<td>29. Purchases by the Society of the Little Sisters of the Poor³</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
</tr>
<tr>
<td>30. Purchases by Nonprofit Entities that Sell Donated Goods</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$414,000</td>
<td>$422,000</td>
</tr>
<tr>
<td>31. Purchases of Tangible Personal Property for Lease or Rental</td>
<td>$8,542,578</td>
<td>$12,012,051</td>
<td>$6,337,236</td>
<td>$5,850,000</td>
<td>$5,967,000</td>
</tr>
<tr>
<td>32. Natural Gas Used in the Production of Iron</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>33. Electricity for Chlor-Alkali Manufacturing Process</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>$5,039,000</td>
<td>$5,140,000</td>
</tr>
<tr>
<td>34. Sales of Human-Tissue Transplants</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$2,321,000</td>
<td>$2,367,000</td>
</tr>
<tr>
<td>35. Sales of Raw Agricultural Commodities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$40,197,000</td>
<td>$41,001,000</td>
</tr>
<tr>
<td>36. Sale to the United States Government and its Agencies</td>
<td>See number 27</td>
<td>See number 27</td>
<td>See number 27</td>
<td>See number 27</td>
<td>See number 27</td>
</tr>
<tr>
<td>37. Sales of Food Items by Youth Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>38. Purchases of School Buses by Independent Operators</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>39. Tangible Personal Property Sold or Donated to Food Banks</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>40. Pollution Control Devices and Systems</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$4,859,000</td>
<td>$4,957,000</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

- **###** Included in the row labeled other exemptions.
- 1. These amounts include the total revenue loss for purchases by state and local government and sales to the U.S. government (see #36).
### Exemptions

<table>
<thead>
<tr>
<th>Exclusions Continued</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>41. Certain Aircraft Assembled in Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>42. Pelletized Paper Waste Used in a Permitted Boiler</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>43. Purchases of Equipment by Bonafide Volunteer and Public Fire Department</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>44. Sales of Telephone Directories by Advertising Companies</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>45. Sales of Cellular Telephones and Electronic Accessories</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>46. Purchases of any Fuel or Gas for Residential Use and Purchases of Butane and Propane by any Person</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>$34,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>47. Alternate Substance Used as a Fuel</td>
<td>###</td>
<td>###</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>48. Donation of Toys</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>49. Natural Gas Held, Used, or Consumed in Providing Natural Gas Storage Services or Operating Natural Gas Storage Facilities</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>$95,000</td>
<td>$97,000</td>
</tr>
<tr>
<td>50. Purchases by a Private Postsecondary Academic Degree-Granting Institution</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>51. Purchases of Food Items for School Lunch or Breakfast Programs by Nonpublic Elementary or Secondary Schools</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$55,000</td>
<td>$56,000</td>
</tr>
<tr>
<td>52. Purchases of Storm Shutter Devices</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>53. Sales of Tangible Personal Property by the Louisiana Military Department</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>54. Sales of Anthropogenic Carbon Dioxide Use in Qualified Tertiary Recovery Projects</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>55. Qualifying Events Providing Louisiana Heritage, Culture, Crafts, Art, Food and Music Sponsored by a Domestic Nonprofit Organization</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>56. Articles Traded in on Tangible Personal Property</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,711,000</td>
<td>$1,745,000</td>
</tr>
<tr>
<td>57. First $50,000 of New Farm Equipment Used in Poultry Production</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 138</td>
<td>See number 138</td>
</tr>
<tr>
<td>58. Specialty Mardi Gras Items Sold by Certain Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>59. Admission Charges to Athletic Events of Colleges and Universities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$553,000</td>
<td>$565,000</td>
</tr>
<tr>
<td>60. Admission Charges to Athletic Events and Entertainment Events of Elementary and Secondary Schools</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,013,000</td>
<td>$1,034,000</td>
</tr>
<tr>
<td>61. Membership Fees or Dues of Nonprofit or Civic Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$234,000</td>
<td>$238,000</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

### Included in the row labeled other exemptions.
## Five-Year Revenue Loss

### Sales Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exclusions Continued</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62. Admissions to Museums</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$974,000</td>
<td>$993,000</td>
</tr>
<tr>
<td>63. Admissions to Places of Amusement at Camp or Retreat Facilities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>64. Repair Services Performed in Louisiana when the Repaired Property is Exported</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,822,000</td>
<td>$1,858,000</td>
</tr>
<tr>
<td>65. Repairs, Renovations or Conversions of Drilling Rigs</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$438,000</td>
<td>$446,000</td>
</tr>
<tr>
<td>66. Interstate Telecommunication Services Purchased by Defined Call Centers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>67. Telecommunication Services Through Coin-Operated Telephones</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>68. Miscellaneous Telecommunication Services</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>69. Gold, Silver, or Numistic Coins, or Platinum, Gold, or Silver Bullion</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$208,000</td>
<td>$212,000</td>
</tr>
<tr>
<td>70. Certain Geophysical Survey Information and Data Analyses</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$78,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>71. Vehicle Repairs Subsequent to Warranty Lapse</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>72. Work Products of Certain Professionals</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$543,000</td>
<td>$554,000</td>
</tr>
<tr>
<td>73. Pharmaceuticals Administered to Livestock for Agricultural Purposes</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$234,000</td>
<td>$239,000</td>
</tr>
<tr>
<td>74. Used Manufactured Homes and 54 Percent of Cost of New Manufactured Homes</td>
<td>$7,036,776</td>
<td>$7,544,888</td>
<td>$7,921,232</td>
<td>$9,317,000</td>
<td>$9,504,000</td>
</tr>
<tr>
<td>75. Purchases of Certain Custom Computer Software</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$163,000</td>
<td>$166,000</td>
</tr>
<tr>
<td>76. Materials Used Directly in the Collection of Blood</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$385,000</td>
<td>$393,000</td>
</tr>
<tr>
<td>77. Apheresis Kits and Leuko Reduction Filters</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$152,000</td>
<td>$155,000</td>
</tr>
<tr>
<td>78. Other Constructions Permanently Attached to the Ground</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$3,533,000</td>
<td>$3,603,000</td>
</tr>
<tr>
<td>79. Purchases by Motor Vehicle Manufacturers</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
</tr>
<tr>
<td>80. Purchases by Glass Manufacturers</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
</tr>
<tr>
<td>81. Purchases of Machinery and Equipment by Owners of Certain Radio Stations</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>82. Purchases of Machinery and Equipment by Certain Utilities</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$1,435,000</td>
<td>$1,463,000</td>
</tr>
<tr>
<td>83. Sales of Newspapers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$378,000</td>
<td>$385,000</td>
</tr>
<tr>
<td>84. Donations to Certain Schools</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>85. Use Tax on Residue or Byproducts Consumed by the Producer</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>86. Advertising Services</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$3,257,000</td>
<td>$3,322,000</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

### Included in the row labeled other exemptions.

1. Data received on returns for recent periods indicated that amounts reported for this exemption were previously reported under other exemptions.
## Five-Year Revenue Loss

### Sales Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Exemptions Continued</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>87. Purchases by Nonprofit Electric Cooperatives</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$1,006,000</td>
<td>$1,026,000</td>
</tr>
<tr>
<td>88. Purchases by a Public Trust</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>89. Sales by State-Owned Domed Stadiums</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>90. Sales by Certain Publicly-Owned Facilities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>91. Boats, Vessels, and Other Water Craft as Demonstrators</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>92. Purchases of Off-Road Vehicles by Certain Buyers Domiciled in Another State</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$36,000</td>
<td>$37,000</td>
</tr>
<tr>
<td>93. Sales of Farm Products Direct from the Farm</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$11,382,000</td>
<td>$11,610,000</td>
</tr>
<tr>
<td>94. Livestock Sold at Market and Racehorses Claimed in Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>95. Feed and Feed Additives for Animals Held for Business Purposes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$169,000</td>
<td>$172,000</td>
</tr>
<tr>
<td>96. Materials Used in the Production or Harvesting of Crawfish</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$55,000</td>
<td>$56,000</td>
</tr>
<tr>
<td>97. Bait and Feed Used in the Production or Harvesting of Crawfish</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$298,000</td>
<td>$304,000</td>
</tr>
<tr>
<td>98. Materials Used in the Production or Harvesting of Catfish</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>99. Farm Products Produced and Used by the Farmers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$6,607,000</td>
<td>$6,739,000</td>
</tr>
<tr>
<td>100. Sales of Gasoline (not subject to motor fuels tax)</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>101. Sales of Steam - Nonresidential</td>
<td>See number 102</td>
<td>See number 102</td>
<td>See number 102</td>
<td>See number 102</td>
<td>See number 102</td>
</tr>
<tr>
<td>102. Sales of Water - Nonresidential</td>
<td>$8,558,600</td>
<td>$6,653,905</td>
<td>$6,578,071</td>
<td>$2,059,000</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>103. Sales of Electric Power or Energy - Nonresidential</td>
<td>$403,401,490</td>
<td>$336,618,617</td>
<td>$138,288,865</td>
<td>$48,303,000</td>
<td>$49,269,000</td>
</tr>
<tr>
<td>104. Sales of Fertilizers and Containers to Farmers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>See number 118</td>
<td>See number 118</td>
</tr>
<tr>
<td>105. Sales of Natural Gas - Nonresidential</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
</tr>
<tr>
<td>106. Materials and Energy Sources Used for Boiler Fuel</td>
<td>+++</td>
<td>+++</td>
<td>$3,407,871</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>107. Trucks, Automobiles, and New Aircraft Removed from Inventory for Use as Demonstrators</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>108. Orthotic and Prosthetic Devices</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,719,000</td>
<td>$1,753,000</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

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### Exemptions

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### Five-Year Revenue Loss

**Sales Tax**

<table>
<thead>
<tr>
<th>Exemptions Continued</th>
<th>FYE 6-14</th>
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<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>109. Ostomy, Colostomy, Ileostomy and Other Appliance Devices</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>110. Patient Aids for Home Use when Prescribed by a Physician</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$356,000</td>
<td>$364,000</td>
</tr>
<tr>
<td>111. Medical Devices Used by Patients Under the Supervision of a Physician</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$10,921,000</td>
<td>$11,139,000</td>
</tr>
<tr>
<td>112. Restorative Materials Used by Dentists</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$245,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>113. Adaptive Driving Equipment and Motor Vehicle Modification</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>114. Sales of Food by Certain Institutions</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$4,340,000</td>
<td>$4,426,000</td>
</tr>
<tr>
<td>115. Fees Paid by Radio and Television Broadcasters for the Rights to Broadcast Film, Video, and Tapes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>116. Sales of 50-Ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$23,778,000</td>
<td>$24,254,000</td>
</tr>
<tr>
<td>117. Sales of Insulin</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>118. Sales of Seeds for Planting Crops</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$13,719,000</td>
<td>$13,993,000</td>
</tr>
<tr>
<td>119. Sales of Admission Tickets by Little Theater Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>120. Tickets to Musical Performances by Nonprofit Musical Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>121. Sales of Pesticides for Agricultural Purposes</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,197,000</td>
<td>$1,221,000</td>
</tr>
<tr>
<td>122. Rentals of Motion-Picture Film to Commercial Theaters</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>123. Property Purchased for Exclusive Use Outside the State</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$11,385,000</td>
<td>$11,612,000</td>
</tr>
<tr>
<td>124. Additional Tax Levy on Contracts Entered into Prior to and Within 90 Days of Tax Levy</td>
<td>$0</td>
<td>$0</td>
<td>$891,314</td>
<td>$3,812,000</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>125. Admissions to Entertainment by Domestic Nonprofit Charitable, Educational, and Religious Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$39,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>126. Sales of Tangible Personal Property at or Admissions to Events Sponsored by Certain Nonprofit Groups</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$120,000</td>
<td>$122,000</td>
</tr>
<tr>
<td>127. Sales by Thrift Shops on Military Installations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>128. Sales of Newspapers by Religious Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>129. Sales to Nonprofit Literacy Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

**Footnotes for Sales Tax**

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## Five-Year Revenue Loss

### Sales Tax

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<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>130. Sales or Purchases by Blind Persons Operating Small Businesses</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>131. Purchases by Certain Organizations that Promote Training for the Blind</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>132. Cable Television Installation and Repair Services</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>133. Receipts from Coin-Operated Washing and Drying Machines in Commercial Laundermats</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>$237,000</td>
<td>$242,000</td>
</tr>
<tr>
<td>134. Outside Gate Admissions and Parking Fees at Fairs, Festivals, and Expositions Sponsored by Nonprofit Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>135. Lease or Rental of Certain Vessels in Mineral Production</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$328,000</td>
<td>$334,000</td>
</tr>
<tr>
<td>136. Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fishermen</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$556,000</td>
<td>$567,000</td>
</tr>
<tr>
<td>137. Certain Seafood-Processing Facilities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$122,000</td>
<td>$124,000</td>
</tr>
<tr>
<td>138. First $50,000 of the Sales Price of Certain Rubber-Tired Farm Equipment and Attachments</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$6,562,000</td>
<td>$6,693,000</td>
</tr>
<tr>
<td>139. New Vehicles Furnished by a Dealer for Driver-Education Programs</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>140. Sales of Gasohol</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>141. Construction Materials and Operating Supplies for Certain Nonprofit Retirement Centers</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>142. Sales of Motor Vehicles to be Leased or Rented by Qualified Lessors</td>
<td>$50,959,509</td>
<td>$54,079,628</td>
<td>$61,668,309</td>
<td>$72,233,000</td>
<td>$73,677,000</td>
</tr>
<tr>
<td>143. Sales of Certain Fuels Used for Farm Purposes</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$3,246,000</td>
<td>$3,311,000</td>
</tr>
<tr>
<td>144. Sales or Purchases by Certain Sheltered Workshops</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$146,000</td>
<td>$149,000</td>
</tr>
<tr>
<td>145. Purchases of Certain Fuels for Private Residential Consumption</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>$96,000</td>
<td>$98,000</td>
</tr>
<tr>
<td>146. Specialty Mardi Gras Items Purchased or Sold by Certain Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>147. Purchases and Sales by Ducks Unlimited and Bass Life</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>148. Tickets to Dance, Drama, or Performing Arts Presentations by Certain Nonprofit Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>149. Purchases by and Sales by Certain Nonprofit Organizations Dedicated to the Conservation of Fish and Migratory Waterfowl</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>150. Raw Materials Used in the Printing Process</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>151. Piggyback Trailers or Containers and Rolling Stock</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>See number 156</td>
<td>See number 156</td>
</tr>
<tr>
<td>152. Pharmaceutical Samples Distributed in Louisiana</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>153. Catalogs Distributed in Louisiana</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>154. Certain Trucks and Trailers Used 80% in Interstate Commerce</td>
<td>$15,676,130</td>
<td>$19,515,678</td>
<td>$15,495,399</td>
<td>$18,582,000</td>
<td>$18,954,000</td>
</tr>
<tr>
<td>155. Certain Contract Carrier Buses Used 80% in Interstate Commerce</td>
<td>See number 154</td>
<td>See number 154</td>
<td>See number 154</td>
<td>See number 154</td>
<td>See number 154</td>
</tr>
<tr>
<td>156. Rail Rolling Stock Sold or Leased in Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$6,227,000</td>
<td>$6,632,000</td>
</tr>
<tr>
<td>157. Rail Rolling Stock Repaired or Fabricated in Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,101,000</td>
<td>$1,123,000</td>
</tr>
<tr>
<td>158. Sales of Railroad Ties to Railroads for Use in Other States</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>159. Utilities Used by Steelworks and Blast Furnaces</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
</tr>
<tr>
<td>160. Sickle Cell Disease Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$26,000</td>
<td>$27,000</td>
</tr>
<tr>
<td>161. Annual Louisiana Sales Tax Holiday</td>
<td>$3,107,633</td>
<td>$4,181,181</td>
<td>$2,176,551</td>
<td>$2,307,000</td>
<td>$2,353,000</td>
</tr>
<tr>
<td>162. Sales of Original One-of-a-Kind Works of Art Sold in Certain Locations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$148,000</td>
<td>$151,000</td>
</tr>
<tr>
<td>163. Hurricane Preparedness Louisiana Sales Tax Holiday</td>
<td>$74,605</td>
<td>$45,402</td>
<td>$0</td>
<td>$27,000</td>
<td>$28,000</td>
</tr>
<tr>
<td>164. Sales of Construction Materials to Habitat for Humanity</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>165. Purchase of Certain Water Conservation Equipment for Use in the Sparta Groundwater Conservation District</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>166. Second Amendment Sales Tax Holiday</td>
<td>$880,137</td>
<td>$793,475</td>
<td>$1,437,770</td>
<td>$458,000</td>
<td>$467,000</td>
</tr>
<tr>
<td>167. Sale of Polyroll Tubing</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>168. Purchase, Lease or Repair of Certain Capital Equipment and Computer Software of Qualifying Radiation Therapy Treatment Centers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>169. Purchases of Construction Materials by Hands on New Orleans and Rebuilding Together New Orleans Covenant Partners</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>170. Parish Councils on Aging</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$16,000</td>
<td>$17,000</td>
</tr>
<tr>
<td>171. Purchase of Breastfeeding Items</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$10,000</td>
<td>$11,000</td>
</tr>
<tr>
<td>172. Purchases by The Fore!Kids Foundation</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>173. Purchases of Vehicles Modified for Use by an Orthopedically Disabled Person</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>***</td>
<td>***</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

- ### Included in the row labeled other exemptions.
- +++ Included in the row labeled Exemptions subject to 1% suspended rate.
## Five-Year Revenue Loss

### Sales Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exemptions Continued</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>174. Purchases of Construction Materials by The Make It Right Foundation</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>See number 164</td>
<td>See number 164</td>
</tr>
<tr>
<td>175. Purchases of Construction Materials by the St. Bernard Project, Inc.</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>176. Antique Airplanes Held by Private Collectors and Not Used for Commercial Purposes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Alternate Reporting Methods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>177. Certain Interchangeable Components; Optional Method to Determine</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
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<td>178. Helicopters Leased for Use in the Extraction, Production, or Exploration for Oil, Gas, or Other Minerals</td>
<td>See number 31</td>
<td>See number 31</td>
<td>See number 31</td>
<td>$0</td>
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<tr>
<td>179. Cash-Basis Sales Tax Reporting and Remitting for Health and Fitness Club Membership Contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>180. Cash-Basis Reporting Procedure for Rental and Lease Transactions</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>181. Collection from Interstate and Foreign Transportation Dealers</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Statutorily Prescribed Methods Of Taxation</strong></td>
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<tr>
<td>182. Extended Time to Register Mobile Homes</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>183. &quot;Sales or Cost Price&quot; of Refinery Gas</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>184. News Publications Distributed at No Cost to Readers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>185. Leases or Rentals of Railroad Rolling Stock and Leases or Rentals by Railway Companies and Railroad Corporations</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>186. Sales Through Coin-Operated Vending Machines</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td><strong>Credits</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>187. Vendor's Compensation</td>
<td>$25,648,496</td>
<td>$25,882,917</td>
<td>$24,166,368</td>
<td>$18,770,000</td>
<td>$19,145,000</td>
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<tr>
<td>188. Costs to Reprogram Cash Registers</td>
<td>$27,404</td>
<td>$14,766</td>
<td>$21,558</td>
<td>***</td>
<td>***</td>
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<tr>
<td><strong>Refunds</strong></td>
<td></td>
<td></td>
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<tr>
<td>189. Sales Tax Remitted on Bad Debts from Credit Sales</td>
<td>$2,298,363</td>
<td>$337,247</td>
<td>$854,291</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>190. State Sales Tax Paid on Property Destroyed in a Natural Disaster</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>191. Materials Used in the Construction, Restoration, or Renovation of Housing in Designated Areas</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

---

### Included in the row labeled other exemptions.

+++ Included in the row labeled Exemptions subject to 1% suspended rate.
## Five-Year Revenue Loss

### Sales Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>192. Purchases and Leases of Durable Medical Equipment Paid by or Under Provisions of Medicare</strong></td>
<td>$103,143</td>
<td>$504,664</td>
<td>$2,004,987</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td><strong>193. Sales Tax Collected by a Qualified Charitable Institutions</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>194. Louisiana Tax Free Shopping Program</strong></td>
<td>$1,371,919</td>
<td>$1,064,014</td>
<td>$1,726,759</td>
<td>$1,388,000</td>
<td>$1,415,000</td>
</tr>
<tr>
<td><strong>Other Exemptions</strong></td>
<td>$910,830,089</td>
<td>$902,668,601</td>
<td>$810,997,270</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Exemptions Subject to 1% Suspended Rate</strong></td>
<td>$7,677,833</td>
<td>$7,770,709</td>
<td>$5,604,428</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total State Sales Tax Revenue Loss</strong></td>
<td>$1,734,402,868</td>
<td>$1,660,002,378</td>
<td>$1,395,627,765</td>
<td>$750,386,000</td>
<td>$761,782,000</td>
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<tr>
<td><strong>State Exemptions with Prohibitions on Taxation</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>195. Sales of Gasoline, Gasohol, and Diesel</strong></td>
<td>$365,837,353</td>
<td>$359,362,211</td>
<td>$327,701,562</td>
<td>$417,094,000</td>
<td>$425,436,000</td>
</tr>
<tr>
<td><strong>196. Purchases Made with Food Stamps and WIC Vouchers</strong></td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$28,148,000</td>
<td>$28,711,000</td>
</tr>
<tr>
<td><strong>197. Credit for Sales and Use Taxes Paid to Other States on Property Imported into Louisiana</strong></td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td><strong>198. Credit for Use Tax Paid on Automobiles Imported by Certain Members of the Armed Services</strong></td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td><strong>199. Use of Vehicles in Louisiana by Active Military Personnel</strong></td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td><strong>200. Sales of Food for Preparation and Consumption in the Home</strong></td>
<td>$392,543,307</td>
<td>$428,176,734</td>
<td>$424,070,647</td>
<td>$510,772,000</td>
<td>$520,987,000</td>
</tr>
<tr>
<td><strong>201. Sales of Electric Power or Energy to the Consumer for Residential Use</strong></td>
<td>$197,926,721</td>
<td>$161,183,715</td>
<td>$166,725,153</td>
<td>$198,890,000</td>
<td>$202,868,000</td>
</tr>
<tr>
<td><strong>202. Sales of Natural Gas to the Consumer for Residential Use</strong></td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
</tr>
<tr>
<td><strong>203. Sales of Water to the Consumer for Residential Use</strong></td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
</tr>
<tr>
<td><strong>204. Drugs Prescribed by Physicians or Dentists</strong></td>
<td>$283,653,094</td>
<td>$300,820,341</td>
<td>$358,956,487</td>
<td>$432,803,000</td>
<td>$441,459,000</td>
</tr>
<tr>
<td><strong>Total Revenue Loss from Exemptions with Prohibitions on Taxation</strong></td>
<td>$1,239,960,475</td>
<td>$1,249,543,001</td>
<td>$1,277,453,849</td>
<td>$1,587,707,000</td>
<td>$1,619,461,000</td>
</tr>
<tr>
<td><strong>Total Sales Tax Revenue Loss</strong></td>
<td>$2,974,363,344</td>
<td>$2,909,545,379</td>
<td>$2,673,081,614</td>
<td>$2,338,093,000</td>
<td>$2,381,243,000</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

1. **### Included in the row labeled other exemptions.**

2. **An allocation of the “Other Exemptions” and “Exemptions Subject to 1% Suspended Rate” totals to the corresponding specific exemptions has been prepared using data available for the period of April 2016 to October 2016.**

3. **Data received on returns for recent periods indicated that amounts reported for this exemption were previously reported under other exemptions.**
### Natural Resources - Severance Tax

#### Five-Year Revenue Loss

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural Gas Exclusions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Injection</td>
<td>$1,294,746</td>
<td>$1,914,163</td>
<td>$2,255,685</td>
<td>$1,160,000</td>
<td>$1,190,000</td>
</tr>
<tr>
<td>2. Produced Outside the State of Louisiana</td>
<td>$15,418</td>
<td>$18,095</td>
<td>$37,303</td>
<td>$35,000</td>
<td>$36,000</td>
</tr>
<tr>
<td>3. Flared or Vented</td>
<td>$456,697</td>
<td>$443,262</td>
<td>$518,675</td>
<td>$451,000</td>
<td>$460,000</td>
</tr>
<tr>
<td>4. Consumed in Field Operations</td>
<td>$5,113,629</td>
<td>$7,946,235</td>
<td>$7,453,016</td>
<td>$5,600,000</td>
<td>$5,700,000</td>
</tr>
<tr>
<td>5. Consumed in the Production of Natural Resources in the State of Louisiana</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>6. Used in the Manufacture of Carbon Black</td>
<td>$253,270</td>
<td>$266,825</td>
<td>$370,144</td>
<td>$240,000</td>
<td>$246,000</td>
</tr>
<tr>
<td><strong>Natural Gas Suspensions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Horizontal Wells</td>
<td>$79,967,535</td>
<td>$208,633,029</td>
<td>$84,472,151</td>
<td>$85,000,000</td>
<td>$85,000,000</td>
</tr>
<tr>
<td>8. Inactive Wells</td>
<td>$1,828,935</td>
<td>$1,076,465</td>
<td>$170,506</td>
<td>Negligible</td>
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<tr>
<td>9. Deep Wells</td>
<td>$3,790,037</td>
<td>$1,171,092</td>
<td>$10,107,072</td>
<td>$5,000,000</td>
<td>$5,100,000</td>
</tr>
<tr>
<td><strong>Natural Gas Special Rates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Incapable Oil-Well Gas</td>
<td>$741,498</td>
<td>$934,302</td>
<td>$916,891</td>
<td>$600,000</td>
<td>$612,000</td>
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<tr>
<td>11. Incapable Gas-Well Gas</td>
<td>$18,241,026</td>
<td>$21,891,293</td>
<td>$21,768,480</td>
<td>$14,200,000</td>
<td>$14,500,000</td>
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<tr>
<td><strong>Natural Gas Incentive</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Produced Water Injection¹</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Oil Deduction</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Trucking, Barging, and Pipeline Fees</td>
<td>$664,609</td>
<td>$702,883</td>
<td>$363,029</td>
<td>$358,000</td>
<td>$365,000</td>
</tr>
<tr>
<td><strong>Oil Suspensions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Horizontal Wells</td>
<td>$25,635,034</td>
<td>$31,170,602</td>
<td>$11,872,434</td>
<td>$13,500,000</td>
<td>$13,500,000</td>
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<tr>
<td>15. Inactive Wells</td>
<td>$52,264,071</td>
<td>$31,758,884</td>
<td>$5,969,788</td>
<td>$850,000</td>
<td>Negligible</td>
</tr>
<tr>
<td>16. Deep Wells</td>
<td>$6,230,616</td>
<td>$2,792,382</td>
<td>$11,081,247</td>
<td>$5,000,000</td>
<td>$5,100,000</td>
</tr>
<tr>
<td>17. Tertiary Recovery</td>
<td>$30,090,101</td>
<td>$21,544,117</td>
<td>$13,097,821</td>
<td>$14,900,000</td>
<td>$15,200,000</td>
</tr>
</tbody>
</table>

---

**Footnotes for Natural Resources - Severance Tax**

1. This incentive was previously reported as Oil and Gas Incentives - Produced Water Injection Incentive. Beginning with the 2016-2017 TEB book, the revenue loss amounts for natural gas and oil will be stated on separate lines. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
## Five-Year Revenue Loss

### Natural Resources - Severance Tax

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<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
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</thead>
<tbody>
<tr>
<td><strong>Oil Special Rates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Incapable Oil</td>
<td>$14,426,418</td>
<td>$10,109,196</td>
<td>$5,192,613</td>
<td>$5,100,000</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>19. Stripper Oil</td>
<td>$51,181,293</td>
<td>$36,409,826</td>
<td>$19,512,184</td>
<td>$17,800,000</td>
<td>$18,200,000</td>
</tr>
<tr>
<td>20. Stripper Oil Value Less than $20 per Barrel</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>21. Salvage Oil</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$176,558</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>22. Horizontal Mining and Drilling Projects</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Oil Incentive</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Produced Water Injection¹</td>
<td>$257,664</td>
<td>$0</td>
<td>$24,275</td>
<td>$13,000</td>
<td>Negligible</td>
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<tr>
<td><strong>Mineral Exemption</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Owned and Severed by Political Subdivisions</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Rebates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Louisiana Mega - Project Energy Assistance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Federally Imposed Exemptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. U.S. Government Royalty - Gas Wells²</td>
<td>$311,423</td>
<td>$400,585</td>
<td>$234,803</td>
<td>$136,000</td>
<td>$138,000</td>
</tr>
<tr>
<td>27. U.S. Government Royalty - Oil Wells²</td>
<td>$584,174</td>
<td>$550,702</td>
<td>$361,777</td>
<td>$299,000</td>
<td>$305,000</td>
</tr>
<tr>
<td><strong>Total Severance Tax Revenue Loss</strong></td>
<td>$293,348,194</td>
<td>$379,733,938</td>
<td>$195,956,452</td>
<td>$170,242,000</td>
<td>$170,852,000</td>
</tr>
</tbody>
</table>

### Footnotes for Natural Resources - Severance Tax

1. This incentive was previously reported as Oil and Gas Incentives - Produced Water Injection Incentive. Beginning with the FYE 6-16 presentation, the revenue loss amounts for natural gas and oil will be stated on separate lines. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.

2. The revenue loss for this exclusion was not included in previous TEB reports.
## Five-Year Revenue Loss

### Tax Incentives and Exemption Contracts

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Atchafalaya Trace Heritage Area Development Zone Tax Exemption</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
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<tr>
<td>2. Brownfields Investor Tax Credit</td>
<td>$69,518</td>
<td>$450,106</td>
<td>$34,670</td>
<td>$25,000</td>
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<td>3. Cane River Heritage Tax Credit</td>
<td>Negligible</td>
<td>$0</td>
<td>$0</td>
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<td>Unable to anticipate</td>
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<tr>
<td>4. Louisiana Community Economic Development</td>
<td>Negligible</td>
<td>$12,854</td>
<td>$0</td>
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<td>Unable to anticipate</td>
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<tr>
<td>5. Ports of Louisiana Tax Credits</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>6. Motion Picture Investor Tax Credit</td>
<td>$242,732,765</td>
<td>$200,507,106</td>
<td>$211,235,516</td>
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<td>7. Research and Development Tax Credit</td>
<td>$24,248,761</td>
<td>$47,570,280</td>
<td>$4,700,295</td>
<td>$26,658,000</td>
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<td>8. Digital Interactive Media &amp; Software Tax Credit</td>
<td>$13,159,727</td>
<td>$12,090,705</td>
<td>$10,946,339</td>
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<td>9. Louisiana Motion Picture Incentive Program</td>
<td>$7,967,005</td>
<td>$1,081,375</td>
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<td>10. Louisiana Capital Companies Tax Credit</td>
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<td>11. New Markets Tax Credit</td>
<td>$11,644,475</td>
<td>$2,124,450</td>
<td>$1,989,769</td>
<td>$1,111,000</td>
<td>$1,870,000</td>
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<tr>
<td>12. University Research and Development Parks</td>
<td>$0</td>
<td>$0</td>
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<td>13. Industrial Tax Equalization Program</td>
<td>$10,405,428</td>
<td>$2,276,786</td>
<td>$1,318,199</td>
<td>$1,833,000</td>
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<tr>
<td>14. Exemptions for Manufacturing Establishments</td>
<td>$306,488</td>
<td>$897,581</td>
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<tr>
<td>15. Enterprise Zones</td>
<td>$51,284,965</td>
<td>$44,890,879</td>
<td>$45,048,115</td>
<td>$47,393,000</td>
<td>$48,341,000</td>
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<tr>
<td>16. Sound Recording Investor Tax Credit</td>
<td>$151,561</td>
<td>$271,357</td>
<td>$330,206</td>
<td>$307,000</td>
<td>$313,000</td>
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<td>17. Urban Revitalization Tax Incentive Program</td>
<td>$0</td>
<td>$0</td>
<td>$11,000</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>18. Mentor-Protégé Tax Credit</td>
<td>$15,084</td>
<td>$20,899</td>
<td>Negligible</td>
<td>$11,000</td>
<td>$11,000</td>
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<tr>
<td>19. Technology Commercialization Credit Program</td>
<td>$197,127</td>
<td>$162,997</td>
<td>$78,780</td>
<td>$123,000</td>
<td>$126,000</td>
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<td>20. Angel Investor Tax Credit Program</td>
<td>$1,369,190</td>
<td>$1,015,903</td>
<td>$536,475</td>
<td>$792,000</td>
<td>$808,000</td>
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<td>21. Musical &amp; Theatrical Productions Tax Credit</td>
<td>$8,754,304</td>
<td>$13,408,741</td>
<td>$5,320,869</td>
<td>$9,552,000</td>
<td>$9,743,000</td>
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<tr>
<td>22. Retention and Modernization Credit</td>
<td>$178,941</td>
<td>$761,822</td>
<td>$1,660,848</td>
<td>$1,236,000</td>
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<tr>
<td>23. Green Jobs Industries Credit</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
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<tr>
<td>24. Louisiana Quality Jobs Program</td>
<td>$55,779,923</td>
<td>$72,864,143</td>
<td>$149,223,716</td>
<td>$291,495,000</td>
<td>$297,325,000</td>
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<tr>
<td>25. Corporate Tax Apportionment Program</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>26. Corporate Headquarters Relocation Program</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>Unable to anticipate</td>
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<tr>
<td>27. Competitive Projects Payroll Incentive Program</td>
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<td>$53,625</td>
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<tr>
<td>28. Procurement Processing Company Rebate Program</td>
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<td>$0</td>
<td>$204,154</td>
<td>$2,400,000</td>
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<tr>
<td><strong>Total Revenue Loss</strong></td>
<td><strong>$428,265,262</strong></td>
<td><strong>$400,477,643</strong></td>
<td><strong>$436,289,715</strong></td>
<td><strong>$602,356,000</strong></td>
<td><strong>$584,472,000</strong></td>
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</tbody>
</table>

### Footnotes for Tax Incentives and Exemption Contracts

1. The FYE 6-14 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
### Five-Year Revenue Loss

#### Petroleum Products Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gasoline Tax Exemptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Casinghead Gasoline</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>2. Aviation Gasoline</td>
<td>$130,000</td>
<td>$147,700</td>
<td>$145,631</td>
<td>$153,000</td>
<td>$156,000</td>
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<td><strong>Gasoline Tax Refunds</strong></td>
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<tr>
<td>3. School Bus Drivers</td>
<td>$18,746</td>
<td>$12,154</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td>4. Farmers, Fishermen, and Aircraft</td>
<td>$22,685</td>
<td>$23,859</td>
<td>$19,256</td>
<td>$15,000</td>
<td>$15,000</td>
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<td><strong>Gasoline Tax Discount</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>5. Timely Filing and Payment by Suppliers</td>
<td>$6,998,900</td>
<td>$7,206,138</td>
<td>$2,811,959</td>
<td>$2,413,000</td>
<td>$2,462,000</td>
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<tr>
<td><strong>Diesel Fuel Tax Refunds</strong></td>
<td></td>
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</tr>
<tr>
<td>6. School Bus Drivers</td>
<td>$210,500</td>
<td>$211,050</td>
<td>$210,683</td>
<td>$211,000</td>
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<tr>
<td>7. Diesel Fuels Used in Licensed Vehicles by Commercial Fishermen</td>
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<td>$0</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>8. Undyed Diesel Fuels Used for Nontaxable Purposes</td>
<td>NRR</td>
<td>NRR</td>
<td>$611,790</td>
<td>$598,000</td>
<td>$610,000</td>
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<tr>
<td><strong>Diesel Fuels Tax Discount</strong></td>
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<td>9. Timely Filing and Payment by Suppliers</td>
<td>$2,038,100</td>
<td>$2,534,389</td>
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<tr>
<td><strong>Special Fuels Tax Refunds</strong></td>
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</tr>
<tr>
<td>10. School Bus Drivers</td>
<td>***</td>
<td>***</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Special Fuels Tax Discount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Timely Filing and Payment by Dealers</td>
<td>***</td>
<td>***</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td><strong>Inspection Fee Exemptions</strong></td>
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<td></td>
<td></td>
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<tr>
<td>12. Gasoline and Undyed Diesel Brought into Louisiana in Fuel Supply</td>
<td>$34,848</td>
<td>$32,793</td>
<td>$48,930</td>
<td>$38,000</td>
<td>$39,000</td>
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<tr>
<td>Tanks of Interstate Motor Fuel Users</td>
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<tr>
<td>13. Undyed Diesel Fuel Used by Commercial Fishermen</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>14. Diesel Fuels Used in or Distributed to Seagoing Vessels</td>
<td>$855,730</td>
<td>$950,094</td>
<td>$849,632</td>
<td>$745,000</td>
<td>$759,000</td>
</tr>
<tr>
<td>15. Exports of Gasoline or Diesel Fuels</td>
<td>$679,700</td>
<td>$898,262</td>
<td>$600,438</td>
<td>$638,000</td>
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<tr>
<td><strong>Total State Revenue Loss</strong></td>
<td>$10,989,209</td>
<td>$12,016,439</td>
<td>$6,125,293</td>
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<td>$5,560,000</td>
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<tr>
<td><strong>Federally Imposed Exemptions</strong></td>
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<tr>
<td>16. Gasoline Sales to Federal Government and its Agencies</td>
<td>$116,950</td>
<td>$76,769</td>
<td>$64,083</td>
<td>$44,000</td>
<td>$45,000</td>
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<tr>
<td>17. Interstate Gasoline and Diesel Shipments/Exports</td>
<td>$67,983,600</td>
<td>$93,496,720</td>
<td>$89,977,153</td>
<td>$96,443,000</td>
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<tr>
<td><strong>Total Revenue Loss from Federally Imposed Exemptions</strong></td>
<td>$68,100,550</td>
<td>$93,573,489</td>
<td>$90,041,236</td>
<td>$96,487,000</td>
<td>$98,417,000</td>
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<tr>
<td><strong>Total Petroleum Products Revenue Loss</strong></td>
<td>$79,089,759</td>
<td>$105,589,928</td>
<td>$96,166,529</td>
<td>$101,943,000</td>
<td>$103,977,000</td>
</tr>
</tbody>
</table>
## Five-Year Revenue Loss

### Corporation Franchise Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exemptions and Exclusions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Agricultural Cooperative, Farmer Credit, and Farmers’ Credit Cooperative Associations</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>2. Cooperative Marketing Associations</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>3. Credit Unions</td>
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<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>4. Limited Liability Companies</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>5. Certain Foreign Corporations</td>
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<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>6. Electric Cooperatives</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<td>NRR</td>
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<tr>
<td>7. Exemption for Certain Corporations</td>
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<td>NRR</td>
<td>NRR</td>
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<td>NRR</td>
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<tr>
<td>8. Louisiana Community Development Financial Institutions</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
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<td></td>
</tr>
<tr>
<td>9. Bank-Holding Corporations</td>
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<td>No data</td>
<td>No data</td>
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<td>NRR</td>
</tr>
<tr>
<td>10. Public-Utility Holding Corporations</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>11. Public Water Utility Companies</td>
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<td>No data</td>
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<td>NRR</td>
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<tr>
<td>12. Members of Controlled Groups that Include a Telephone Corporation</td>
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<td>NRR</td>
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<tr>
<td>13. Regulated Utility Companies</td>
<td>No data</td>
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<td>NRR</td>
<td>NRR</td>
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<tr>
<td>14. Holding Companies</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Credits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Donations to Assist Qualified Playgrounds</td>
<td>$0</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td>16. Debt Issuance Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>17. Donations to Public Elementary or Secondary Schools</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>18. Donations of Materials, Equipment, or Instructors Made to Certain Training Providers</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>19. Employment of the Previously Unemployed</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>20. Purchase of a Qualified Recycling Equipment¹</td>
<td>$866,083</td>
<td>$447,412</td>
<td>$134,335</td>
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<td>$237,000</td>
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<tr>
<td>21. Louisiana Basic-Skills Training</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>22. Apprenticeship¹</td>
<td>$553,876</td>
<td>$185,118</td>
<td>$61,701</td>
<td>$126,000</td>
<td>$128,000</td>
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<tr>
<td>23. Rehabilitation of Historic Structures¹</td>
<td>$13,287,123</td>
<td>$18,035,409</td>
<td>$10,026,896</td>
<td>$14,313,000</td>
<td>$14,599,000</td>
</tr>
</tbody>
</table>

### Footnotes for Corporation Franchise Tax

1. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
# Five-Year Revenue Loss

## Corporation Franchise Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>24. Louisiana Capital Investment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>25. Louisiana Community Development Financial Institutions Act</td>
<td>$12,693</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>26. Low-Income Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>27. Inventory Tax/Ad Valorem Tax</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>28. Ad Valorem Tax on Natural Gas</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>29. Ad Valorem Tax on Offshore Vessels</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
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</tr>
<tr>
<td>30. Ad Valorem Tax Paid by Certain Telephone Companies</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>31. Purchases from Prison Industry Enhancement Contractors</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>32. Sugarcane Transport</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>33. Milk Producers</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>34. School Readiness Child Care Provider</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
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<tr>
<td>35. School Readiness Business Supported Child Care</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
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<tr>
<td>36. School Readiness Fees and Grants to Resource &amp; Referral Agencies</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
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<tr>
<td><strong>Total State Revenue Loss</strong></td>
<td>$14,719,775</td>
<td>$18,667,939</td>
<td>$10,224,932</td>
<td>$14,672,000</td>
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</table>

---

### Footnotes for Corporation Franchise Tax

1. The estimated revenue loss for these credits are included in the total revenue loss for corporation income tax.
### Five-Year Revenue Loss

#### Tobacco Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounts</td>
<td></td>
<td></td>
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<tr>
<td>1. Tobacco Stamps</td>
<td>$5,823,182</td>
<td>$6,777,474</td>
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<td>2. Timely Filing and Payment</td>
<td>$1,382,000</td>
<td>$1,466,666</td>
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<tr>
<td>Exemptions</td>
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</tr>
<tr>
<td>3. Sales to State Institutions</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
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<tr>
<td>Refunds</td>
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<td>4. Return of Taxable Cigarettes to the Manufacturer</td>
<td>$133,583</td>
<td>$121,854</td>
<td>$432,823</td>
<td>$434,000</td>
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<tr>
<td>5. Return of Taxable Product to the Manufacturer</td>
<td>###</td>
<td>###</td>
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<td>6. Return of Taxable Vapor Product to the Manufacturer</td>
<td>***</td>
<td>***</td>
<td>Negligible</td>
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<tr>
<td><strong>Total State Revenue Loss</strong></td>
<td>$7,338,765</td>
<td>$8,365,994</td>
<td>$13,759,912</td>
<td>$16,319,000</td>
<td>$16,603,000</td>
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<tr>
<td>Federally Imposed Tax Exemptions</td>
<td></td>
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</tr>
<tr>
<td>7. Sales to Federal Government and Its Agencies</td>
<td>###</td>
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<tr>
<td>8. Interstate Shipments of Cigarettes</td>
<td>$64,189,800</td>
<td>$71,106,690</td>
<td>$165,006,787</td>
<td>$185,000,000</td>
<td>$188,000,000</td>
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<tr>
<td>9. Interstate Shipments of Tobacco Products</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
</tr>
<tr>
<td><strong>Total Revenue Loss from Federally Imposed Exemptions</strong></td>
<td>$64,189,800</td>
<td>$71,106,690</td>
<td>$165,006,787</td>
<td>$185,000,000</td>
<td>$188,000,000</td>
</tr>
<tr>
<td>Other Exemptions</td>
<td>$11,749,500</td>
<td>$12,748,948</td>
<td>$11,616,726</td>
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<td>$12,540,000</td>
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<td><strong>Total Tobacco Tax Revenue Loss</strong></td>
<td>$83,278,065</td>
<td>$92,221,632</td>
<td>$190,383,425</td>
<td>$213,619,000</td>
<td>$217,143,000</td>
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#### Footnotes for Tobacco Tax

### Included in the row labeled other exemptions.
## Five-Year Revenue Loss

### Miscellaneous Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
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</thead>
<tbody>
<tr>
<td><strong>Public Utilities and Carriers Taxes</strong></td>
<td></td>
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<tr>
<td>Inspection and Supervision Fee</td>
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<td>NRR</td>
<td>NRR</td>
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<td>NRR</td>
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<tr>
<td>1. Ten-Mile Zone</td>
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<tr>
<td>2. Power Cost</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td><strong>Transportation and Communications Tax</strong></td>
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<tr>
<td>3. Seven-Mile Zone</td>
<td>$2,962,000</td>
<td>$2,831,000</td>
<td>$1,906,620</td>
<td>$1,209,000</td>
<td>$1,185,000</td>
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<tr>
<td><strong>Total Public Utilities and Carriers Taxes Revenue Loss</strong></td>
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<td>$2,831,000</td>
<td>$1,906,620</td>
<td>$1,209,000</td>
<td>$1,185,000</td>
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<tr>
<td><strong>Telecommunication Tax</strong></td>
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<tr>
<td>4. Timely Filing and Payment</td>
<td>$15,600</td>
<td>$11,100</td>
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<td><strong>Hazardous Waste Disposal Tax</strong></td>
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<tr>
<td>5. Timely Filing and Payment</td>
<td>$19,500</td>
<td>$16,800</td>
<td>$16,749</td>
<td>$17,000</td>
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<tr>
<td><strong>Total Miscellaneous Tax Revenue Loss</strong></td>
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<td>$2,858,900</td>
<td>$1,923,369</td>
<td>$1,226,000</td>
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## Five-Year Revenue Loss

**Liquors - Alcoholic Beverage Tax**

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-17 (projected)</th>
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</thead>
<tbody>
<tr>
<td><strong>Low Alcohol Beverage Tax Discount</strong></td>
<td></td>
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</tr>
<tr>
<td>1. Timely Filing and Payment</td>
<td>$698,530</td>
<td>$693,380</td>
<td>$680,365</td>
<td>$656,000</td>
<td>$669,000</td>
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<td><strong>Low Alcohol and Malt Beverages, Liquor and Wine Tax Refund/Credit</strong></td>
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<td>2. Products Returned to Manufacturer or Destroyed by a Dealer</td>
<td>$59,520</td>
<td>$140,880</td>
<td>$236,912</td>
<td>$219,000</td>
<td>$135,000</td>
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<td><strong>Liquor and Wine Tax Exemptions</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. Antiseptic, Scientific, Religious, and Chemical Uses</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td><strong>Liquor and Wine Tax Discount</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4. Timely Filing and Payment</td>
<td>$774,700</td>
<td>$799,100</td>
<td>$867,450</td>
<td>$861,000</td>
<td>$879,000</td>
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<tr>
<td><strong>Total State Revenue Loss</strong></td>
<td>$1,532,750</td>
<td>$1,633,360</td>
<td>$1,784,727</td>
<td>$1,736,000</td>
<td>$1,683,000</td>
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<tr>
<td><strong>Federally Imposed Tax Exemptions</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Low Alcohol Beverage Tax Exemptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Interstate Shipments</td>
<td>$911,780</td>
<td>$986,250</td>
<td>$889,990</td>
<td>$981,000</td>
<td>$1,000,000</td>
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<tr>
<td>6. Sales to Federal Government and its Agencies</td>
<td>$142,750</td>
<td>$124,800</td>
<td>$137,859</td>
<td>$173,000</td>
<td>$176,000</td>
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<tr>
<td>7. Sales to Ships Engaged in Interstate or Foreign Commerce</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td><strong>Liquor and Wine Tax Exemptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Interstate Shipments of Alcoholic Beverages</td>
<td>$41,840</td>
<td>$22,390</td>
<td>$18,893</td>
<td>$28,000</td>
<td>$28,000</td>
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<tr>
<td>9. Foreign Consul and Foreign Commerce</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td>10. Sales to the Federal Government and its Agencies</td>
<td>$14,900</td>
<td>$13,660</td>
<td>$17,443</td>
<td>$41,000</td>
<td>$42,000</td>
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<tr>
<td><strong>Total Revenue Loss from Federally Imposed Exemptions</strong></td>
<td>$1,111,270</td>
<td>$1,147,100</td>
<td>$1,064,185</td>
<td>$1,223,000</td>
<td>$1,246,000</td>
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<tr>
<td><strong>Total Liquors-Alcoholic Beverages Tax Revenue Loss</strong></td>
<td>$2,644,020</td>
<td>$2,780,460</td>
<td>$2,848,912</td>
<td>$2,959,000</td>
<td>$2,929,000</td>
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</table>
Tax Exemptions by Classification Five-Year Estimated Revenue Loss
### Tax Exemptions by Classification

#### Summary

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agricultural/Rural</td>
<td>$ 4,317,040</td>
<td>$ 1,365,653</td>
<td>$ 869,936</td>
<td>$ 861,000</td>
<td>$ 878,000</td>
</tr>
<tr>
<td>2. Business Environment</td>
<td>1,038,309,615</td>
<td>1,212,513,561</td>
<td>613,619,446</td>
<td>586,167,000</td>
<td>597,836,000</td>
</tr>
<tr>
<td>3. Dealers and Vendors Compensation and Discounts</td>
<td>43,399,008</td>
<td>45,387,964</td>
<td>42,696,954</td>
<td>39,247,000</td>
<td>39,990,000</td>
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<tr>
<td>4. Educational Breaks for Educational Institutions</td>
<td>15,094,023</td>
<td>15,767,664</td>
<td>14,772,229</td>
<td>15,369,000</td>
<td>15,677,000</td>
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<td>5. Educational Breaks for Individuals</td>
<td>46,484,129</td>
<td>46,672,252</td>
<td>40,451,851</td>
<td>44,469,000</td>
<td>45,802,000</td>
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<td>6. Louisiana Constitutional Mandates</td>
<td>2,128,831,914</td>
<td>2,271,567,927</td>
<td>2,322,950,856</td>
<td>2,642,143,000</td>
<td>2,694,986,000</td>
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<tr>
<td>7. Non-itemized Sales and Use Tax Exclusions and Exemptions</td>
<td>918,507,922</td>
<td>910,439,310</td>
<td>820,009,569</td>
<td>188,584,000</td>
<td>192,635,000</td>
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<tr>
<td>8. Normal Tax Structure</td>
<td>1,383,003,228</td>
<td>1,800,771,598</td>
<td>1,357,675,923</td>
<td>1,523,064,000</td>
<td>1,549,942,000</td>
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<tr>
<td>9. Retirement, Disability and Military</td>
<td>234,420,209</td>
<td>249,290,376</td>
<td>262,329,403</td>
<td>260,501,000</td>
<td>265,711,000</td>
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<tr>
<td>10. Sales Tax - Alternative Reporting Methods or Statutorily Prescribed Methods of Taxation</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>11. Specialty Sales Tax Exemptions</td>
<td>7,760,061</td>
<td>6,436,085</td>
<td>7,108,243</td>
<td>8,454,000</td>
<td>4,735,000</td>
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<tr>
<td>12. Tax Incentives and Exemption Contracts</td>
<td>473,452,463</td>
<td>468,848,157</td>
<td>495,825,233</td>
<td>667,445,000</td>
<td>650,862,000</td>
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<tr>
<td>13. Miscellaneous</td>
<td>857,275,895</td>
<td>868,254,479</td>
<td>854,833,610</td>
<td>806,232,000</td>
<td>810,173,000</td>
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<tr>
<td><strong>Summary of Total Revenue Loss by Classification</strong></td>
<td>$ 7,150,855,507</td>
<td>$ 7,897,315,026</td>
<td>$ 6,833,143,243</td>
<td>$ 6,782,536,000</td>
<td>$ 6,869,227,000</td>
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</tbody>
</table>
## Tax Exemptions by Classification

### Agricultural/Rural

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. Gasoline &amp; Special Fuels Taxes for Commercial Fisherman&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$25,041</td>
<td>$10,043</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td>67. Sugarcane Transport&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$60,050</td>
<td>$0</td>
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<td>***</td>
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<tr>
<td>69. Milk Producers&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$1,295,000</td>
<td>$986,250</td>
<td>$737,778</td>
<td>$738,000</td>
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<tr>
<td><strong>Petroleum Products</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4. Farmers, Fishermen, and Aircraft</td>
<td>$22,685</td>
<td>$23,859</td>
<td>$19,256</td>
<td>$15,000</td>
<td>$15,000</td>
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<td>7. Diesel Fuels Used in Licensed Vehicles by Commercial Fishermen</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>13. Undyed Diesel Fuel Used by Commercial Fisherman</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td><strong>Corporation Franchise Tax</strong></td>
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<tr>
<td>1. Agricultural Cooperative, Farmer Credit, and Farmers’ Credit Cooperative Associations</td>
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<td>NRR</td>
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<td>2. Cooperative Marketing Associations</td>
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<td>32. Sugarcane Transport</td>
<td>See note 3</td>
<td>See note 3</td>
<td>See note 3</td>
<td>See note 3</td>
<td>See note 3</td>
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<tr>
<td>33. Milk Producers</td>
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<td>See note 3</td>
<td>See note 3</td>
<td>See note 3</td>
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<td><strong>Corporation Income Tax</strong></td>
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<tr>
<td>44. Sugarcane Transport&lt;sup&gt;1,5&lt;/sup&gt;</td>
<td>$2,663,562</td>
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<tr>
<td>46. Milk Producers&lt;sup&gt;1,5&lt;/sup&gt;</td>
<td>$250,702</td>
<td>$137,500</td>
<td>$112,902</td>
<td>$108,000</td>
<td>$110,000</td>
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<tr>
<td><strong>Total Agricultural/Rural Revenue Loss</strong></td>
<td>$4,317,040</td>
<td>$1,365,653</td>
<td>$869,936</td>
<td>$861,000</td>
<td>$878,000</td>
</tr>
</tbody>
</table>

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**Footnote for Agricultural/Rural**

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. The estimated revenue loss for these credits are included in the total revenue loss for corporate income tax.
4. The estimated revenue loss for these credits includes the total revenue loss for corporate income and franchise taxes.
5. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
## Tax Exemptions by Classification

### Business Environment

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
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<tr>
<td><strong>BUSINESS ENVIRONMENT- GENERAL</strong></td>
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<td>Corporation Franchise Tax</td>
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<td>NRR</td>
<td>NRR</td>
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<tr>
<td>3. Credit Unions</td>
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<td>NRR</td>
<td>NRR</td>
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<td>4. Limited Liability Companies</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>5. Certain Foreign Corporations</td>
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<td>NRR</td>
<td>NRR</td>
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<td>NRR</td>
</tr>
<tr>
<td>6. Electric Cooperatives</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<td>NRR</td>
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<tr>
<td>7. Exemption for Certain Corporations</td>
<td>NRR</td>
<td>NRR</td>
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<td>9. Bank-Holding Corporations</td>
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<td>No data</td>
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<td>10. Public-Utility Holding Corporations</td>
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<td>11. Public Water Utility Companies</td>
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<td>12. Members of Controlled Groups that Include a Telephone Corporation</td>
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<td>No data</td>
<td>No data</td>
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<tr>
<td>13. Regulated Utility Companies</td>
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<tr>
<td>14. Holding Company</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td><strong>Corporation Income Tax</strong></td>
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<tr>
<td>1. Credit Unions</td>
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<td>NRR</td>
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<tr>
<td>2. Certain Foreign Corporations</td>
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<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>3. Electric Cooperatives</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>4. State Banking Corporations and Shareholders</td>
<td>NRR</td>
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</tr>
<tr>
<td>5. Dividends from National Banking Corporations and State Banking Corporations</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>7. Certain Exempt Entities</td>
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<td>11. Percentage Depletion</td>
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<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
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<tr>
<td>32. Certain Refunds Issued by Utilities¹</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Miscellaneous Tax</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>1. Ten-Mile Zone</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>2. Power Cost</td>
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<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>3. Seven-Mile Zone</td>
<td>$2,962,000</td>
<td>$2,831,000</td>
<td>$1,906,620</td>
<td>$1,209,000</td>
<td>$1,185,000</td>
</tr>
</tbody>
</table>

### Footnotes for Business Environment

1. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
## Tax Exemptions by Classification

### Business Environment

#### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Petroleum Products Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Casinghead Gasoline</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2. Aviation Gasoline</td>
<td>$130,000</td>
<td>$147,700</td>
<td>$145,631</td>
<td>$153,000</td>
<td>$156,000</td>
</tr>
<tr>
<td>8. Undyed Diesel Fuel Used for Nontaxable Purposes</td>
<td>NRR</td>
<td>NRR</td>
<td>$611,790</td>
<td>$598,000</td>
<td>$610,000</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Manufacturers Rebates on New Motor Vehicles</td>
<td>$18,234,529</td>
<td>$16,172,513</td>
<td>$12,507,858</td>
<td>$11,227,000</td>
<td>$11,451,000</td>
</tr>
<tr>
<td>74. Used Manufactured Homes and 54 Percent of Cost of New Manufactured Homes</td>
<td>$7,036,776</td>
<td>$7,544,868</td>
<td>$7,921,232</td>
<td>$9,317,000</td>
<td>$9,504,000</td>
</tr>
<tr>
<td>142. Sales of Motor Vehicles to be Leased or Rented by Qualified Lessors</td>
<td>$50,959,509</td>
<td>$54,079,628</td>
<td>$61,668,309</td>
<td>$72,233,000</td>
<td>$73,677,000</td>
</tr>
<tr>
<td>154. Certain Trucks and Trailers Used 80% in Interstate Commerce</td>
<td>$15,676,130</td>
<td>$19,515,678</td>
<td>$15,495,399</td>
<td>$18,582,000</td>
<td>$18,954,000</td>
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<tr>
<td>155. Certain Contract Carrier Buses Used 80% in Interstate Commerce</td>
<td>See number 154</td>
<td>See number 154</td>
<td>See number 154</td>
<td>See number 154</td>
<td>See number 154</td>
</tr>
<tr>
<td><strong>Severance Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Injection</td>
<td>$1,294,746</td>
<td>$1,914,163</td>
<td>$2,255,685</td>
<td>$1,160,000</td>
<td>$1,190,000</td>
</tr>
<tr>
<td>3. Flared or Vented</td>
<td>$456,697</td>
<td>$443,262</td>
<td>$518,675</td>
<td>$451,000</td>
<td>$460,000</td>
</tr>
<tr>
<td><strong>Total Business Environment - General Revenue Loss</strong></td>
<td>$96,750,387</td>
<td>$102,648,812</td>
<td>$103,031,199</td>
<td>$114,930,000</td>
<td>$117,187,000</td>
</tr>
</tbody>
</table>

#### BUSINESS ENVIRONMENT - INVENTORY TAX AD VALOREM

<table>
<thead>
<tr>
<th>Corporation Franchise Tax</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. Inventory Tax/Ad Valorem Tax</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>28. Ad Valorem Tax on Natural Gas</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>29. Ad Valorem Tax on Offshore Vessels</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>30. Ad Valorem Tax Paid by Certain Telephone Companies</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38. Inventory Tax/Ad Valorem Tax Credit(^{2,3})</td>
<td>$365,316,118</td>
<td>$556,413,793</td>
<td>$210,007,000</td>
<td>$215,807,000</td>
<td>$220,123,000</td>
</tr>
<tr>
<td>39. Ad Valorem Tax on Natural Gas(^{2,4})</td>
<td>$4,197,767</td>
<td>$7,873,032</td>
<td>$2,135,428</td>
<td>$3,635,000</td>
<td>$3,708,000</td>
</tr>
<tr>
<td>40. Ad Valorem Tax on Offshore Vessels(^{2,3})</td>
<td>$27,824,395</td>
<td>$41,589,804</td>
<td>$28,664,406</td>
<td>$35,819,000</td>
<td>$36,535,000</td>
</tr>
<tr>
<td>41. Ad Valorem Tax Paid by Certain Telephone Companies(^{2,3})</td>
<td>$22,499,484</td>
<td>$28,723,996</td>
<td>$6,299,521</td>
<td>$22,949,000</td>
<td>$23,408,000</td>
</tr>
</tbody>
</table>

### Footnotes for Business Environment

1. The estimated revenue loss for these credits are included in the total revenue loss for corporate income tax.
2. The estimated revenue loss for these credits includes the total revenue loss for corporate income and franchise taxes.
3. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
4. The FYE 6-15 tax revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
## Tax Exemptions by Classification

### Business Environment

#### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61. Inventory Tax / Ad Valorem Tax</td>
<td>$11,204,084</td>
<td>$13,978,169</td>
<td>$15,569,838</td>
<td>$10,441,000</td>
<td>$10,650,000</td>
</tr>
<tr>
<td>62. Ad Valorem Tax on Natural Gas</td>
<td>$62,225</td>
<td>$49,301</td>
<td>$110,398</td>
<td>$113,000</td>
<td>$115,000</td>
</tr>
<tr>
<td>63. Ad Valorem Tax on Offshore Vessels</td>
<td>$18,803,577</td>
<td>$34,677,871</td>
<td>$6,444,872</td>
<td>$20,973,000</td>
<td>$21,392,000</td>
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<tr>
<td>64. Ad Valorem Tax Paid by Certain Telephone Companies</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Business Environment - Inventory Tax Ad Valorem Revenue Loss</strong></td>
<td>$449,907,650</td>
<td>$683,305,966</td>
<td>$269,231,463</td>
<td>$309,737,000</td>
<td>$315,931,000</td>
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</table>

#### BUSINESS ENVIRONMENT-BUSINESS UTILITIES SALES TAX

**Sales Tax**

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. Purchases of Electric Power and Natural Gas by Paper or Wood Products Manufacturing Facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>32. Natural Gas Used in the Production of Iron</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>33. Electricity for Chlor-Alkali Manufacturing Process</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
</tr>
<tr>
<td>101. Sales of Steam-Nonresidential</td>
<td>See number 102</td>
<td>See number 102</td>
<td>See number 102</td>
<td>See number 102</td>
<td>See number 102</td>
</tr>
<tr>
<td>102. Sales of Water-Nonresidential</td>
<td>$8,558,600</td>
<td>$6,653,905</td>
<td>$6,578,071</td>
<td>$2,059,000</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>103. Sales of Electric Power or Energy-Nonresidential</td>
<td>$403,401,490</td>
<td>$336,618,617</td>
<td>$138,288,865</td>
<td>$48,303,000</td>
<td>$49,269,000</td>
</tr>
<tr>
<td>105. Sales of Natural Gas - Nonresidential</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
</tr>
<tr>
<td>159. Utilities Used by Steelworks and Blast Furnaces</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
</tr>
<tr>
<td><strong>Total Business Environment - Business Utilities Sales Tax Revenue Loss</strong></td>
<td>$411,960,090</td>
<td>$343,272,522</td>
<td>$144,866,936</td>
<td>$57,387,000</td>
<td>$58,534,000</td>
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</table>

#### BUSINESS ENVIRONMENT-DIRECT INPUTS AND CONSUMABLES

**Sales Tax**

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>107. Trucks, Automobiles, and New Aircraft Removed from Inventory for Use as Demonstrators</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Severance Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Consumed in Field Operations</td>
<td>$5,113,629</td>
<td>$7,946,235</td>
<td>$7,453,016</td>
<td>$5,600,000</td>
<td>$5,700,000</td>
</tr>
<tr>
<td>5. Consumed in the Production of Natural Resources in the State of Louisiana</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>6. Used in the Manufacture of Carbon Black</td>
<td>$253,270</td>
<td>$266,825</td>
<td>$370,144</td>
<td>$240,000</td>
<td>$246,000</td>
</tr>
<tr>
<td><strong>Total Business Environment - Direct Inputs and Consumables Revenue Loss</strong></td>
<td>$5,366,899</td>
<td>$8,213,060</td>
<td>$7,823,160</td>
<td>$5,840,000</td>
<td>$5,946,000</td>
</tr>
</tbody>
</table>

### Footnotes for Business Environment

1. The FYE 6-14 and FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
## Tax Exemptions by Classification

### Business Environment

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS ENVIRONMENT-MANUFACTURING MACHINERY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Purchases of Consumables by Paper and Wood Manufacturers and Loggers</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$328,000</td>
<td>$335,000</td>
</tr>
<tr>
<td>12. Purchases of Manufacturing Machinery and Equipment</td>
<td>$74,324,589</td>
<td>$75,073,201</td>
<td>$88,666,688</td>
<td>$89,920,000</td>
<td>$91,718,000</td>
</tr>
<tr>
<td>13. Purchases of Certain Machinery and Equipment Used to Produce a News Publication</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
</tr>
<tr>
<td>24. Property Used in the Manufacture, Production, or Extraction of Unblended Diesel</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$28,000</td>
<td>$29,000</td>
</tr>
<tr>
<td>57. First $50,000 of New Farm Equipment Used in Poultry Production</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 138</td>
<td>See number 138</td>
</tr>
<tr>
<td>79. Purchases by Motor Vehicle Manufacturers</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
</tr>
<tr>
<td>80. Purchases by Glass Manufacturers</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
</tr>
<tr>
<td>81. Purchases of Machinery and Equipment by Owners of Certain Radio Stations</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>82. Purchases of Machinery and Equipment by Certain Utilities</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$1,435,000</td>
<td>$1,463,000</td>
</tr>
<tr>
<td>138. First $50,000 of the Sales Price of Certain Rubber-Tired Farm Equipment and Attachments</td>
<td>See number 12</td>
<td>See number 12</td>
<td>See number 12</td>
<td>$6,562,000</td>
<td>$6,693,000</td>
</tr>
<tr>
<td><strong>Total Business Environment - Manufacturing Machinery and Equipment Revenue Loss</strong></td>
<td><strong>$74,324,589</strong></td>
<td><strong>$75,073,201</strong></td>
<td><strong>$88,666,688</strong></td>
<td><strong>$98,273,000</strong></td>
<td><strong>$100,238,000</strong></td>
</tr>
<tr>
<td><strong>Total Business Environment Revenue Loss</strong></td>
<td><strong>$1,038,309,615</strong></td>
<td><strong>$1,212,513,561</strong></td>
<td><strong>$613,619,446</strong></td>
<td><strong>$586,167,000</strong></td>
<td><strong>$597,836,000</strong></td>
</tr>
</tbody>
</table>
## Tax Exemptions by Classification

### Dealers and Vendors Compensation and Discounts

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liquor Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Timely Filing and Payment (Beer)</td>
<td>$698,530</td>
<td>$693,380</td>
<td>$680,365</td>
<td>$656,000</td>
<td>$669,000</td>
</tr>
<tr>
<td>4. Timely Filing and Payment (Wine)</td>
<td>$774,700</td>
<td>$799,100</td>
<td>$867,450</td>
<td>$861,000</td>
<td>$879,000</td>
</tr>
<tr>
<td><strong>Miscellaneous Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Timely Filing and Payment (Telecommunications)</td>
<td></td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>5. Timely Filing and Payment (Hazardous Waste Disposal)</td>
<td>$19,500</td>
<td>$16,800</td>
<td>$16,749</td>
<td>$17,000</td>
<td>$17,000</td>
</tr>
<tr>
<td><strong>Petroleum Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Timely Filing and Payment by Suppliers (Gasoline)</td>
<td>$6,998,900</td>
<td>$7,206,138</td>
<td>$2,811,959</td>
<td>$2,413,000</td>
<td>$2,462,000</td>
</tr>
<tr>
<td>9. Timely Filing and Payment by Suppliers (Diesel)</td>
<td>$2,038,100</td>
<td>$2,534,389</td>
<td>$826,974</td>
<td>$645,000</td>
<td>$658,000</td>
</tr>
<tr>
<td>11. Timely Filing and Payment by Dealers (Special Fuels)</td>
<td>***</td>
<td>***</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Tobacco Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Tobacco Stamps</td>
<td>$5,823,182</td>
<td>$6,777,474</td>
<td>$11,708,543</td>
<td>$14,100,000</td>
<td>$14,340,000</td>
</tr>
<tr>
<td>2. Timely Filing and Payment</td>
<td>$1,382,000</td>
<td>$1,466,666</td>
<td>$1,618,546</td>
<td>$1,785,000</td>
<td>$1,820,000</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>187. Vendor’s Compensation</td>
<td>$25,648,496</td>
<td>$25,882,917</td>
<td>$24,166,368</td>
<td>$18,770,000</td>
<td>$19,145,000</td>
</tr>
<tr>
<td><strong>Total Dealers and Vendors Compensation and Discounts</strong></td>
<td>$43,399,008</td>
<td>$45,387,964</td>
<td>$42,696,954</td>
<td>$39,247,000</td>
<td>$39,990,000</td>
</tr>
</tbody>
</table>

**Revenue Loss**

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$43,399,008</td>
<td>$45,387,964</td>
<td>$42,696,954</td>
<td>$39,247,000</td>
<td>$39,990,000</td>
</tr>
</tbody>
</table>
## Tax Exemptions by Classification

### Educational Breaks for Educational Institutions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporation Franchise Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Donations to Public Elementary or Secondary Schools</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>18. Donations of Materials, Equipment, or Instructors Made to Certain Training Providers</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>34. School Readiness Child Care Provider</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>35. School Readiness Business Supported Child Care</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td>36. School Readiness Fees and Grants to Resource &amp; Referral Agencies</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
<td>See note 1</td>
</tr>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Contribution of Tangible Property of a Sophisticated and Technological Nature to Educational Institutions ² ³</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>22. Donations to Public Elementary or Secondary Schools</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>25. Donations of Materials, Equipment, or Instructors Made to Certain Training Providers</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>48. School Readiness Child Care Provider ² ³ ⁴</td>
<td>$2,329,756</td>
<td>$2,388,761</td>
<td>$2,112,961</td>
<td>$2,296,000</td>
<td>$2,342,000</td>
</tr>
<tr>
<td>49. School Readiness Business Supported Child Care ²</td>
<td>$264,130</td>
<td>$341,917</td>
<td>$139,225</td>
<td>$245,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>50. School Readiness Fees and Grants to Resource and Referral Agencies Credit ² ³ ⁴</td>
<td>$227,578</td>
<td>$187,921</td>
<td>$187,342</td>
<td>$191,000</td>
<td>$195,000</td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Contribution of Tangible Property of a Sophisticated and Technological Nature to Educational Institutions ³</td>
<td>$959,108</td>
<td>$1,411,309</td>
<td>$894,438</td>
<td>$974,000</td>
<td>$994,000</td>
</tr>
<tr>
<td>45. Donations of Materials, Equipment, or Instructors Made to Certain Training Providers ³</td>
<td>$211,828</td>
<td>$48,048</td>
<td>Negligible</td>
<td>$22,000</td>
<td>$22,000</td>
</tr>
<tr>
<td>72. School Readiness Child Care Provider ³</td>
<td>$2,311,547</td>
<td>$2,256,055</td>
<td>$2,138,664</td>
<td>$2,241,000</td>
<td>$2,286,000</td>
</tr>
<tr>
<td>73. School Readiness Child Care Directors and Staff ³</td>
<td>$8,071,133</td>
<td>$8,158,998</td>
<td>$8,580,787</td>
<td>$8,537,000</td>
<td>$8,708,000</td>
</tr>
<tr>
<td>74. School Readiness Business Supported Child Care ³</td>
<td>$359,729</td>
<td>$215,361</td>
<td>$179,634</td>
<td>$201,000</td>
<td>$205,000</td>
</tr>
<tr>
<td>75. School Readiness Fees &amp; Grants to Resource &amp; Referral Agencies ³</td>
<td>$359,214</td>
<td>$759,294</td>
<td>$539,178</td>
<td>$662,000</td>
<td>$675,000</td>
</tr>
<tr>
<td><strong>Total Educational Breaks for Educational Institutions Revenue Loss</strong></td>
<td>$15,094,023</td>
<td>$15,767,664</td>
<td>$14,772,229</td>
<td>$15,369,000</td>
<td>$15,677,000</td>
</tr>
</tbody>
</table>

### Footnotes for Educational Breaks for Educational Institutions

1. The estimated revenue loss for these credits are included in the total revenue loss for corporate income tax.
2. The estimated revenue loss for these credits includes the total revenue loss for corporate income and franchise taxes.
3. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
4. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
## Exemptions

<table>
<thead>
<tr>
<th>Corporation Income Tax</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>51. Donations to School Tuition Organization</td>
<td>$0</td>
<td>$60,975</td>
<td>$211,661</td>
<td>$1,000,000</td>
<td>$1,500,000</td>
</tr>
</tbody>
</table>

### Individual Income Tax

| 17. START Savings Program Contribution¹ | $1,963,205 | $2,137,671 | $2,228,981 | $2,227,000 | $2,272,000 |
| 19. Teachers | Negligible | Negligible | $0 | *** | *** |
| 23. Elementary & Secondary School Tuition¹ | $21,392,688 | $21,374,514 | $21,493,926 | $21,863,000 | $22,300,000 |
| 24. Educational Expenses for Home-Schooled Children¹ | $210,050 | $228,750 | $261,344 | $250,000 | $255,000 |
| 25. Fees and Other Educational Expenses for a Quality Public Education¹ | $2,589,435 | $2,855,240 | $3,061,098 | $3,017,000 | $3,078,000 |
| 31. Education¹ | $16,864,230 | $16,476,887 | $9,751,540 | $11,024,000 | $11,244,000 |
| 37. Educational Expense Incurred for a Degree Related to Law Enforcement¹ | $75,337 | $76,834 | $32,645 | $45,000 | $46,000 |
| 71. School Readiness Child Care¹ | $3,159,938 | $3,238,177 | $3,098,313 | $3,232,000 | $3,296,000 |
| 76. Donations to School Tuition Organization | $0 | $0 | $101,660 | $1,600,000 | $1,600,000 |

### Petroleum Products

| 3. School Bus Drivers (Gasoline) | $18,746 | $12,154 | Negligible | Negligible | Negligible |
| 6. School Bus Drivers (Diesel) | $210,500 | $211,050 | $210,683 | $211,000 | $211,000 |
| 10. School Bus Drivers (Special Fuels) | *** | *** | $0 | $0 | $0 |

### Total Educational Breaks for Individuals Revenue Loss

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Educational Breaks for Individuals Revenue Loss</td>
<td>$46,484,129</td>
<td>$46,672,252</td>
<td>$40,451,851</td>
<td>$44,469,000</td>
<td>$45,802,000</td>
</tr>
</tbody>
</table>

---

**Footnotes for Education Breaks for Individuals**

1. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
## Louisiana Constitutional Mandates

### Tax Exemptions by Classification

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52. Federal Income Tax Deduction¹ ²</td>
<td>$97,851,663</td>
<td>$142,282,613</td>
<td>$175,463,993</td>
<td>$162,051,000</td>
<td>$165,292,000</td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>77. Federal Income Tax Deduction¹</td>
<td>$791,019,776</td>
<td>$879,742,313</td>
<td>$870,033,014</td>
<td>$892,385,000</td>
<td>$910,233,000</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>195. Sales of Gasoline, Gasohol, and Diesel</td>
<td>$365,837,353</td>
<td>$359,362,211</td>
<td>$327,701,562</td>
<td>$417,094,000</td>
<td>$425,436,000</td>
</tr>
<tr>
<td>196. Purchases Made With Food Stamps and WIC Vouchers³</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$28,148,000</td>
<td>$28,711,000</td>
</tr>
<tr>
<td>198. Credit for Use Tax Paid on Automobiles Imported by Certain Members of the Armed Services</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>199. Use of Vehicles in Louisiana by Active Military Personnel</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>200. Sales of Food for Preparation and Consumption in the Home</td>
<td>$392,543,307</td>
<td>$428,176,734</td>
<td>$424,070,647</td>
<td>$510,772,000</td>
<td>$520,987,000</td>
</tr>
<tr>
<td>201. Sales of Electric Power or Energy to the Consumer for Residential Use</td>
<td>$197,926,721</td>
<td>$161,183,715</td>
<td>$166,725,153</td>
<td>$198,890,000</td>
<td>$202,868,000</td>
</tr>
<tr>
<td>202. Sales of Natural Gas to the Consumer for Residential Use</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
</tr>
<tr>
<td>203. Sales of Water to the Consumer for Residential Use</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
</tr>
<tr>
<td>204. Drugs Prescribed by Physicians or Dentists</td>
<td>$283,653,094</td>
<td>$300,820,341</td>
<td>$358,956,487</td>
<td>$432,803,000</td>
<td>$441,459,000</td>
</tr>
<tr>
<td><strong>Total Louisiana Constitutional Mandates Revenue Loss</strong></td>
<td>$2,128,831,914</td>
<td>$2,271,567,927</td>
<td>$2,322,950,856</td>
<td>$2,642,143,000</td>
<td>$2,694,986,000</td>
</tr>
</tbody>
</table>

### Footnotes for Louisiana Constitutional Mandates

- ### Included in the row labeled other exemptions.
- 1. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
- 2. The revenue loss for this exemption does not include any loss from amended returns filed during the fiscal year.
- 3. Data received on returns for recent periods indicated that amounts reported for this exemption was previously reported under other exemptions.
## Tax Exemptions by Classification

### Non-itemized Sales and Use Tax Exclusions and Exem.

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Purchases by Pari-Mutuel Horse Racetracks</td>
<td></td>
<td></td>
<td></td>
<td>$64,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>2. Purchases by Off-Track Wagering Facilities</td>
<td></td>
<td></td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>3. Purchases by Louisiana Insurance Guaranty Association</td>
<td></td>
<td></td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>4. Purchases, Services and Rentals on Construction or Operation of Sewerage or Wastewater Treatment Facilities</td>
<td></td>
<td></td>
<td></td>
<td>$100,000</td>
<td>$102,000</td>
</tr>
<tr>
<td>5. Isolated or Occasional Sales of Tangible Personal Property</td>
<td></td>
<td></td>
<td></td>
<td>$6,999,000</td>
<td>$7,139,000</td>
</tr>
<tr>
<td>6. Installation Charges on Tangible Personal Property</td>
<td></td>
<td></td>
<td>$27,821,000</td>
<td>$28,377,000</td>
<td></td>
</tr>
<tr>
<td>7. Separately Stated Labor Charges on Property Repaired Out-of-State</td>
<td></td>
<td></td>
<td></td>
<td>$80,000</td>
<td>$81,000</td>
</tr>
<tr>
<td>8. Installation of Board Roads to Oil-Field Operators</td>
<td></td>
<td></td>
<td></td>
<td>$69,000</td>
<td>$71,000</td>
</tr>
<tr>
<td>10. Manufacturers Rebates Paid Directly to a Dealer</td>
<td></td>
<td></td>
<td></td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>15. Room Rentals at Camp and Retreat Facilities</td>
<td></td>
<td></td>
<td></td>
<td>$23,000</td>
<td>$23,000</td>
</tr>
<tr>
<td>16. Room Rentals at Certain Homeless Shelters</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>17. Rentals or Leases of Certain Oil-Field Property to be Re-Leased or Re-Rented</td>
<td></td>
<td></td>
<td></td>
<td>$243,000</td>
<td>$248,000</td>
</tr>
<tr>
<td>18. Certain Transactions Involving the Construction or Overhaul of U.S. Navy Vessels</td>
<td></td>
<td></td>
<td></td>
<td>$747,000</td>
<td>$762,000</td>
</tr>
<tr>
<td>19. Rental or Purchase of Airplanes or Airplane Equipment and Parts by Louisiana Domiciled Commuter Airlines</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>20. Purchases and Leases by Free Hospitals</td>
<td></td>
<td></td>
<td></td>
<td>$220,000</td>
<td>$225,000</td>
</tr>
<tr>
<td>21. Certain Educational Materials and Equipment Used for Classroom Instruction</td>
<td></td>
<td></td>
<td></td>
<td>$121,000</td>
<td>$123,000</td>
</tr>
<tr>
<td>22. Sales and Rentals to Boys State of La., Inc. and Girls State of La., Inc.</td>
<td></td>
<td></td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>23. Vehicle Rentals for Re-Rent to Warranty Customers</td>
<td></td>
<td></td>
<td></td>
<td>$2,552,000</td>
<td>$2,603,000</td>
</tr>
<tr>
<td>25. Leases or Rentals of Pallets Used in Packaging Products Produced by a Manufacturer</td>
<td></td>
<td></td>
<td></td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>26. Purchases by Regionally Accredited Independent Educational Institutions</td>
<td></td>
<td></td>
<td></td>
<td>$771,000</td>
<td>$786,000</td>
</tr>
<tr>
<td>30. Purchases by Nonprofit Entities that Sell Donated Goods</td>
<td></td>
<td></td>
<td></td>
<td>$414,000</td>
<td>$422,000</td>
</tr>
<tr>
<td>34. Sales of Human-Tissue Transplants</td>
<td></td>
<td></td>
<td></td>
<td>$2,321,000</td>
<td>$2,367,000</td>
</tr>
<tr>
<td>35. Sales of Raw Agricultural Products</td>
<td></td>
<td></td>
<td></td>
<td>$40,197,000</td>
<td>$41,001,000</td>
</tr>
<tr>
<td>37. Sales of Food Items by Youth Organizations</td>
<td></td>
<td></td>
<td></td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
</tbody>
</table>

### Footnotes for Non-itemized Sales and Use Tax Exclusions and Exem.

### Included in the row labeled other exemptions.
### Tax Exemptions by Classification

#### Non-itemized Sales and Use Tax Exclusions and Exem.

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Tangible Personal Property Sold or Donated to Food Banks</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>40. Pollution Control Devices and Systems</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$4,859,000</td>
<td>$4,857,000</td>
</tr>
<tr>
<td>41. Certain Aircraft Assembled in Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>42. Pelletized Paper Waste Used in a Permitted Boiler</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>43. Purchases of Equipment by Bona Fide Volunteer and Public Fire Department</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>44. Sales of Telephone Directories by Advertising Companies</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>45. Sales of Cellular Telephones and Electronic Accessories</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>48. Donation of Toys</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>50. Purchases by a Private Postsecondary Academic Degree-Granting Institution</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>51. Purchases of Food Items for School Lunch or Breakfast Programs by Nonpublic Elementary or Secondary Schools</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$55,000</td>
<td>$56,000</td>
</tr>
<tr>
<td>52. Purchases of storm shutter devices</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>53. Sales of Tangible Personal Property by the Louisiana Military Department</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>54. Sales of Anthropogenic Carbon Dioxide Use in Qualified Tertiary Recovery Projects</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>55. Qualifying Events Providing Louisiana Heritage, Culture, Crafts, Art, Food and Music Sponsored by a Domestic Nonprofit Organization</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>56. Articles Traded in on Tangible Personal Property</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,711,000</td>
<td>$1,745,000</td>
</tr>
<tr>
<td>58. Specialty Mardi Gras Items Sold by Certain Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>59. Admission Charges to Athletic Events of Colleges and Universities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$553,000</td>
<td>$565,000</td>
</tr>
<tr>
<td>60. Admission Charges to Athletic Events and Entertainment Events of Elementary and Secondary Schools</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,013,000</td>
<td>$1,034,000</td>
</tr>
<tr>
<td>61. Membership Fees or Dues of Nonprofit or Civic Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$234,000</td>
<td>$238,000</td>
</tr>
<tr>
<td>62. Admissions to Museums</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$974,000</td>
<td>$993,000</td>
</tr>
<tr>
<td>63. Admissions to Places of Amusement at Camp or Retreat Facilities</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>64. Repair Services Performed in Louisiana When the Repaired Property is Exported</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,822,000</td>
<td>$1,858,000</td>
</tr>
<tr>
<td>65. Repairs, Renovations or Conversions of Drilling Rigs</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$438,000</td>
<td>$446,000</td>
</tr>
</tbody>
</table>

---

**Footnotes for Non-itemized Sales and Use Tax Exclusions and Exem.**

### Included in the row labeled other exemptions.
### Tax Exemptions by Classification  
#### Non-itemized Sales and Use Tax Exclusions and Exem.

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>66. Interstate Telecommunication Services Purchased by Defined Call Centers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>67. Telecommunication Services Through Coin-Operated Telephones</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>68. Miscellaneous Telecommunication Services</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>69. Gold, Silver, or Numistic Coins, or Platinum, Gold, or Silver Bullion</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$208,000</td>
<td>$212,000</td>
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<tr>
<td>70. Certain Geophysical Survey Information and Data Analyses</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$78,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>71. Vehicle Repairs Subsequent to Warranty Lapse</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>72. Work Products of Certain Professionals</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$543,000</td>
<td>$554,000</td>
</tr>
<tr>
<td>73. Pharmaceuticals Administered to Livestock for Agricultural Purposes</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$234,000</td>
<td>$239,000</td>
</tr>
<tr>
<td>75. Purchases of Certain Custom Computer Software</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$163,000</td>
<td>$166,000</td>
</tr>
<tr>
<td>76. Materials Used Directly in the Collection of Blood</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$385,000</td>
<td>$393,000</td>
</tr>
<tr>
<td>77. Apheresis Kits and Leuko Reduction Filters</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$152,000</td>
<td>$155,000</td>
</tr>
<tr>
<td>78. Other Constructions Permanently Attached to the Ground</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$3,533,000</td>
<td>$3,603,000</td>
</tr>
<tr>
<td>83. Sales of Newspapers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$378,000</td>
<td>$385,000</td>
</tr>
<tr>
<td>84. Donations to Certain Schools</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>85. Use Tax on Residue or Byproducts Consumed by the Producer</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>87. Purchases by Nonprofit Electric Cooperatives</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$1,006,000</td>
<td>$1,026,000</td>
</tr>
<tr>
<td>89. Sales by State-Owned Domed Stadiums</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>91. Boats, Vessels, and Other Water Craft as Demonstrators</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>92. Purchases of Off-Road Vehicles by Certain Buyers Domiciled in Another State</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$36,000</td>
<td>$37,000</td>
</tr>
<tr>
<td>93. Sales of Farm Products Direct from the Farm</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$11,382,000</td>
<td>$11,610,000</td>
</tr>
<tr>
<td>94. Livestock Sold at Market and Racehorses Claimed in Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>95. Feed and Feed Additives for Animals Held for Business Purposes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$169,000</td>
<td>$172,000</td>
</tr>
<tr>
<td>96. Materials Used in the Production or Harvesting of Crawfish</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$55,000</td>
<td>$56,000</td>
</tr>
<tr>
<td>97. Bait and Feed Used in the Production or Harvesting of Crawfish</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$298,000</td>
<td>$304,000</td>
</tr>
<tr>
<td>98. Materials Used in the Production or Harvesting of Catfish</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>99. Farm Products Produced and Used by the Farmers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$6,607,000</td>
<td>$6,739,000</td>
</tr>
</tbody>
</table>

**Footnotes for Non-itemized Sales and Use Tax Exclusions and Exem.**

- ### Included in the row labeled other exemptions.
- +++ Included in the row labeled Exemptions subject to 1% suspended rate.
## Tax Exemptions by Classification

### Non-itemized Sales and Use Tax Exclusions and Exem.

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100. Sales of Gasoline (not subject to motor fuels tax)</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>104. Sales of Fertilizers and Containers to Farmers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>See number 118</td>
<td>See number 118</td>
</tr>
<tr>
<td>106. Materials and Energy Sources Used for Boiler Fuel</td>
<td>+++</td>
<td>+++</td>
<td>$3,407,871</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>108. Orthotic and Prosthetic Devices</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,719,000</td>
<td>$1,753,000</td>
</tr>
<tr>
<td>109. Ostomy, Colostomy, Ileostomy and Other Appliance Devices</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>110. Patient Aids for Home Use When Prescribed by a Physician</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$356,000</td>
<td>$364,000</td>
</tr>
<tr>
<td>112. Restorative Materials Used by Dentists</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$245,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>113. Adaptive Driving Equipment and Motor Vehicle Modification</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>114. Sales of Food by Certain Institutions</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$4,340,000</td>
<td>$4,426,000</td>
</tr>
<tr>
<td>115. Fees Paid by Radio and Television Broadcasters for the Rights to Broadcast Film, Video, and Tapes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>116. Sales of 50-ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$23,778,000</td>
<td>$24,254,000</td>
</tr>
<tr>
<td>117. Sales of Insulin</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>118. Sales of Seeds for Planting Crops</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$13,719,000</td>
<td>$13,993,000</td>
</tr>
<tr>
<td>119. Sales of Admission Tickets by Little Theater Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>120. Tickets to Musical Performances by Nonprofit Musical Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>121. Sales of Pesticides for Agricultural Purposes</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$1,197,000</td>
<td>$1,221,000</td>
</tr>
<tr>
<td>122. Rentals of Motion-Picture Film to Commercial Theaters</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>123. Property Purchased for Exclusive Use Outside the State</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$11,385,000</td>
<td>$11,612,000</td>
</tr>
<tr>
<td>125. Admissions to Entertainment by Domestic Nonprofit Charitable, Educational, and Religious Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$39,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>126. Sales of Tangible Personal Property at or Admissions to Events Sponsored by Certain Nonprofit Groups</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$120,000</td>
<td>$122,000</td>
</tr>
<tr>
<td>127. Sales by Thrift Shops on Military Installations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>128. Sales of Newspapers by Religious Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>129. Sales to Nonprofit Literacy Organizations</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>130. Sales or Purchases by Blind Persons Operating Small Businesses</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

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<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>131. Purchases by Certain Organizations that Promote Training for the Blind</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>134. Outside Gate Admissions and Parking Fees at Fairs, Festivals, and Expos</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>135. Lease or Rental of Certain Vessels in Mineral Production</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$328,000</td>
<td>$334,000</td>
</tr>
<tr>
<td>136. Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fishermen</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$556,000</td>
<td>$567,000</td>
</tr>
<tr>
<td>137. Certain Seafood-Processing Facilities</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$122,000</td>
<td>$124,000</td>
</tr>
<tr>
<td>139. New Vehicles Furnished by a Dealer for Driver-Education Programs</td>
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<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
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<td>140. Sales of Gasohol</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>141. Construction Materials and Operating Supplies for Certain Nonprofit Retirement Centers</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>143. Sales of Certain Fuels Used for Farm Purposes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$3,246,000</td>
<td>$3,311,000</td>
</tr>
<tr>
<td>144. Sales or Purchases by Certain Sheltered Workshops</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$146,000</td>
<td>$149,000</td>
</tr>
<tr>
<td>146. Specialty Mardi Gras Items Purchased or Sold by Certain Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>147. Purchases and Sales by Ducks Unlimited and Bass Life</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>148. Tickets to Dance, Drama, or Performing Arts Presentations by Certain Nonprofit Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>149. Purchases by and Sales by Certain Nonprofit Organizations Dedicated to the Conservation of Fish and Migratory Waterfowl</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>150. Raw Materials Used in the Printing Process</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>151. Piggyback Trailers or Containers and Rolling Stock</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>See number 156</td>
<td>See number 156</td>
</tr>
<tr>
<td>152. Pharmaceutical Samples Distributed in Louisiana</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>153. Catalogs Distributed in Louisiana</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>156. Rail Rolling Stock Sold or Leased in Louisiana</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$6,227,000</td>
<td>$6,632,000</td>
</tr>
<tr>
<td>157. Rail Rolling Stock Repaired or Fabricated in Louisiana</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$1,101,000</td>
<td>$1,123,000</td>
</tr>
<tr>
<td>158. Sales of Railroad Ties to Railroads for Use in Other States</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>160. Sickle Cell Disease Organizations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$26,000</td>
<td>$27,000</td>
</tr>
<tr>
<td>162. Sales of Original One-of-a-Kind Works of Art Sold in Certain Locations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>$148,000</td>
<td>$151,000</td>
</tr>
<tr>
<td>164. Sales of Construction Materials to Habitat for Humanity</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

### Footnotes for Non-Itemized Sales and Use Tax Exclusions and Exem.

<table>
<thead>
<tr>
<th>Footnote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>###</td>
<td>Included in the row labeled other exemptions.</td>
</tr>
<tr>
<td>+++</td>
<td>Included in the row labeled Exemptions subject to 1% suspended rate.</td>
</tr>
</tbody>
</table>
### Tax Exemptions by Classification

#### Non-itemized Sales and Use Tax Exclusions and Exem.

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>165. Purchase of Certain Water Conservation Equipment for Use in the Sparta Groundwater Conservation District</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>167. Sale of Polyroll Tubing</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>168. Purchase, Lease or Repair of Certain Capital Equipment and Computer Software of Qualifying Radiation Therapy Treatment Centers</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>169. Purchases of Construction Materials by Hands on New Orleans and Rebuilding Together New Orleans Covenant Partners</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>170. Parish Councils on Aging</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$16,000</td>
</tr>
<tr>
<td>171. Purchase of Breastfeeding Items</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$10,000</td>
</tr>
<tr>
<td>172. Purchases by the Fore!Kids Foundation</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>174. Purchases of Construction Materials by the Make it Right Foundation</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>See number 164</td>
</tr>
<tr>
<td>175. Purchases of Construction Materials by the St. Bernard Project, Inc.</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>176. Antique Airplanes Held by Private Collectors and Not Used for Commercial Purposes</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>Negligible</td>
</tr>
<tr>
<td>179. Credit for Sales and Use Taxes Paid to Other States on Property Imported into Louisiana</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>Unable to anticipate</td>
</tr>
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#### Other Exemptions¹

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$910,830,089</td>
<td>$902,668,601</td>
<td>$810,997,270</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>$7,677,833</td>
<td>$7,770,709</td>
<td>$5,604,428</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>$918,507,922</td>
<td>$910,439,310</td>
<td>$820,009,569</td>
<td>$188,584,000</td>
<td>$192,635,000</td>
<td></td>
</tr>
</tbody>
</table>

#### Footnotes for Non-itemized Sales and Use Tax Exclusions and Exem.

### Included in the row labeled other exemptions.
### Included in the row labeled Exemptions subject to 1% suspended rate.

1. An allocation of the “Other Exemptions” and “Exemptions Subject to 1% Suspended Rate” totals to the corresponding specific exemptions has been prepared using data available for the period of April 2016 to October 2016.
## Tax Exemptions by Classification

### Normal Tax Structure

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORMAL TAX STRUCTURE - GENERAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. S Bank Income Exclusion</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
</tr>
<tr>
<td>18. I.R.C. Section 280(C) Wage Expense⁷</td>
<td>$441,161</td>
<td>$490,214</td>
<td>$443,298</td>
<td>$476,000</td>
<td>$486,000</td>
</tr>
<tr>
<td>30. Special Allowable Credits⁵</td>
<td>$1,178,654</td>
<td>$1,172,645</td>
<td>$793,619</td>
<td>$835,000</td>
<td>$852,000</td>
</tr>
<tr>
<td><strong>Liquor Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Products Returned to Manufacturer or Destroyed by a Dealer</td>
<td>$59,520</td>
<td>$140,880</td>
<td>$236,912</td>
<td>$219,000</td>
<td>$135,000</td>
</tr>
<tr>
<td>3. Antiseptic, Scientific, Religious, and Chemical Uses</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Purchases of Tangible Personal Property for Lease or Rental</td>
<td>$8,542,578</td>
<td>$12,012,051</td>
<td>$6,337,236</td>
<td>$5,850,000</td>
<td>$5,967,000</td>
</tr>
<tr>
<td>86. Advertising Services³</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$3,257,000</td>
<td>$3,322,000</td>
</tr>
<tr>
<td><strong>Tobacco Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Return of Taxable Cigarettes to the Manufacturer</td>
<td>$133,583</td>
<td>$121,854</td>
<td>$432,823</td>
<td>$434,000</td>
<td>$443,000</td>
</tr>
<tr>
<td>5. Return of Taxable Product to the Manufacturer⁶</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
</tr>
<tr>
<td>6. Return of Taxable Vapor Product to the Manufacturer</td>
<td>***</td>
<td>***</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. I.R.C. Section 280C Expense</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td><strong>Total Normal Structure - General Revenue Loss</strong></td>
<td>$10,355,496</td>
<td>$13,937,644</td>
<td>$8,243,888</td>
<td>$11,071,000</td>
<td>$11,205,000</td>
</tr>
</tbody>
</table>

| **NORMAL TAX STRUCTURE - DOUBLE TAXATION** |         |         |         |                      |                      |
| Corporation Income Tax |         |         |         |                      |                      |
| 10. Subchapter S Corporation ¸¹⁴ | $438,799,535 | $596,800,542 | $503,679,326 | $561,245,000 | $572,470,000 |
| 16. Insurance Company Premium Tax²⁶ | $25,359,334 | $39,578,635 | $33,146,177 | $36,576,000 | $37,307,000 |
| **Individual Income Tax** |         |         |         |                      |                      |
| 27. Net Income Taxes Paid to Other States²⁷ | $84,587,832 | $103,808,582 | $50,827,918 | $61,525,000 | $62,755,000 |
| **Total Normal Tax Structure - Double Taxation Revenue Loss** | $548,746,701 | $740,187,759 | $587,653,421 | $659,346,000 | $672,532,000 |

### Footnotes for Normal Tax Structure

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. Data received on returns for recent periods indicated that amounts reported for this exemption was previously reported under other exemptions.
4. The revenue loss for this exemption does not include any loss from amended returns filed during the fiscal year.
5. The revenue loss for this exemption is included in Tobacco Tax - Other Exemptions found in the Miscellaneous classification.
## Tax Exemptions by Classification

### Normal Tax Structure

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORMAL TAX STRUCTURE - FEDERAL MANDATORY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>78. Interest on United States Government Obligations⁴</td>
<td>$1,742,363</td>
<td>$1,634,102</td>
<td>$1,696,673</td>
<td>$1,731,000</td>
<td>$1,765,000</td>
</tr>
<tr>
<td><strong>Liquor Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Interstate Shipments of Alcoholic Beverages</td>
<td>$911,780</td>
<td>$986,250</td>
<td>$889,990</td>
<td>$981,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>6. Sales to Federal Government and its Agencies</td>
<td>$142,750</td>
<td>$124,800</td>
<td>$137,859</td>
<td>$173,000</td>
<td>$176,000</td>
</tr>
<tr>
<td>9. Foreign Consul and Foreign Commerce</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>10. Sales to the Federal Government and its Agencies</td>
<td>$14,900</td>
<td>$13,660</td>
<td>$17,443</td>
<td>$41,000</td>
<td>$42,000</td>
</tr>
<tr>
<td><strong>Petroleum Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Gasoline Sales to Federal Government and its Agencies</td>
<td>$116,950</td>
<td>$76,769</td>
<td>$64,083</td>
<td>$44,000</td>
<td>$45,000</td>
</tr>
<tr>
<td><strong>Severance Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. U.S. Government Royalty - Gas Wells¹</td>
<td>$311,423</td>
<td>$400,585</td>
<td>$234,803</td>
<td>$136,000</td>
<td>$138,000</td>
</tr>
<tr>
<td>27. U.S. Government Royalty - Oil Wells¹</td>
<td>$584,174</td>
<td>$550,702</td>
<td>$361,777</td>
<td>$299,000</td>
<td>$305,000</td>
</tr>
<tr>
<td><strong>Tobacco Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Sales to Federal Government and its Agencies³</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>###</td>
</tr>
<tr>
<td><strong>Total Normal Tax Structure - Federal Mandatory Revenue</strong></td>
<td><strong>$3,824,340</strong></td>
<td><strong>$3,786,668</strong></td>
<td><strong>$3,402,628</strong></td>
<td><strong>$3,405,000</strong></td>
<td><strong>$3,471,000</strong></td>
</tr>
</tbody>
</table>

| **NORMAL TAX STRUCTURE - INTERGOVERNMENT**     |               |               |               |                      |                      |
| **Corporation Income Tax**                     |               |               |               |                      |                      |
| 6. Interest on State or Local Government Obligations | NRR          | NRR          | NRR          | NRR                  | NRR                  |
| **Individual Income Tax**                      |               |               |               |                      |                      |
| 1. Interest on State and Local Obligations     | NRR          | NRR          | NRR          | NRR                  | NRR                  |
| **Sales Tax**                                  |               |               |               |                      |                      |
| 27. Purchases by State and Local Governments²  | $195,649,046  | $189,068,941  | $204,874,940  | $247,531,000         | $252,481,000         |
| 36. Sale to the United States Government and its Agencies | See number 27 | See number 27 | See number 27 | See number 27         | See number 27         |
| 88. Purchases by a Public Trust                | $0           | $0           | $0           | $0                   | $0                   |

### Footnotes for Normal Tax Structure

### Included in the row labeled other exemptions.

### Included in the row labeled Exemptions subject to 1% suspended rate.

1. The revenue loss for this exclusion was not included in previous TEB reports.
2. These amounts include the total revenue loss for purchases by state and local government and sales to the U.S. government (see #36).
3. The revenue loss for this exemption is included in Tobacco Tax - Other Exemptions found in the Miscellaneous classification.
4. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
### Tax Exemptions by Classification

#### Footnotes for Normal Tax Structure

1. The revenue loss for this exemption does not include any loss from amended returns filed during the fiscal year.
2. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. The revenue loss for this exemption is included in Tobacco Tax - Other Exemptions found in the Miscellaneous classification.

---

#### Normal Tax Structure

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16 (projected)</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tobacco Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Sales to State Institutions</td>
<td>$67,983,600</td>
<td>$93,496,720</td>
<td>$89,977,153</td>
<td>$96,443,000</td>
<td>$98,372,000</td>
</tr>
<tr>
<td><strong>Severance Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Owned and Severed by Political Subdivisions</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Normal Tax Structure - Intergovernment Revenue Loss</strong></td>
<td>$195,649,046</td>
<td>$189,068,941</td>
<td>$204,874,940</td>
<td>$247,531,000</td>
<td>$252,481,000</td>
</tr>
<tr>
<td><strong>NORMAL TAX STRUCTURE - INTERSTATE COMMERCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liquor Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Sales to Ships Engaged in Interstate or Foreign Commerce</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>8. Interstate Shipments of Alcoholic Beverages</td>
<td>$41,840</td>
<td>$22,390</td>
<td>$18,893</td>
<td>$28,000</td>
<td>$28,000</td>
</tr>
<tr>
<td><strong>Petroleum Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Gasoline and Undyed Diesel Brought into Louisiana in Fuel Supply Tanks of Interstate Motor Fuel Users</td>
<td>$34,848</td>
<td>$32,793</td>
<td>$48,930</td>
<td>$38,000</td>
<td>$39,000</td>
</tr>
<tr>
<td>14. Diesel Fuels Used in or Distributed to Seagoing Vessels</td>
<td>$855,730</td>
<td>$950,094</td>
<td>$849,632</td>
<td>$745,000</td>
<td>$759,000</td>
</tr>
<tr>
<td>15. Exports of Gasoline or Diesel Fuels</td>
<td>$679,700</td>
<td>$898,262</td>
<td>$600,438</td>
<td>$638,000</td>
<td>$650,000</td>
</tr>
<tr>
<td>17. Interstate Gasoline and Diesel Shipments/Exports</td>
<td>$67,983,600</td>
<td>$93,496,720</td>
<td>$89,977,153</td>
<td>$96,443,000</td>
<td>$98,372,000</td>
</tr>
<tr>
<td><strong>Tobacco Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Interstate Shipments of Cigarettes</td>
<td>$64,189,800</td>
<td>$71,106,690</td>
<td>$165,006,787</td>
<td>$185,000,000</td>
<td>$188,000,000</td>
</tr>
<tr>
<td>9. Interstate Shipments of Tobacco Products</td>
<td>$679,700</td>
<td>$898,262</td>
<td>$600,438</td>
<td>$638,000</td>
<td>$650,000</td>
</tr>
<tr>
<td><strong>Total Normal Tax Structure - Interstate Commerce Revenue Loss</strong></td>
<td>$133,785,518</td>
<td>$166,506,949</td>
<td>$256,501,833</td>
<td>$282,892,000</td>
<td>$287,848,000</td>
</tr>
<tr>
<td><strong>NORMAL TAX STRUCTURE - NET OPERATING LOSS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Net Louisiana Operating Loss</td>
<td>$205,127,045</td>
<td>$318,887,830</td>
<td>$112,007,179</td>
<td>$156,229,000</td>
<td>$159,353,000</td>
</tr>
<tr>
<td><strong>NORMAL TAX STRUCTURE - TRIBAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>79. Native American Income</td>
<td>$180,827</td>
<td>$183,441</td>
<td>$229,682</td>
<td>$234,000</td>
<td>$239,000</td>
</tr>
</tbody>
</table>

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### Notes

#### Footnotes for Normal Tax Structure

<table>
<thead>
<tr>
<th>Footnote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The revenue loss for this exemption does not include any loss from amended returns filed during the fiscal year.</td>
</tr>
<tr>
<td>2.</td>
<td>The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.</td>
</tr>
<tr>
<td>3.</td>
<td>The revenue loss for this exemption is included in Tobacco Tax - Other Exemptions found in the Miscellaneous classification.</td>
</tr>
</tbody>
</table>
### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
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<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORMAL TAX STRUCTURE - SEVERANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Severance Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Produced Outside the State of Louisiana</td>
<td>$15,418</td>
<td>$18,095</td>
<td>$37,303</td>
<td>$35,000</td>
<td>$36,000</td>
</tr>
<tr>
<td>7. Horizontal Wells</td>
<td>$79,967,535</td>
<td>$208,633,029</td>
<td>$84,472,151</td>
<td>$85,000,000</td>
<td>$85,000,000</td>
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<tr>
<td>8. Inactive Wells</td>
<td>$1,828,935</td>
<td>$1,076,465</td>
<td>$170,506</td>
<td>Negligible</td>
<td>$0</td>
</tr>
<tr>
<td>9. Deep Wells</td>
<td>$3,790,037</td>
<td>$1,171,092</td>
<td>$10,107,072</td>
<td>$5,000,000</td>
<td>$5,100,000</td>
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<tr>
<td>10. Incapable Oil-Well Gas</td>
<td>$741,498</td>
<td>$934,302</td>
<td>$916,891</td>
<td>$600,000</td>
<td>$612,000</td>
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<tr>
<td>11. Incapable Gas-Well Gas</td>
<td>$18,241,026</td>
<td>$21,891,293</td>
<td>$21,768,480</td>
<td>$14,200,000</td>
<td>$14,500,000</td>
</tr>
<tr>
<td>12. Produced Water Injection - Gas Wells¹</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>13. Trucking, Barging, and Pipeline Fees</td>
<td>$664,609</td>
<td>$702,883</td>
<td>$363,029</td>
<td>$358,000</td>
<td>$365,000</td>
</tr>
<tr>
<td>14. Horizontal Wells</td>
<td>$25,635,034</td>
<td>$31,170,602</td>
<td>$11,872,434</td>
<td>$13,500,000</td>
<td>$13,500,000</td>
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<tr>
<td>15. Inactive Wells</td>
<td>$52,264,071</td>
<td>$31,758,884</td>
<td>$5,969,788</td>
<td>$850,000</td>
<td>Negligible</td>
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<tr>
<td>16. Deep Wells</td>
<td>$6,230,616</td>
<td>$2,792,382</td>
<td>$11,081,247</td>
<td>$5,000,000</td>
<td>$5,100,000</td>
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<tr>
<td>17. Tertiary Recovery</td>
<td>$30,090,101</td>
<td>$21,544,117</td>
<td>$13,097,821</td>
<td>$14,900,000</td>
<td>$15,200,000</td>
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<tr>
<td>18. Incapable Oil</td>
<td>$14,426,418</td>
<td>$10,109,196</td>
<td>$5,192,613</td>
<td>$5,100,000</td>
<td>$5,200,000</td>
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<tr>
<td>19. Stripper Oil</td>
<td>$51,181,293</td>
<td>$36,409,826</td>
<td>$19,512,184</td>
<td>$17,800,000</td>
<td>$18,200,000</td>
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<td>20. Stripper Oil Value Less than $20 per Barrel</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>21. Salvage Oil</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$176,558</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td>22. Horizontal Mining and Drilling Projects</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>23. Produced Water Injection - Oil Wells¹</td>
<td>$257,664</td>
<td>$0</td>
<td>$24,275</td>
<td>$13,000</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Total Normal Tax Structure - Severance Revenue Loss</strong></td>
<td>$285,334,254</td>
<td>$368,212,166</td>
<td>$184,762,352</td>
<td>$162,356,000</td>
<td>$162,813,000</td>
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<tr>
<td><strong>Total Normal Tax Structure Revenue Loss</strong></td>
<td>$1,383,003,228</td>
<td>$1,800,771,598</td>
<td>$1,357,675,923</td>
<td>$1,523,064,000</td>
<td>$1,549,942,000</td>
</tr>
</tbody>
</table>

### Footnotes for Normal Tax Structure

1. This incentive was previously reported as Oil and Gas Incentives - Produced Water Injection Incentive. Beginning with the FYE 6-16 presentation, the revenue loss amounts for natural gas and oil will be stated on separate lines. The FYE 6-14 and 6-15 revenue loss for these credits have been restated to conform with the FYE 6-16 presentation.
## Tax Exemptions by Classification

### Retirement, Disability and Military

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Annual Retirement Income Exclusion¹</td>
<td>$21,584,576</td>
<td>$23,133,580</td>
<td>$24,226,682</td>
<td>$24,154,000</td>
<td>$24,637,000</td>
</tr>
<tr>
<td>4. Disability Income Exclusion¹²</td>
<td>$4,550,094</td>
<td>$5,176,689</td>
<td>$4,634,881</td>
<td>$5,004,000</td>
<td>$5,104,000</td>
</tr>
<tr>
<td>5. State Employees, Teachers, and Other Retirement Benefit Exclusion¹</td>
<td>$84,790,445</td>
<td>$89,284,717</td>
<td>$96,291,418</td>
<td>$94,644,000</td>
<td>$96,537,000</td>
</tr>
<tr>
<td>6. Federal Retirement Benefits Exclusion¹</td>
<td>$29,348,245</td>
<td>$30,419,557</td>
<td>$31,907,589</td>
<td>$31,787,000</td>
<td>$32,423,000</td>
</tr>
<tr>
<td>7. Social Security Benefits Exclusion¹</td>
<td>$84,954,647</td>
<td>$92,010,157</td>
<td>$96,820,152</td>
<td>$96,303,000</td>
<td>$98,230,000</td>
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<tr>
<td>8. Military Pay Exclusion¹</td>
<td>$5,808,399</td>
<td>$5,921,603</td>
<td>$6,033,323</td>
<td>$6,097,000</td>
<td>$6,219,000</td>
</tr>
<tr>
<td>22. Military Family Assistance Fund</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
</tr>
<tr>
<td>29. Certain Disabilities¹</td>
<td>$2,883,839</td>
<td>$2,838,812</td>
<td>$2,214,169</td>
<td>$2,172,000</td>
<td>$2,215,000</td>
</tr>
<tr>
<td>48. Employment-related Expenses for Maintaining Households for Certain Disabled Dependents¹</td>
<td>$369,386</td>
<td>$361,146</td>
<td>$104,764</td>
<td>$238,000</td>
<td>$242,000</td>
</tr>
<tr>
<td>60. Amounts Paid by Certain Military Servicemembers for Obtaining Louisiana Hunting and Fishing Licenses¹</td>
<td>$130,578</td>
<td>$144,115</td>
<td>$96,425</td>
<td>$102,000</td>
<td>$104,000</td>
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<tr>
<td><strong>Total Retirement, Disability and Military Revenue Loss</strong></td>
<td>$234,420,209</td>
<td>$249,290,376</td>
<td>$262,329,403</td>
<td>$260,501,000</td>
<td>$265,711,000</td>
</tr>
</tbody>
</table>

### Footnotes for Retirement, Disability, and Military

### Included in the row labeled other exemptions.

1. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. This includes the revenue loss and projected loss for disability income exclusion, S Bank income exclusion, deduction for military family assistance fund, and deduction for adaptive home improvements for disabled individuals.
## Tax Exemptions by Classification

### Sales Tax - Alternative Reporting Methods or Prescribed Methods of Taxation

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>177. Certain Interchangeable Components; Optional Method to Determine</td>
<td>$$$</td>
<td>$$$</td>
<td>$$$</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>178. Helicopters Leased for Use in the Extraction, Production, or</td>
<td>See number 31</td>
<td>See number 31</td>
<td>See number 31</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Exploration for Oil, Gas, or Other Minerals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>179. Cash-Basis Sales Tax Reporting and Remitting for Health and</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Fitness Club Membership Contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>180. Cash-Basis Reporting Procedure for Rental and Lease Transactions</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>181. Collection From Interstate and Foreign Transportation Dealers</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>182. Extended Time to Register Mobile Homes</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>183. “Sales or Cost Price” of Refinery Gas</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>184. News Publications Distributed at No Cost to Readers</td>
<td>$$$</td>
<td>$$$</td>
<td>$$$</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>185. Leases or Rentals of Railroad Rolling Stock and Leases or Rentals</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>by Railway Companies and Railroad Corporations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>186. Sales through Coin-Operated Vending Machines</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Total Alternative Reporting Method or Statutorily Prescribed Method of Taxation Revenue Loss</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax - Alternative Reporting Methods or Prescribed Methods of Taxation

### Included in the row labeled other exemptions.
## Specialty Sales Tax Exemptions

### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPECIALTY SALES TAX EXEMPTIONS ACTIVITIES OF SPECIFIC GROUP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>189. Sale Tax Remitted on Bad Debts from Credit Sales</td>
<td>$2,298,363</td>
<td>$337,247</td>
<td>$854,291</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>193. Sale Tax Collected by a Qualified Charitable Institutions</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Total Activities of Specific Group Revenue Loss</strong></td>
<td>$2,298,363</td>
<td>$337,247</td>
<td>$854,291</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>SPECIALTY SALES TAX EXEMPTIONS PURCHASE MADE BY SPECIFIC TAXPAYER</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Purchases of Certain Bibles, Songbooks, or Literature by Certain</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
</tr>
<tr>
<td>Churches or Synagogues for Religious Instructional Classes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>124. Additional Tax Levy on Contracts Entered into Prior to and Within</td>
<td>$0</td>
<td>$0</td>
<td>$891,314</td>
<td>$3,812,000</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>90 Days of Tax Levy</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>173. Purchases of Vehicles Modified for Use by an Orthopedically</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>Disabled Person</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>188. Costs to Reprogram Cash Registers</td>
<td>$27,404</td>
<td>$14,766</td>
<td>$21,558</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>194. Louisiana Tax Free Shopping Program</td>
<td>$1,371,919</td>
<td>$1,064,014</td>
<td>$1,726,759</td>
<td>$1,388,000</td>
<td>$1,415,000</td>
</tr>
<tr>
<td><strong>Total Purchase Made by Specific Taxpayer Revenue Loss</strong></td>
<td>$1,399,323</td>
<td>$1,078,780</td>
<td>$2,639,631</td>
<td>$5,200,000</td>
<td>$1,415,000</td>
</tr>
<tr>
<td><strong>SPECIALTY SALES TAX EXEMPTIONS PURCHASE OF SPECIFIC ITEM</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Purchases by the Society of the Little Sisters of the Poor</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
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<tr>
<td>38. Purchases of School Buses by Independent Operators</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>46. Purchases of any Fuel or Gas for Residential Use and Purchases of</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>$34,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Butane and Propane by any Person</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47. Alternate Substance Used as a Fuel</td>
<td>###</td>
<td>###</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>49. Natural Gas Held, Used, or Consumed in Providing Natural Gas</td>
<td>See number 103</td>
<td>See number 103</td>
<td>See number 103</td>
<td>$95,000</td>
<td>$97,000</td>
</tr>
<tr>
<td>Storage Services or Operating Natural Gas Storage Facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>132. Cable Television Installation and Repair Services</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>133. Receipts from Coin-Operated Washing and Drying Machines in</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>$237,000</td>
<td>$242,000</td>
</tr>
<tr>
<td>Commercial Laundromats</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### Footnotes for Specialty Sales Tax Exemptions

- ### Included in the row labeled other exemptions.
## Tax Exemptions by Classification

### Specialty Sales Tax Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>145. Purchases of Certain Fuels for Private Residential Consumption</td>
<td>See number 201</td>
<td>See number 201</td>
<td>See number 201</td>
<td>$96,000</td>
<td>$98,000</td>
</tr>
<tr>
<td>191. Materials Used in the Construction, Restoration, or Renovation of Housing in Designated Areas</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>Total Purchase of Specific Item Revenue Loss</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$462,000</td>
<td>$472,000</td>
</tr>
</tbody>
</table>

### SPECIALTY SALES TAX EXEMPTIONS SALES TAX HOLIDAYS

<table>
<thead>
<tr>
<th>Sales Tax</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>161. Annual Louisiana Sales Tax Holiday</td>
<td>$3,107,633</td>
<td>$4,181,181</td>
<td>$2,176,551</td>
<td>$2,307,000</td>
<td>$2,353,000</td>
</tr>
<tr>
<td>163. Hurricane Preparedness Louisiana Sales Tax Holiday</td>
<td>$74,605</td>
<td>$45,402</td>
<td>$0</td>
<td>$27,000</td>
<td>$28,000</td>
</tr>
<tr>
<td>166. Second Amendment Sales Tax Holiday</td>
<td>$880,137</td>
<td>$793,475</td>
<td>$1,437,770</td>
<td>$458,000</td>
<td>$467,000</td>
</tr>
<tr>
<td>Total Sales Tax Holidays Revenue Loss</td>
<td>$4,062,375</td>
<td>$5,020,058</td>
<td>$3,614,321</td>
<td>$2,792,000</td>
<td>$2,848,000</td>
</tr>
</tbody>
</table>

| Total Specialty Sales Tax Revenue Loss                                      | $7,760,061   | $6,436,085   | $7,108,243   | $8,454,000            | $4,735,000           |
## Tax Exemptions by Classification

### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
</table>

#### INCENTIVES - DEPARTMENT OF CULTURE, RECREATION & TOURISM

**Corporation Franchise Tax**

23. Rehabilitation of Historic Structures

24. Rehabilitation of Historic Structures

**Corporation Income Tax**

35. Rehabilitation of Historic Structures

**Individual Income Tax**

54. Rehabilitation of Historic Structures

57. Rehabilitation of an Owner Occupied Residential or Mixed-Use Property

#### Tax Incentives

1. Atchafalaya Trace Heritage Area Development Zone Tax Exemption

2. Cane River Heritage Tax Credit

3. Total Incentives - Department of Culture, Recreation & Tourism Revenue Loss

**Total Incentives - Department of Culture, Recreation & Tourism**

**Revenue Loss**

$44,606,769

$67,726,710

$59,205,449

$64,684,000

$65,977,000

#### INCENTIVES - DEPARTMENT OF ENVIRONMENTAL QUALITY

**Tax Incentives**

2. Brownfields Investor Tax Credit

**Total Incentives - Department of Environmental Quality**

**Revenue Loss**

$69,518

$450,106

$34,670

$25,000

$25,000

#### INCENTIVES - DEPARTMENT OF ECONOMIC DEVELOPMENT

**Corporation Franchise Tax**

24. Louisiana Capital Investment Tax Credit

**Severance Tax**

25. Louisiana Mega-Project Assistance

#### Tax Incentives

4. Louisiana Community Economic Development

5. Ports of Louisiana Tax Credits

6. Motion Picture Investor Tax Credit

7. Research and Development Tax Credit

8. Digital Interactive Media & Software Tax Credit

**Total Incentives - Department of Economic Development**

**Revenue Loss**

$242,732,765

$200,507,106

$211,235,516

$205,833,000

$180,000,000

$24,248,761

$47,570,280

$4,700,295

$26,658,000

$27,191,000

$13,159,727

$12,090,705

$10,946,339

$11,749,000

$11,984,000

### Footnotes for Tax Incentives and Exemption Contracts

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.

2. The FYE 6-14 and FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.

3. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
### Tax Exemptions by Classification

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Louisiana Motion Picture Incentive Program¹</td>
<td>$7,967,005</td>
<td>$1,081,375</td>
<td>$73,381</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>10. Louisiana Capital Companies Tax Credit Program</td>
<td>$0</td>
<td>$16,034</td>
<td>$3,588,383</td>
<td>$1,838,000</td>
<td>$1,875,000</td>
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<tr>
<td>12. University Research and Development Parks</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
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<tr>
<td>13. Industrial Tax Equalization Program¹</td>
<td>$10,405,428</td>
<td>$2,276,786</td>
<td>$1,318,199</td>
<td>$1,833,000</td>
<td>$1,870,000</td>
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<tr>
<td>14. Exemptions for Manufacturing Establishments¹</td>
<td>$306,488</td>
<td>$897,581</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>15. Enterprise Zones¹</td>
<td>$51,284,965</td>
<td>$44,890,879</td>
<td>$45,048,115</td>
<td>$47,393,000</td>
<td>$48,341,000</td>
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<tr>
<td>16. Sound Recording Investor Tax Credit</td>
<td>$151,561</td>
<td>$271,357</td>
<td>$307,000</td>
<td>$313,000</td>
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<tr>
<td>17. Urban Revitalization Tax Incentive Program²</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>18. Mentor-Protégé Tax Credit</td>
<td>$15,084</td>
<td>$20,899</td>
<td>Negligible</td>
<td>$11,000</td>
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<tr>
<td>19. Technology Commercialization Credit Program¹</td>
<td>$197,127</td>
<td>$162,997</td>
<td>$78,780</td>
<td>$123,000</td>
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<tr>
<td>20. Angel Investor Tax Credit Program¹</td>
<td>$1,369,190</td>
<td>$1,015,903</td>
<td>$536,475</td>
<td>$792,000</td>
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<td>21. Musical &amp; Theatrical Productions Tax Credit²</td>
<td>$8,754,304</td>
<td>$13,408,741</td>
<td>$5,320,869</td>
<td>$9,552,000</td>
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<td>22. Retention and Modernization Credit¹</td>
<td>$178,941</td>
<td>$761,822</td>
<td>$1,660,848</td>
<td>$1,236,000</td>
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<tr>
<td>23. Green Jobs Industries Credit</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>24. Louisiana Quality Jobs Program</td>
<td>$55,779,923</td>
<td>$72,864,143</td>
<td>$149,223,716</td>
<td>$291,495,000</td>
<td>$297,325,000</td>
</tr>
<tr>
<td>25. Corporate Tax Apportionment Program</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>26. Corporate Headquarters Relocation Program</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>27. Competitive Projects Payroll Incentive Program</td>
<td>$0</td>
<td>$53,625</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Total Incentives - Department of Economic Development Revenue Loss</strong></td>
<td>$416,551,269</td>
<td>$397,903,087</td>
<td>$434,061,122</td>
<td>$598,820,000</td>
<td>$580,847,000</td>
</tr>
</tbody>
</table>

### INCENTIVES – DEPARTMENT OF REVENUE

<table>
<thead>
<tr>
<th>Tax Incentives</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. New Markets Tax Credit¹</td>
<td>$11,644,475</td>
<td>$2,124,450</td>
<td>$1,989,769</td>
<td>$1,111,000</td>
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<tr>
<td>28. Procurement Processing Company Rebate Program</td>
<td>$0</td>
<td>$0</td>
<td>$204,154</td>
<td>$2,400,000</td>
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</tr>
<tr>
<td><strong>Total Incentives - Department of Revenue Revenue Loss</strong></td>
<td>$11,644,475</td>
<td>$2,124,450</td>
<td>$2,193,923</td>
<td>$3,511,000</td>
<td></td>
</tr>
</tbody>
</table>

**Footnotes for Tax Incentives and Exemption Contracts**

1. The FYE 6-14 and FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
## Tax Incentives and Exemption Contracts

### Tax Exemptions by Classification

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCENTIVES - EMPLOYMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation Franchise Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Employment of the Previously Unemployed</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Corporation Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Employment of Certain First-Time Nonviolent Offenders</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>21. Employee and Dependent Health Insurance Coverage</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>26. Employment of the Previously Unemployed</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>31. New Jobs¹</td>
<td>$558,076</td>
<td>$643,804</td>
<td>$330,059</td>
<td>$405,000</td>
<td>$413,000</td>
</tr>
<tr>
<td>33. Hiring Eligible Re-Entrants</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Employment of Qualified Disabled Individuals</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>38. Employment of Certain First-Time Drug Offenders</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>40. Employment of Certain First-Time Nonviolent Offenders</td>
<td>$22,356</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
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<tr>
<td>49. Employment of the Previously Unemployed²</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Total Incentives - Employment Revenue Loss</strong></td>
<td>$580,432</td>
<td>$643,804</td>
<td>$330,059</td>
<td>$405,000</td>
<td>$413,000</td>
</tr>
<tr>
<td><strong>Total Incentives Revenue Loss³</strong></td>
<td>$473,452,463</td>
<td>$468,848,157</td>
<td>$495,825,223</td>
<td>$667,445,000</td>
<td>$650,862,000</td>
</tr>
</tbody>
</table>

### Footnotes for Tax Incentives and Exemption Contracts

1. The FYE 6-14 and FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. This schedule contains other exemptions that are not listed on the Five Year Revenue Loss for Tax Incentives and Exemption Contracts.
### Tax Exemptions by Classification

#### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPECIALTY INCOME TAX EXEMPTIONS - TRAINING EMPLOYEES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation Franchise Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Louisiana Basic-Skills Training</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>22. Apprenticeship²</td>
<td>$553,876</td>
<td>$185,118</td>
<td>$61,701</td>
<td>$126,000</td>
<td>$128,000</td>
</tr>
<tr>
<td>Corporation Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Louisiana Basic-Skills Training</td>
<td>$0</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>29. Apprenticeship Tax Credit³</td>
<td>$284,733</td>
<td>$310,196</td>
<td>$265,178</td>
<td>$288,000</td>
<td>$288,000</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51. Louisiana Basic-Skills Training²</td>
<td>$37,121</td>
<td>$22,992</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>52. Apprenticeship¹</td>
<td>$282,802</td>
<td>$349,017</td>
<td>$193,087</td>
<td>$271,000</td>
<td>$271,000</td>
</tr>
<tr>
<td><strong>Total Specialty Income Tax Exemptions - Training Employees Revenue Loss</strong></td>
<td>$1,158,532</td>
<td>$867,323</td>
<td>$519,966</td>
<td>$685,000</td>
<td>$687,000</td>
</tr>
<tr>
<td><strong>SPECIALTY INCOME TAX EXEMPTIONS - CORPORATE INCOME TAX FORMULAS</strong></td>
<td></td>
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<tr>
<td>Corporation Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Interest Income and Dividend Income</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
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<tr>
<td><strong>PERSONAL INCOME TAX FORMULA</strong></td>
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<tr>
<td>Individual Income Tax</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Exemption for Estate or Trust</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
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<tr>
<td>11. Dependent Exemption/Deduction²</td>
<td>$30,802,961</td>
<td>$30,883,285</td>
<td>$31,880,435</td>
<td>$32,009,000</td>
<td>$32,650,000</td>
</tr>
<tr>
<td>13. Excess Federal Itemized Deductions²</td>
<td>$336,986,908</td>
<td>$342,184,069</td>
<td>$350,221,223</td>
<td>$353,127,000</td>
<td>$360,189,000</td>
</tr>
<tr>
<td>21. Personal Exemption-Standard Deduction² ⁴</td>
<td>$245,545,667</td>
<td>$246,869,102</td>
<td>$254,456,333</td>
<td>$255,676,000</td>
<td>$260,789,000</td>
</tr>
<tr>
<td><strong>Total Personal Income Tax Formula Revenue Loss</strong></td>
<td>$613,335,536</td>
<td>$619,936,456</td>
<td>$636,557,991</td>
<td>$640,812,000</td>
<td>$653,628,000</td>
</tr>
</tbody>
</table>

#### Footnotes for Miscellaneous

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
4. The fiscal effect assumes no restrictions on eliminating this deduction. Assuming that to reduce this deduction below the levels in effect January 1, 1974, would require a constitutional amendment, 58 percent of the fiscal effect should be considered protected.
5. The estimated revenue loss includes credits claimed on a stand alone form for taxpayers not required to file a corporate income tax return.
### Miscellaneous

#### Tax Exemptions by Classification

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NATURAL DISASTER EXEMPTIONS</strong></td>
<td></td>
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<tr>
<td>Corporation Income Tax</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Hurricane Recovery Entity Benefits</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
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<tr>
<td>43. LA Citizens Property Insurance Corporation Assessment</td>
<td>$4,156,086</td>
<td>$4,752,769</td>
<td>$2,586,774</td>
<td>$1,592,000</td>
<td>$1,592,000</td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Hurricane Recovery Entity Benefits</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>66. LA Citizens Property Insurance Corporation Assessment</td>
<td>$40,602,049</td>
<td>$39,683,346</td>
<td>$25,927,922</td>
<td>$14,442,000</td>
<td>$12,998,000</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>190. State Sales Tax Paid on Property Destroyed in a Natural Disaster</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
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</tr>
<tr>
<td><strong>Total Natural Disaster Exemptions Revenue Loss</strong></td>
<td>$44,758,135</td>
<td>$44,436,115</td>
<td>$28,514,696</td>
<td>$16,034,000</td>
<td>$14,590,000</td>
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<tr>
<td><strong>HEALTHCARE/MEDICAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation Income Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Bone Marrow Donor Expense</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34. Family Responsibility</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>35. Small Town Doctor/Dentist</td>
<td>$892,131</td>
<td>$850,296</td>
<td>$511,297</td>
<td>$573,000</td>
<td>$584,000</td>
</tr>
<tr>
<td>36. Bone Marrow Donor Expense</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>46. Long-term Insurance Premiums</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>111. Medical Devices Used by Patients Under the Supervision of a Physician</td>
<td>###</td>
<td>###</td>
<td>###</td>
<td>$10,921,000</td>
<td>$11,139,000</td>
</tr>
<tr>
<td>192. Purchases and Leases of Durable Medical Equipment Paid by or Under Provisions of Medicare</td>
<td>$103,143</td>
<td>$504,664</td>
<td>$2,004,987</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td><strong>Total Health Care/Medical Revenue Loss</strong></td>
<td>$955,274</td>
<td>$1,354,960</td>
<td>$2,516,284</td>
<td>$11,494,000</td>
<td>$11,723,000</td>
</tr>
</tbody>
</table>

**Footnotes for Miscellaneous**

### Included in the row labeled other exemptions.

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. The estimated revenue loss includes credits claimed on a stand alone form for taxpayers not required to file an individual income tax return.
4. The estimated revenue loss includes credits claimed on a stand alone form for taxpayers not required to file a corporation income tax return.
## Tax Exemptions by Classification

### SPECIALTY - PERFORMANCE OF A SPECIFIC ACTIVITY

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. Cash Donations to Dedicated Research Investment Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Adaptive Home Improvements for Disabled Individuals</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
<td>See number 4</td>
</tr>
<tr>
<td>12. Construction Code Retrofitting</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>15. Recreation Volunteer</td>
<td>$19,211</td>
<td>$19,849</td>
<td>$61,240</td>
<td>$41,000</td>
<td>$42,000</td>
</tr>
<tr>
<td>16. Volunteer Firefighter</td>
<td>$59,799</td>
<td>$60,400</td>
<td>$57,998</td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>20. Net Capital Gains</td>
<td>$42,874,515</td>
<td>$43,606,314</td>
<td>$89,122,558</td>
<td>$33,846,000</td>
<td>$34,523,000</td>
</tr>
<tr>
<td>32. Certain Child Care Expenses</td>
<td>$18,544,997</td>
<td>$17,704,968</td>
<td>$17,935,243</td>
<td>$18,177,000</td>
<td>$18,540,000</td>
</tr>
<tr>
<td>41. Accessible and Barrier-Free Constructed Home</td>
<td>$40,972</td>
<td>$45,866</td>
<td>Negligible</td>
<td>$18,000</td>
<td>$19,000</td>
</tr>
<tr>
<td>47. Living Organ Donation</td>
<td>$22,845</td>
<td>$18,730</td>
<td>$18,873</td>
<td>$17,000</td>
<td>$17,000</td>
</tr>
<tr>
<td>53. Cash Donations to Dedicated Research Investment Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>59. Earned Income Tax Credit</td>
<td>$47,620,398</td>
<td>$47,314,323</td>
<td>$48,894,977</td>
<td>$49,067,000</td>
<td>$50,048,000</td>
</tr>
<tr>
<td><strong>Total Specialty - Performance of a Specific Activity Revenue Loss</strong></td>
<td>$109,182,737</td>
<td>$108,770,450</td>
<td>$156,090,889</td>
<td>$101,226,000</td>
<td>$103,251,000</td>
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</tbody>
</table>

### SPECIALTY- PURCHASE OF CERTAIN ITEMS

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporation Franchise Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Purchase of a Qualified Recycling Equipment</td>
<td>$866,083</td>
<td>$447,412</td>
<td>$134,335</td>
<td>$233,000</td>
<td>$237,000</td>
</tr>
<tr>
<td>31. Purchases from Prison Industry Enhancement Contractors</td>
<td>See note 4</td>
<td>See note 4</td>
<td>See note 4</td>
<td>See note 4</td>
<td>See note 4</td>
</tr>
<tr>
<td><strong>Corporation Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Donations of Property to Certain Offices and Agencies</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>27. Purchase of Qualified Recycling Equipment</td>
<td>$57,711</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
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</table>

### Footnotes for Miscellaneous

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
4. The estimated revenue loss for these credits are included in the total revenue loss for corporation income tax.
## Tax Exemptions by Classification

### Miscellaneous

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>42. Purchases from Prison Industry Enhancements Contractors</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>45. Solar Energy System</td>
<td>$31,708,798</td>
<td>$34,678,642</td>
<td>$7,381,590</td>
<td>$10,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>47. Conversion of Vehicles to Alternative Fuel</td>
<td>$2,863,778</td>
<td>$6,231,328</td>
<td>$738,972</td>
<td>$2,682,000</td>
<td>$2,736,000</td>
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### Individual Income Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Purchase of Bulletproof Vest</td>
<td>$16,262</td>
<td>$14,686</td>
<td>$15,241</td>
<td>$13,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>44. Donations of Property to Certain Offices and Agencies</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>50. Purchase of a Qualified Recycling Equipment</td>
<td>$28,885</td>
<td>$12,306</td>
<td>$48,668</td>
<td>$29,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>58. Property Insurance</td>
<td>$31,760</td>
<td>Negligible</td>
<td>Negligible</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>65. Purchases from Prison Industry Enhancement Contractors</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>68. Solar Energy System</td>
<td>$31,345,907</td>
<td>$37,741,598</td>
<td>$10,009,311</td>
<td>$10,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>70. Conversion of Vehicles to Alternative Fuel</td>
<td>$783,573</td>
<td>$826,594</td>
<td>$503,279</td>
<td>$560,000</td>
<td>$571,000</td>
</tr>
</tbody>
</table>

**Total Specialty- Purchase of Certain Items Revenue Loss**

<table>
<thead>
<tr>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$67,702,757</td>
<td>$79,952,566</td>
<td>$18,831,396</td>
<td>$23,517,000</td>
<td>$13,587,000</td>
</tr>
</tbody>
</table>

## SPECIALTY - COMMUNITY DEVELOPMENT

### Corporation Franchise Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>NRR</th>
<th>NRR</th>
<th>NRR</th>
<th>NRR</th>
<th>NRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Louisiana Community Development Financial Institutions</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>15. Donations to Assist Qualified Playgrounds</td>
<td>$0</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>16. Debt Issuance Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>25. Louisiana Community Development Financial Institutions Act</td>
<td>$12,693</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>26. Low-Income Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Corporation Income Tax

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>NRR</th>
<th>NRR</th>
<th>NRR</th>
<th>NRR</th>
<th>NRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Louisiana Community Development Financial institutions</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
<td>NRR</td>
</tr>
<tr>
<td>9. Governmental Subsidies for Operating Public Transportation Systems</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>19. Donations to Assist Qualified Playgrounds</td>
<td>$0</td>
<td>Negligible</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

## Footnotes for Miscellaneous

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-14 and 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
3. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
4. The estimated revenue loss for these credits are included in the total revenue loss for corporation income tax.
## Tax Exemptions by Classification

### Miscellaneous

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>FYE 6-14</th>
<th>FYE 6-15</th>
<th>FYE 6-16</th>
<th>FYE 6-17 (projected)</th>
<th>FYE 6-18 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. Debt Issuance Cost</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>34. Neighborhood Assistance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>36. Louisiana Community Development Financial Institutions Act</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Unable to anticipate</td>
<td>Unable to anticipate</td>
</tr>
<tr>
<td>37. Low-Income Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Individual Income Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42. Donations to Assist Qualified Playgrounds²</td>
<td>$39,859</td>
<td>$38,663</td>
<td>$14,997</td>
<td>$22,000</td>
<td>$22,000</td>
</tr>
<tr>
<td>43. Debt Issuance Costs</td>
<td>Negligible</td>
<td>Negligible</td>
<td>$0</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>55. Louisiana Community Development Financial Institutions Act¹</td>
<td>$126,391</td>
<td>$148,998</td>
<td>$170,665</td>
<td>$142,000</td>
<td>$145,000</td>
</tr>
<tr>
<td>56. Low-Income Housing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Specialty - Community Development Revenue Loss</strong></td>
<td>$178,943</td>
<td>$187,661</td>
<td>$185,662</td>
<td>$164,000</td>
<td>$167,000</td>
</tr>
</tbody>
</table>

**OTHER EXEMPTIONS**

| Corporation Income Tax                        | $8,214,481 | $0       | $0       | N/A                  | N/A                  |
| Other Exemptions                              |            |          |          |                      |                      |
| **Individual Income Tax**                     |            |          |          |                      |                      |
| Other Exemptions                              | Negligible | $0       | $0       | N/A                  | N/A                  |
| **Tobacco Tax**                               |            |          |          |                      |                      |
| Other Exemptions                              | $11,749,500 | $12,748,948 | $11,616,726 | $12,300,000          | $12,540,000          |
| **Total Other Exemptions Revenue Loss**       | $19,963,981 | $12,748,948 | $11,616,726 | $12,300,000          | $12,540,000          |
| **Total Miscellaneous Revenue Loss**          | $857,275,895 | $868,254,479 | $854,833,610 | $806,232,000         | $810,173,000         |

**Footnotes for Miscellaneous**

1. The FYE 6-14 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
2. The FYE 6-15 tax revenue loss amounts have been restated to conform with the FYE 6-16 presentation.
Listing of Exemptions
Corporation Franchise Tax Exemptions
Introduction

The Louisiana corporation franchise tax was enacted in 1932. The tax was imposed on every domestic corporation and every foreign corporation authorized or doing business in the state, or using any part of its capital, plant, or any other property in the state. As originally enacted, the tax levied was due and payable for the privilege of carrying on or doing business, exercising of its charter or the continuance of its charter within the state.

An initial tax return covering the period beginning with the date the corporation first becomes liable for filing a return and ending with the close of the accounting period, must be filed on or before the fifteenth day of the third month after the corporation first becomes liable. Thereafter, an annual return is due by the fifteenth day of the fourth month after the close of an accounting period. For tax periods beginning on and after January 1, 2017, the annual return is due by the fifteenth day of the fifth month after the close of an accounting period. The tax is due on the first day of the calendar year or the taxpayer’s fiscal year.

The law has been amended many times since 1932. However, an amendment in 1970 to replace the privilege of doing business language in the original act with the statement that the tax levied is due and payable on any one or all of the incidents referred to in the law was one of the more important amendments. For taxable years beginning after December 31, 2005, the amount of borrowed capital included in taxable capital was reduced until fully phased out for the 2011 franchise tax year.

Legal Citations
R.S. 47:601 through 47:618

Tax Base
Capital stock, surplus, and undivided profits

Tax Rate
The tax is currently assessed on the taxable base at the rate of $1.50 per $1,000 on the first $300,000 and $3.00 per $1,000 over $300,000. The tax is based on the larger of the assessed value of all real and personal property in the state or the amount of issued and outstanding capital stock, surplus, and undivided profits attributable to Louisiana.

Types of Tax Exemptions
Corporation franchise tax exemptions are in the form of exemptions/exclusions, deductions, and credits. Exemptions/exclusions generally refer to organizations or corporations that are statutorily exempt from the imposition of the corporation franchise tax due to the nature of their operation. Deductions are generally defined as a reduction to the taxable base. Credits are generally defined as a reduction to the amount of tax due. All tax exemptions related to the corporation franchise tax are listed in this report.

Significant Changes
Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 12 changes the definition of the term “domestic corporation” to include all entities taxed as corporations pursuant to 26 U.S.C. Subtitle A, Chapter 1, Subchapter C for federal income tax purposes. Such entities will be treated and taxed in the same manner that such entities are treated and taxed for federal income tax purposes. Franchise tax liability will not extend to any limited liability company that is qualified and eligible to make an election to be taxed in accordance with the provisions of 26 U.S.C. Subtitle A, Chapter 1, Subchapter S on the first day of its fiscal or annual year or to any other entity that was acquired before January 1, 2014, but not earlier than January 1, 2012, by an entity that was taxed pursuant to 26 U.S.C. Subtitle A, Chapter 1, Subchapter S. Act 12 provides for a holding company deduction for any corporation, as defined in R.S. 47:601(C), that is subject to the franchise tax imposed by R.S. 47:601(A) and that is not subject to R.S. 47:602(B), (C), (D), (E), or (F), that have one or more subsidiaries. Such a corporation will be allowed to deduct from taxable capital, its investments in and advances to one or more subsidiaries, whether made directly or indirectly, when computing the corporation’s franchise tax. “Subsidies” are defined as any corporation, as provided for in R.S. 47:601(C), that is subject to the franchise tax imposed by R.S. 47:601(A), in which at least eighty percent of the voting and nonvoting power of all classes of stock, membership, partnership, or other ownership interests are owned, directly or indirectly, by a corporation that is subject to the franchise tax as imposed by R.S. 47:601(A). Act 12 also increased the initial tax paid by every corporation or other entity subject to the franchise tax from $10 to $110. Effective March 10, 2016 and applicable to taxable periods beginning on or after January 1, 2017.

Act 23 changes the ordering of the application of all credits and requires that refundable credits, other than the credit provided for in R.S. 47:6006, be applied before all other credits and payments of tax except for nonrefundable credits with no
Corporation Franchise Tax

{ Introduction }

carry forward which will be applied first. Further provides that credits be applied against income tax first before being applied against franchise tax. Finally, provides that transferable credits with an effective date of transfer, as reflected in the Tax Credit Registry pursuant to R.S. 47:1524, on or before the due date of the tax return, without regard to extensions, may be claimed on the return while transferable credits with an effective date of transfer after the due date of the return, without regard to extensions, may be used as a payment. Effective March 10, 2016 and applicable to taxable periods beginning on or after January 1, 2016.

Act 28 extends the reductions made to tax credits in Act No. 125 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

Act 29 extends the sunset of reductions to certain rebate programs made in Act No. 126 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

2016 Regular Legislative Session

Act 661 changes the deadline for the payment and filing of corporation income tax returns and partnership tax returns. Effective for income tax periods beginning on and after January 1, 2016, and corporation franchise tax periods beginning on and after January 1, 2017.

2016 Second Extraordinary Legislative Session

Act 4 provides that taxpayers whose ad valorem taxes are less than or equal to $500,000 will be refunded all of the excess credit over tax. Taxpayers whose ad valorem taxes are more than $500,000, but less than or equal to $1,000,000 will be refunded 75 percent of the excess credit, with the remaining 25 percent being carried forward as a credit against subsequent tax liability for up to five years. Taxpayers whose ad valorem taxes are more than $1,000,000 will be refunded 75 percent of the first $1,000,000 of the excess credit, with the remaining amount of the credit being carried forward as a credit against subsequent tax liability for up to five years. Effective June 28, 2016.

Act 5 changed the definition of manufacturer for inventory tax credit purposes to create a specific subset of persons who meet the definition of manufacturer and have claimed the industrial ad valorem tax exemption. For this subset of manufacturers, if the amount of the inventory tax credit claimed on a tax return exceeds the amount of tax liability due on the return, the excess credit is not eligible for refund, but can be carried forward against subsequent Louisiana income or corporation franchise tax liability for up to five years. Effective June 28, 2016.
# Corporation Franchise Tax
## Index of Exemptions

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### { DEDUCTIONS }

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Corporation Franchise Tax

{ Exemptions/Exclusions }

1. **Agricultural Cooperative Associations- and Farmer Credit and Farmers’ Credit Cooperative Associations**
   Qualifying cooperative associations are exempt from corporation franchise tax and all other license taxes, except for the annual $10 license fee paid to the Secretary of State and ad valorem property taxes. The purpose of this exemption is to minimize the tax burden on these nonprofit associations.

   **Legal Citation**
   R.S. 3:84

   **Origin**
   Acts 1938, No. 40, amended by Acts 1966, No. 228

   **Effective Date**
   July 1, 1938

   **Beneficiaries**
   The agricultural industry

   **Estimated Fiscal Effect**
   We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

2. **Cooperative Marketing Associations**
   These associations are exempt from all franchise or other license taxes, except for taxes on real estate, furniture, and fixtures. These associations, however, must pay an annual $10 license fee. The purpose of this exemption is to minimize the tax burden on these nonprofit organizations.

   **Legal Citation**
   R.S. 3:147

   **Origin**
   Acts 1922, No. 57

   **Effective Date**
   July 1, 1922

   **Beneficiaries**
   Cooperative marketing associations and individuals and companies marketing their goods and services through these organizations

   **Estimated Fiscal Effect**
   We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
Corporation Franchise Tax

3. Credit Unions
Credit unions, together with all accumulations therein, are exempt from all taxes except for taxes on immovable property owned. The shares of a credit union are not subject to a stock transfer tax when issued by the corporation or when transferred from one member to another. No fees, taxes, or any of the stipulations as to capital stock set forth in general statutes for corporations apply to credit unions. The purpose of this exemption is to minimize the tax burden on these nonprofit organizations.

Legal Citation
R.S. 6:662

Origin
Acts 1924, No. 40

Effective Date
July 1, 1924

Beneficiaries
Individuals who are a member of a state or federal chartered credit union

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

4. Limited Liability Companies
For corporation franchise tax purposes, limited liability companies are taxed the same as a partnership. Partnerships are not subject to corporation franchise tax, therefore, limited liability companies are not subject to corporation franchise tax.

Starting with the 2017 franchise tax year, Acts 2016, First Extraordinary Session, No. 12 changes the definition of the term “domestic corporation” to include all entities taxed as corporations pursuant to 26 U.S.C. Subtitle A, Chapter 1, Subchapter C for federal income tax purposes. Limited Liability Companies will be treated and taxed in the same manner that they are treated and taxed for federal income tax purposes. However, franchise tax will not extend to any limited liability company that is qualified and eligible to make an election to be taxed in accordance with the provisions of 26 U.S.C. Subtitle A, Chapter 1, Subchapter S on the first day of its fiscal or annual year or to any other entity that was acquired before January 1, 2014, but not earlier than January 1, 2012, by an entity that was taxed pursuant to 26 U.S.C. Subtitle A, Chapter 1, Subchapter S.

Legal Citations
R.S. 12:1301 through 1369

Origin

Effective Date
July 7, 1992

Beneficiaries
Members of such organizations

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
5. **Certain Foreign Corporations**

Foreign corporations operating as mutual savings banks, mutual savings fund societies, real estate investment trusts, state banks or trust companies, insurance companies, corporations associated with real estate investment trust as its advisor, group insurance and annuity corporations, and nonprofit or nontrading corporations are exempt from the corporation franchise tax if their Louisiana operations are limited to certain activities related to making, acquiring, or participating in loans. The purpose of this exemption is to make it easier for Louisiana businesses and individuals to borrow money.

**Legal Citations**
R.S. 12:302(K), R.S. 12:302(L)

**Origin**
Acts 1968, No. 105

**Effective Date**
1968

**Beneficiaries**
Certain foreign corporations referred to in the law

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

6. **Electric Cooperatives**

Electric cooperatives are exempt from all income and excise taxes, except for a fee of $10 per each one hundred persons or fraction thereof to whom electricity is supplied within the state. The purpose of this exemption is to minimize the tax burden on these nonprofit electric cooperatives.

**Legal Citation**
R.S. 12:425

**Origin**

**Effective Date**
July 18, 1940

**Beneficiaries**
Individuals and companies purchasing electricity from electric cooperatives

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
7. Certain Entities

Various franchise tax exemptions have been granted to certain, usually nonprofit, organizations and corporations. The purpose of these exemptions is to minimize the tax burden for qualifying nonprofit organizations. Exempted corporations are listed below.

A. Labor corporations and corporations organized by labor unions or organizations for the purpose of holding title to property.

B. Family agricultural and family horticultural corporations organized under the laws of and domiciled in the state of Louisiana.

C. Certain agricultural and horticultural corporations, other than family corporations, organized under the laws of and domiciled in the state of Louisiana.

D. Mutual savings banks, national banking corporations, and banking corporations organized under the laws of the state of Louisiana, who pay a tax for their shareholders or whose shareholders pay a tax on their shares of stock under other laws of this state, and building and loan associations.

E. Fraternal beneficiary societies, orders, or associations operating under the lodge system, or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident, or other benefits to members or their dependents.

F. Cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit.

G. Any corporation, community chest, or fund, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

H. Business leagues, chambers of commerce, real estate boards, or boards of trade not organized for profit and of which no part of the net earnings benefits any private shareholder or individual.

I. Nonprofit civic leagues or organizations operated exclusively for charitable, educational, or recreational purposes.

J. Clubs organized and operated exclusively for pleasure, recreation, or other nonprofit purposes.

K. Benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations, but only if 85 percent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

7. Certain Entities (continued)

L. Insurance companies paying a premium tax under Title 22 of the Louisiana Revised Statutes of 1950.

M. Certain farmers, fruit growers, or like associations organized and operated on a cooperative basis for the purpose of marketing products or purchasing supplies and equipment.

N. Corporations organized by exempt farmers’ cooperatives to finance crop operations of members.

O. Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to organizations organized and operated exclusively for religious, charitable, scientific, literary, and educational purposes, of which no part of the net earnings benefits any private stockholder.

P. Voluntary employees’ beneficiary associations providing for the payment of life, sick, accident, or other benefits to the association members or their dependents.

Q. Teachers’ retirement fund associations of a purely local character, if no part of their net earnings (other than through payment of retirement benefits) benefits any private shareholder or individual, and if the income consists solely of amounts received from public taxation, amounts received from assessments upon the teaching salaries of members, and income from investments.

Legal Citations
R.S. 47:608

Origin
Various legislative acts since 1958

Effective Date
Various dates from 1958

Beneficiaries
Members and shareholders of these exempt organizations

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
8. **Louisiana Community Development Financial Institutions**

A Louisiana Community Development Financial Institution (LCDFI) is any legal entity whose primary business activity is the investment of cash to acquire equity in or provide financing assistance as a licensed business and industrial development corporation to qualified Louisiana businesses in low-income communities.

A LCDFI corporation is exempt from corporation income and franchise taxes for five consecutive taxable periods. The exemption from the corporation franchise tax starts in the taxable period following the taxable period in which certification as a LCDFI is obtained from the commissioner.

The exemption was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The exemption allowed starting in FYE 6-16 is for four consecutive taxable periods.

**Legal Citations**
R.S. 51:3081 through 3094

**Origin**

**Effective Date**
July 12, 2005

**Sunset Date**
July 1, 2009, but provisions relevant to any granted tax credits continue to apply until July 1, 2012

**Related Provision**
R.S. 51:3085

**Beneficiaries**
Taxpayers that invest in LCDFI’s, the LCDFI, and low-income communities

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

9. **Bank-Holding Corporations**

Bank-holding corporations are allowed a deduction from their taxable base for the portion of their assets used to finance the operation of the subsidiary bank. In order to be deducted, the investments in and advances to subsidiaries must be included in the taxable capital of the holding corporation. The purpose of this deduction is to prevent the double taxation of these assets; first from the holding company and second from the subsidiary bank.

**Legal Citation**
R.S. 47:602(B)

**Origin**
Acts 1970, No. 385

**Effective Date**
Taxable periods beginning after December 31, 1970

**Beneficiaries**
Bank holding corporations and shareholders

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
10. Public-Utility Holding Corporations

A regulated public-utility holding corporation may deduct from its taxable base that portion of its assets used to finance the operation of its subsidiaries. The deduction is calculated by multiplying the sum of its investment in and advances to its subsidiary corporations by its Louisiana corporation franchise tax apportionment percent. In order to be deducted, the investments in and advances to subsidiaries must be included in the taxable capital of the holding corporation. However, public-utility holding companies have a minimum annual corporation franchise tax of $100,000. The purpose of this deduction is to encourage corporations to relocate their principal office in Louisiana.

Legal Citation
R.S. 47:602(C)

Origin

Effective Date
June 1973

Related Provision
R.S. 47:602(G)(4)

Beneficiaries
Public-utility holding companies, who own subsidiary corporations and who locate their home office in Louisiana, and their shareholders

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

11. Public Water Utility Companies

Corporations, with one or more subsidiary public water utility corporations, are allowed to deduct the amounts of its investment in and advances to these subsidiary corporations from taxable capital. In order to be deducted, the investments in and advances to subsidiaries must be included in the taxable capital of the holding corporation. The purpose of this deduction is to tax these assets at the subsidiary corporation level only.

Legal Citation
R.S. 47:602(D)

Origin
Acts 1990, No. 385

Effective Date
Taxable periods beginning on or after January 1, 1991

Beneficiaries
Public utility water corporations with investments in and advances to subsidiary corporations and shareholders of public utility water corporations

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
12. Members of Controlled Groups that Include a Telephone Corporation

Any corporation in a controlled group, having as a member of such group a telephone corporation regulated by the Louisiana Public Service Commission, can deduct from its taxable capital its investment in and advances to any member of the controlled group that is included in its taxable capital. The purpose of this deduction is to eliminate double taxation of investments in and advances to an affiliated corporation in a controlled group having a telephone company as a member of the group.

Legal Citation
R.S. 47:602(E)

Origin
Acts 1994, No. 134

Effective Date
Taxable periods beginning on or after January 1, 1994

Beneficiaries
Corporations in a controlled group having as a member of such group a telephone corporation regulated by the Louisiana Public Service Commission

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

13. Regulated Utility Companies

Certain regulated public utility companies are allowed to deduct from surplus those accounts representing assets for which no money, service, or thing of value was paid by the utility companies except for the regulated service or product. The purpose of this deduction is to effect equal tax treatment for regulated and nonregulated utility companies.

Legal Citations
R.S. 47:605(C), R.S. 47:606(E)

Origin

Effective Date
Taxable periods beginning on or after January 1, 1993

Beneficiaries
Public utility companies that are required by their regulatory authority to increase assets and surplus by amounts meeting the statutes’ criteria

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
Corporation Franchise Tax

14. **Holding Company**

Corporations, with one or more subsidiaries as defined below, are allowed to deduct the amounts of its investment in and advances to these subsidiary corporations from taxable capital. In order to be deducted the investments in and advances to subsidiaries must be included in the taxable capital of the holding corporation. The purpose of this deduction is to tax these assets at the subsidiary corporation level only.

For purposes of this deduction, a subsidiary is any corporation that is subject to Franchise tax and in which at least 80 percent of the voting and nonvoting power of all classes of their stock, membership, partnership, or other ownership interests are owned, directly or indirectly, by a corporation subject to the franchise tax imposed by R.S. 47:601(A).

**Legal Citation**
R.S. 47:602(G)

**Origin**

**Effective Date**
Taxable periods beginning on or after January 1, 2017

**Beneficiaries**
Corporations whose subsidiary corporations are subject to franchise tax

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

15. **Donations to Assist Qualified Playgrounds**

A tax credit is allowed for donations to assist qualified playgrounds in certain economically depressed areas. The donation may be in the form of cash, equipment, goods, or services and is limited to $1,000 or one-half the value of the donation, whichever is less. The purpose of this credit is to encourage donations to qualifying playgrounds.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is the lesser of $720 or 36 percent of the value of the donation.

**Legal Citation**
R.S. 47:6008

**Origin**

**Effective Date**
Taxable periods beginning after December 31, 1992

**Beneficiaries**
Economically depressed areas of the state

**Estimated Fiscal Effect**
A negligible amount for this credit was reported by taxpayers on the corporation franchise tax return data available at the time of publication.
16. Debt Issuance Costs

An economic development corporation is allowed a credit equal to the filing fee paid to the Louisiana Bond Commission for the preparation and issuance of bonds.

The credit shall be taken as a credit against the applicable tax or taxes in the taxable period in which the expenses were incurred, not to exceed the total tax liability for that taxable year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of the filing fee paid.

Legal Citation
R.S. 47:6017

Origin

Effective Date
June 25, 2002

Beneficiaries
Economic development corporations

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.

17. Donations to Public Elementary or Secondary Schools

A credit is allowed for qualified donations made to public elementary or secondary schools. The credit allowed is for 40 percent of the appraised value of the donation and not to exceed the taxpayer’s total tax liability for the year. “Qualified donation” means a donation of immovable property purchased or otherwise acquired by a corporation and donated to a public school immediately adjacent or contiguous to the property.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 29 percent of the appraised value.

Legal Citation
R.S. 47:6013

Origin

Effective date
July 1, 1998

Beneficiaries
Corporations that make such donations and public schools in the state

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
18. **Donations of Material, Equipment, or Instructors Made to Certain Training Providers**

A credit is allowed for donations of materials, equipment, or instructors made to training providers, vocational/technical schools, apprenticeship programs registered with the Louisiana Workforce Commission, or community colleges within the state. The credit is for one-half the value of the materials, equipment, or services donated. The tax credit when combined with other tax credits cannot exceed 20 percent of the employer’s tax liability for any taxable year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 36 percent of the value of the donated materials, equipment, or services rendered by the instructor.

**Legal Citation**
R.S. 47:6012

**Origin**

**Effective date**
June 24, 1998

**Sunset date**
December 31, 2000

**Reestablished**
August 15, 2002 for taxable periods beginning after December 31, 2002

**Beneficiaries**
Students attending the training facilities

**Estimated Fiscal Effect**
$0; this credit has been inactive. No future activity is anticipated.

19. **Employment of the Previously Unemployed**

A tax credit is allowed for employment of each previously unemployed person in a qualified newly created full-time job. The credit, $750 for each qualified new job, is allowed during the taxable period that the employee has completed one year of full-time service with the employer. The credit is in lieu of other job tax credits provided for in the law. The purpose of this credit is to encourage employment of the previously unemployed.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $540 for each qualified new job and employee.

**Legal Citation**
R.S. 47:6004

**Origin**

**Effective Date**
Taxable periods beginning on or after July 1, 1990

**Beneficiaries**
Corporations who hire previously unemployed Louisiana citizens as well as Louisiana citizens who benefit from new employment, production and income opportunities

**Estimated Fiscal Effect**
$0; this credit has been inactive. No future activity is anticipated.
20. Purchase of Qualified Recycling Equipment

A credit is allowed for the purchase of new recycling manufacturing or process equipment and/or qualified service contracts. The amount of the credit is computed at 20 percent of the cost of the equipment less other tax credits received for the purchase of the equipment, but may not exceed 50 percent of the tax liability before the credit. If the equipment is sold before the total credit is claimed, the credit otherwise allowable may be claimed in the year of the sale and any unused credit is canceled for future periods. Total credits certified by the secretary of the Department of Environment Quality in any calendar year shall not exceed five million dollars.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the original credit.

Legal Citation
R.S. 47:6005

Origin

Effective Date
Reestablished June 30, 2005

Beneficiaries
Corporations who invest in qualifying equipment and the general public

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<td>FYE 6-17</td>
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<td>FYE 6-18</td>
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The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23, the end of the reductions made by Acts 2015, No. 125 on June 30, 2018, or the expansion of entities subject to franchise tax under Acts 2016, 1st Ex. Sess., No. 12.

21. Louisiana Basic-Skills Training

Corporations are allowed a credit of $250 per qualified employee who participates in a basic-skills training program at an accredited school. The credit cannot exceed $30,000 for any single business in a particular year. Basic-skills training means any employer-paid training for qualified employees that enhances the employees' reading, writing, or mathematical skills to at least a twelfth-grade level. The purpose of this credit is to encourage corporations to provide basic-skills training, which will result in a more educated workforce.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to $180 per qualified employee. The credit cannot exceed $21,600 for any single business in a particular year.

Legal Citation
R.S. 47:6009

Origin

Effective Date
July 1, 1993

Beneficiaries
Companies who provide qualified training to employees as well as Louisiana employees who benefit from improved skills

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
22. **Apprenticeship**

A credit is allowed for employers for employing eligible apprentices. The credit is equal to one dollar for each hour of employment of each eligible apprentice, not to exceed 1,000 hours for each eligible apprentice. An eligible apprentice means a person who has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program or a person who is enrolled in a training program accredited by the National Center for Construction Education and Research that has no less than four levels of training and no less than 500 hours of instruction.

**Legal Citation**
R.S. 47:6033

**Origin**

**Effective Date**
July 11, 2007 for taxable periods beginning after December 31, 2007

**Repealed**
Acts 2015, No. 357, effective June 29, 2015. However, taxpayers have ten years to utilize the credit.

**Beneficiaries**
Employers of eligible apprentices

<table>
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<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<td>FYE 6-18</td>
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The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the expansion of entities subject to franchise tax under Acts 2016, 1st Ex. Sess., No. 12.

23. **Rehabilitation of Historic Structures**

A tax credit is allowed for the eligible cost and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. The credit is for 25 percent of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018 and 20 percent for eligible costs and expenses incurred on or after January 1, 2018. No taxpayer or affiliate shall claim more than $5,000,000 of credit per year for any number of structures rehabilitated within a particular downtown development or a cultural product district. The credit is earned only in the year in which the property attributable to the expenditures is placed in service.

**Legal Citation**
R.S. 47:6019

**Origin**

**Effective Date**
July 1, 2002 and taxable periods beginning January 1, 2008 for a cultural product district

**Sunset Date**
Taxable periods ending before January 1, 2018

However, taxpayers have five years to utilize the credit.

**Beneficiaries**
Individuals or businesses rehabilitating a qualified historic structure

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$14,313,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$14,599,000</td>
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The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the expansion of entities subject to franchise tax under Acts 2016, 1st Ex. Sess., No. 12.
Corporation Franchise Tax

{ Credits }

24. Louisiana Capital Investment Tax

Corporations are allowed a tax credit equal to five percent of the capital costs of a qualifying project. The credit is against the corporation franchise tax that is generated by or arising out of the qualifying project in each of the 20 years commencing with the year during which the qualifying project is placed in service. Certain small projects must employ at least 15 new employees and certain large projects must employ at least 20 new employees at an average compensation between $8 and $10 per hour in order to take the credit. The purpose of this credit is to encourage creation of new jobs through industry expansion.

Legal Citation
R.S. 51:2771

Origin

Effective Date
July 1, 1996

Sunset Date
June 30, 2000

However, credits granted prior to June 30, 2000, shall remain effective for the remainder of the 20-year period.

Beneficiaries
Corporations that reduce their corporation franchise tax with this credit and individuals who are employed as a result of project expansions

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.

25. Louisiana Community Development Financial Institutions Act

A tax credit is allowed for businesses that invest in a Louisiana Community Development Financial Institution (LCDFI). A LCDFI is any legal entity whose primary business activity is the investment of cash to acquire equity in or provide financing assistance as a licensed business and industrial development corporation to qualified Louisiana businesses in low-income communities. The investment credit is to be calculated as 75 percent of the investment. These credits are transferable and can be carried forward indefinitely. The total amount that can reduce tax revenues in fiscal years 2007 through 2009 is $5 million. Any unused allocation of credits from a previous year may be carried forward and granted in the next year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer's return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to $4 percent of the investment.

Legal Citation
R.S. 51:3085

Origin

Effective Date
July 12, 2005

Sunset Date
July 1, 2009, but provisions relevant to any granted tax credits continue to apply until July 1, 2012.

Related Provision
R.S. 51:3092

Beneficiaries
The LCDFI and low-income communities

Estimated Fiscal Effect
A negligible amount for this credit was reported by taxpayers on the corporation franchise tax return data available at the time of publication.
25. Louisiana Community Development Financial Institutions Act (continued)

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23, the end of the reductions made by Acts 2015, No. 125 on June 30, 2018, or the expansion of entities subject to franchise tax under Acts 2016, 1st Ex. Sess., No. 12.

26. Low-Income Housing

A tax credit is allowed for providers of certain low-income housing. The credit is computed in accordance with the provisions of Section 42 of the 1986 Internal Revenue Code as modified by Acts 1990, No. 972. The purpose of this credit is to encourage development of low-income housing.

Legal Citation
R.S. 47:12

Origin
Acts 1990, No. 1033

Effective Date
July 1, 1990

Sunset Date
December 31, 1993

However unused credits can be carried forward until used.

Beneficiaries
Entities and individuals who provide low-income housing and recipients of low-income housing

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
Corporation Franchise Tax

27. Inventory Tax/Ad Valorem Tax

A refundable tax credit is allowed for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers. The credit was reduced by Act 133 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 regardless of the taxable year to which the return relates. The credit allowed starting in FYE 6-16 is equal to 100 percent of the ad valorem taxes paid if the amount paid is less than $10,000. If the ad valorem taxes paid are $10,000 or more, only 75 percent of the excess credit over tax can be refunded with the remaining 25 percent carried forward for five years.

Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

Act 5 of the 2016 Second Extraordinary Session changed the inventory tax credit to a nonrefundable credit for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid, and for taxes paid by any company related to such manufacturer on inventory that is related to the business of such manufacturer.

Legal Citation
R.S. 47:6006

Origin

Effective Date
July 1, 1992
Corporation Franchise Tax

{ Credits }

28. Ad Valorem Tax on Natural Gas
A refundable credit is allowed for ad valorem taxes paid to political subdivisions of Louisiana on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The credit was reduced by Act 133 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 regardless of the taxable year to which the return relates. The credit allowed starting in FYE 6-16 is equal to 100 percent of the ad valorem taxes paid if the amount paid is less than $10,000. If the ad valorem taxes paid are $10,000 or more, only 75 percent of the excess credit over tax can be refunded with the remaining 25 percent carried forward for five years.

Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

Legal Citation
R.S. 47:6006

Origin

Effective Date
August 15, 2005

Beneficiaries
All corporations paying ad valorem taxes on natural gas held, used, or consumed in providing natural gas storage services

Estimated Fiscal Effect
The estimated fiscal effect of the inventory tax credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.

29. Ad Valorem on Offshore Vessels
A refundable credit is allowed for ad valorem taxes paid on vessels that operate principally in Outer Continental Shelf Lands Act Waters. To qualify for the credit, the taxpayer must certify to the assessor that the vessel operated principally in outer continental shelf waters within the calendar year immediately before the tax year of assessment of the vessel and the ad valorem tax must have been paid to the political subdivision without protest. The credit is equal to 100 percent of the taxes paid.

Legal Citation
R.S. 47:6006.1

Origin

Beneficiaries
Corporations paying ad valorem taxes on vessels operating in Outer Continental Shelf Lands Act Waters

Estimated Fiscal Effect
The estimated fiscal effect of the inventory tax credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.
{ Credits } 

30. Ad Valorem Tax Paid by Certain Telephone Companies
A refundable credit is allowed for 40 percent of the total ad valorem taxes paid to Louisiana political subdivisions by telephone companies on their public service properties which are assessed by the Louisiana Tax Commission at 25 percent of fair market value pursuant to R.S. 47:1854. The purpose of this credit is to reduce the effective assessment rate of eligible telephone companies to 15 percent of fair market value.

Legal Citation
R.S. 47:6014

Origin
Acts 2000, No. 22

Effective Date
The credit is effective for income and franchise tax years ending on or after December 31, 2001.

Beneficiaries
Telephone companies and the public they serve

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.

31. Purchases from Prison Industry Enhancement Contractors
A refundable credit is allowed for the state sales and use taxes paid on purchases of specialty apparel items from a Private Sector Prison Industry Enhancement (PIE) contractor. PIE contractors use inmate labor to produce items for sale and then pay 30 percent of the salary paid to the inmates back to the state.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the sales and use taxes paid.

Legal Citation
R.S. 47:6018

Origin

Effective Date
Reestablished for tax years beginning after January 1, 2007

Beneficiaries
Private Sector Prison Industry Enhancement Contractor

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.
32. Sugarcane Transport

A refundable credit is allowed for the cost paid by a taxpayer to acquire an eligible sugarcane trailer, to replace an eligible sugarcane trailer, or to convert an ineligible sugarcane trailer to an eligible sugarcane trailer. “Eligible sugarcane trailer” means a trailer that hauls sugarcane and meets the requirements of R.S. 32:387.7(B). Effective for costs of conversions or modifications of eligible sugarcane trailers paid on and after January 1, 2009, but before January 1, 2014.

Legal Citation
R.S. 47:6029

Origin

Effective Date
January 1, 2009

Sunset Date
December 31, 2013

Repealed

Beneficiaries
Owners of vehicles hauling sugarcane

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.

33. Milk Producers

A refundable credit is allowed for resident taxpayers engaged in the business of producing milk for sale. The credit will be allowed when the USDA Uniform Price in Federal Order Number 7 drops below the announced production price established by the Department of Agriculture and Forestry any time during the calendar year. Qualified taxpayers are eligible for tax credits based on the production and sale of milk below the announced production price over a calendar year.

The Department of Health and Hospitals must certify to the Department of Revenue, by January 31 of the following year, which milk producers are eligible to receive the credits. Any producer not certified by the Department of Health and Hospitals will not be entitled to the credits. The credits allowed for each milk producer may not exceed $30,000 per calendar year, and the total amount of tax credits allowed for all producers may not exceed $2.5 million per calendar year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 cannot exceed $21,600 per calendar year, and the total amount of tax credits allowed for all producers may not exceed $1.8 million per calendar year.

Legal Citation
R.S. 47:6032

Origin

Effective Date
January 1, 2007

Beneficiaries
Resident taxpayers engaged in the business of producing milk for sale

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.
34. School Readiness Child Care Provider

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

Child care providers participating in Quality Start are allowed a refundable credit based on the average monthly number of children who either participate in the Child Care Assistance Program administered by LDE or who are foster children in the custody of DCFS and attending facilities operated by a child care provider, multiplied by an amount based upon the quality rating of the facility.

Legal Citation
R.S. 47:6105

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Participating child care providers and children attending child care facilities participating in Quality Start

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.

35. School Readiness Business Supported Child Care

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

A refundable credit is allowed for a taxpayer who incurs eligible business-supported child-care expenses. The credit amount depends upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility that the child attends. Eligible business-supported child-care expenses include expenses to construct, renovate, or expand a child care center, purchase equipment for a center, maintain or operate a center, or subsidize child care for their employees.

Legal Citation
R.S. 47:6107(A)(1)

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Businesses that support child care centers participating in Quality Start, the child care centers and students and the state through the increase in the quality of child care and early learning

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.
Corporation Franchise Tax

{ Credits }

36. School Readiness Fees and Grants to Resource and Referral Agencies

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

A refundable credit is allowed for a taxpayer whose business pays fees and grants to child care resource and referral agencies. These are private agencies that contract with the Department of Education to provide important information and services to parents and child care providers. The credit is equal to the amount donated but cannot exceed $5,000 per tax year.

Legal Citation
R.S. 47:6107(A)(2)

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Businesses that support child care centers participating in Quality Start, the child care centers and students and the state through the increase in the quality of child care and early learning.

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for corporation income and franchise taxes.
Hazardous Waste Disposal
Tax Exemption
Hazardous Waste Disposal Tax

{ Introduction }

In 1984, Act 8 of the First Extraordinary Session, levied a one-time tax on the hazardous waste content of the land. The tax was at the rate of $2 per ton of waste disposed or stored in the land during 1981, 1982, 1983, and the first six months of 1984. This tax was administered by the Department of Environmental Quality, but collected by the Department of Revenue.

Also, by this same Act, the hazardous waste disposal tax was levied on the disposal of hazardous waste in Louisiana and on certain storage of wastes. The disposal tax rates were set at $5 per dry-weight ton of waste disposed at the same site where produced or generated and $10 per dry-weight ton of waste disposed or stored at a site other than where produced or generated. The tax was deemed collectible from the generator of the hazardous waste, if the generator disposed of his own hazardous waste, or from the disposer who must collect the tax from the generator of the waste at the time that the disposer received the waste. All generators and disposers must be registered with the Louisiana Department of Environmental Quality.

In 1988, Act 655 increased the rates to $10 per dry-weight ton of hazardous waste disposed on site and $20 per dry-weight ton of hazardous waste disposed at another site. This act further provided that the rates would increase $1 per year until 1998. Additional provisions of the 1988 Act were the imposition of a tax of $25 per dry-weight ton of extremely hazardous waste disposed in Louisiana and for the taxation of waste imported into Louisiana for disposal or storage.

The tax rates were again increased in 1990 by the passage of Act 391. This legislation changed the rates from $10, $20, and $25 per dry-weight ton to $30, $60, and $100, respectively. An additional provision allowed a credit of 0.5 percent of the tax due for collecting and remitting the tax timely. A tax on the transportation of hazardous and extremely hazardous wastes was also levied at the rate of $25 per gross-weight ton of hazardous or extremely hazardous wastes transported in Louisiana for disposal or storage in Louisiana.

During the 1992 Regular Legislative Session, Act 526 was enacted which reduced the tax on the disposal of waste at a site other than where produced from $60 per dry-weight ton to $40 per dry-weight ton. This legislation also repealed the tax on transporting hazardous or extremely hazardous waste effective July 1, 1992.

Legal Citations
R.S. 47:821 through 47:832

Tax Base
Dry-weight ton, or fraction thereof, of hazardous or extremely hazardous wastes disposed in Louisiana and of hazardous wastes stored for more than 90 days

Tax Rate
Effective July 1, 1992:
- $30 per ton of hazardous waste disposed at the site where produced
- $40 per ton of hazardous waste disposed at a site other than where produced
- $100 per ton of extremely hazardous waste disposed

Imported wastes produced out-of-state and disposed in Louisiana are taxed at either the current effective tax rate or at the rate that would be paid for disposal in the generating state, whichever is higher.

Types of Tax Exemptions
For hazardous waste disposal tax purposes, tax exemptions are in the form of a deduction. The deduction, for this purpose, is a specific reduction to the amount of tax due.

Significant Changes
Fiscal Year 2015-2016
There were no significant changes in the hazardous waste disposal tax laws during the past year.
Hazardous Waste Disposal Tax
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   R.S. 47:823(E)
Hazardous Waste Disposal Tax

{ Deduction }

1. **Timely Filing and Payment**
   A deduction of 0.5 percent is allowed for the accurate and timely accounting for and remitting of the taxes due. The purpose of this deduction is to encourage compliance and to compensate companies for expenses relating to collection and remittance of the tax.

**Legal Citation**
R.S. 47:823(E)

**Origin**
Acts 1990, No. 391

**Effective Date**
August 1, 1990

**Beneficiaries**
Those parties responsible for collecting and remitting the taxes and the state

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<thead>
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<th>Estimated Fiscal Effect</th>
</tr>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$17,000</td>
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</tbody>
</table>
Corporation Income Tax Exemptions
Corporation Income Tax

{ Introduction }

The Louisiana corporation income tax was authorized by the 1921 state constitution. The first tax was levied in 1934 at the rate of four percent of corporate earnings exceeding $3,000. In 1977, Louisiana raised the income tax rate from a flat rate of four percent to a five-tier tax rate schedule that ranged from four percent of the first $25,000 of taxable income to a maximum of eight percent of the taxable income exceeding $200,000. Louisiana allows a deduction in computing taxable income for 100 percent of the federal income taxes paid on income taxable to Louisiana, which reduces the effective corporation income tax rates.

Like many other states that impose a corporate income tax, Louisiana closely follows the federal system. That is, the state employs the federal definition of income and deductions with certain modifications. Act 16 of the First Extraordinary Session of 1986 enacted R.S. 47:287.2 through 47:287.785 relative to corporation income tax and provided for the conformance of this tax to the federal tax system.

For multi-state corporations, Louisiana net income is generally determined through formula apportionment. Under the formula apportionment method, total net income is generally apportioned to Louisiana based on the average of three factors: property, revenue, and wages.

Domestic corporations and other entities taxed as corporations for federal income tax purposes that organized under the laws of Louisiana, unless specifically exempted, must file an income tax return each year. Foreign corporations and other entities taxed as corporations for federal income tax purposes, organized under the laws of other states, who derive income from Louisiana sources, regardless of whether or not they have net income, must file an income tax return unless specifically exempted.

An income tax return is due by the fifteenth day of the fourth month following the close of an accounting period. For income tax periods beginning on and after January 1, 2016, the income tax return is due by the fifteenth day of the fifth month following the close of an accounting period.

Legal Citations
R.S. 47:287.2 through 47:287.785

Tax Base
Taxable income earned within or derived from sources within Louisiana.

Tax Rate
Four percent on the first $25,000; five percent on the next $25,000; six percent on the next $50,000; seven percent on the next $100,000; eight percent on the taxable income above $200,000.

Type of Tax Exemptions
Corporation income tax exemptions are in the form of exemptions/exclusions, deductions, and credits. An exemption/exclusion generally means that a corporation is statutorily exempt from the imposition of the corporate income tax because of the nature of the corporation’s business or a specific item of income that is not taxed. Deductions are generally defined as a reduction in net income to arrive at taxable income. Credits are generally defined as a reduction to the amount of tax due. All exemptions related to corporation income tax are contained in this report.

The federal income tax deduction, although a statutory deduction, is also required by the state constitution. Repeal of this deduction requires a vote of the people. For this reason, this deduction has been separated from the others and appears at the end of this section.

Significant Changes
Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 1 amends and reenacts R.S. 47:287.71 (B)(6); relative to corporation income tax; increases the exclusion for dividend income received from certain banking institutions from 72 percent to 100 percent of the amount of dividend income received. Effective March 3, 2016.

Act 6 clarifies that the deduction for net operating losses is limited to a deduction equal to the lesser of 72 percent of net operating loss carryovers to a taxable year or 72 percent of Louisiana net income. Effective January 1, 2016 and applicable to all returns, regardless of the taxable year to which the return relates, filed on or after July 1, 2015.

Act 16 enacts R.S. 47:287.82 to require that certain deductible interest expenses, intangible expenses, and management fees be added-back when computing corporation income tax liability. Applicable to all tax years beginning on or after January 1, 2016.
Corporation Income Tax

{ Introduction }

Act 23 changes the ordering of the application of tax credits and requires that refundable credits, other than the credit provided for in R.S. 47:6006, be applied before all other credits and payments of tax except for nonrefundable credits with no carry forward which will be applied first. Further provides that credits be applied against income tax first before being applied against franchise tax. Finally, provides that transferable credits with an effective date of transfer, as reflected in the Tax Credit Registry pursuant to R.S. 47:1524, on or before the due date of the tax return, without regard to extensions, may be claimed on the return while transferable credits with an effective date of transfer after the due date of the return, without regard to extensions, may be used as a payment. Effective March 10, 2016 and applicable to taxable periods beginning on or after January 1, 2016.

Act 24 requires that net operating loss deductions be applied in order of the year of loss, beginning with the most recent taxable year to be applied first. Effective January 1, 2017.

Act 28 extends the reductions made to tax credits in Act No. 125 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

Act 29 extends the sunset of reductions to certain rebate programs made in Act No. 126 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

2016 Regular Legislative Session

Act 661 changes the deadline for the payment and filing of corporation income tax returns, partnership tax returns, and partnership composite returns. Effective for income tax periods beginning on and after January 1, 2016 and corporation franchise tax periods beginning on and after January 1, 2017.

2016 Second Extraordinary Legislative Session

Act 4 provides that taxpayers whose ad valorem taxes are less than or equal to $500,000 will be refunded all of the excess credit over tax. Taxpayers whose ad valorem taxes are more than $500,000, but less than or equal to $1,000,000 will be refunded 75 percent of the excess credit, with the remaining 25 percent being carried forward as a credit against subsequent tax liability for up to five years. Taxpayers whose ad valorem taxes are more than $1,000,000 will be refunded 75 percent of the first $1,000,000 of the excess credit, with the remaining amount of the credit being carried forward as a credit against subsequent tax liability for up to five years. Effective June 28, 2016.

Act 5 changed the definition of manufacturer for inventory tax credit purposes to create a specific subset of persons who meet the definition of manufacturer and have claimed the industrial ad valorem tax exemption. For this subset of manufacturers, if the amount of the inventory tax credit claimed on a tax return exceeds the amount of tax liability due on the return, the excess credit is not eligible for refund, but can be carried forward against subsequent Louisiana income or corporation franchise tax liability for up to five years. Effective June 28, 2016.

Act 8 amends the apportionment formula for most industries to implement the single sales factor formula. The Act also provides for sourcing rules for the purpose of attributing sales other than sales of tangible personal property and provides for the exclusion of sales from the sales factor if the taxpayer is not taxable in a state to which a sale is sourced or if the state of assignment cannot be determined or reasonably approximated. Effective June 28, 2016. Applicable to all tax periods beginning on or after January 1, 2016.

Act 9 changes the amount of the Louisiana Citizens Property Insurance Corporation tax credit from 72 percent to 25 percent of the Citizens Assessment paid. Effective June 28, 2016.
Corporation Income Tax

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## Corporation Income Tax
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### Rebates

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<th>Number</th>
<th>Description</th>
<th>Code(s)</th>
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<tbody>
<tr>
<td>51</td>
<td>Donations to School Tuition Organization</td>
<td>R.S. 47:6301</td>
</tr>
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### Exemption Required by the State Constitution

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Code(s)</th>
</tr>
</thead>
</table>
Corporation Income Tax

{ Exemptions/Exclusions }

1. **Credit Unions**
   Credit unions, together with all accumulations therein, are exempt from all taxes except for immovable property owned. The shares of a credit union are not subject to a stock-transfer tax when issued by the corporation or when transferred from one member to another. No fees or taxes, nor any of the stipulations as to capital stock set forth in general statutes for corporations, apply to credit unions. The purpose of this exemption is to minimize the tax burden on these nonprofit organizations.

   **Legal Citation**
   R.S. 6:662

   **Origin**
   Acts 1924, No. 40

   **Effective Date**
   July 1, 1924

   **Beneficiaries**
   Individuals who are a member of a state- or federal-chartered credit union

   **Estimated Fiscal Effect**
   We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

2. **Certain Foreign Corporations**
   Foreign corporations operating as mutual savings banks, mutual savings funds societies, real estate investment trusts, state banks or trust companies, insurance companies, corporations associated with real estate investment trusts, group insurance and annuity corporations, and nonprofit or nontrading corporations are exempt from state corporation income tax if their Louisiana operations are limited to certain activities related to making, acquiring, or participating in loans. The purpose of this exemption is to make it easier for Louisiana businesses and individuals to borrow money.

   **Legal Citations**
   R.S. 12:302(K) and (L)

   **Origin**
   Acts 1968, No. 105

   **Effective Date**
   1968

   **Beneficiaries**
   Certain foreign corporations referred to in the law

   **Estimated Fiscal Effect**
   We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
3. Electric Cooperatives

Electric cooperatives are exempt from all excise and income taxes, except for the fee of $10 for each 100 persons, or fraction thereof, to whom electricity is supplied within the state. The purpose of this exemption is to minimize the tax burden on nonprofit electric cooperatives.

Legal Citation
R.S. 12:425

Origin
Acts 1924, No. 266

Effective Date
July 1, 1940

Beneficiaries
Individuals and companies purchasing electricity from electric cooperatives

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

4. State Banking Corporations and Shareholders

State banking corporations and their shareholders are taxed in the same manner as National Banking Corporations who are exempt from corporation income tax. The purpose of this exemption is to grant state corporations and their shareholders the same tax exemptions allowed to national banking corporations and their shareholders.

Legal Citations
R.S. 47:8, R.S. 47:121(2)

Origin
Acts 1966, No. 445

Effective Date
July 1, 1966

Related Provision
R.S. 12:302(K) and (L)

Beneficiaries
State chartered banks and their shareholders

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
5. **Dividends from National Banking Corporations and State Banking Corporations**

Dividends from national banking corporations and state banking corporations are excluded from the gross income of corporations. The federal law in effect at the time the state income tax statutes were enacted prohibited states from taxing dividends of national banking corporations. Although this prohibition was removed, Louisiana did not change its statutes to tax these dividends. The purpose of this exclusion is to comply with federal laws in effect at the time of enactment.

**Legal Citations**
R.S. 47:287.71(B)(6)

**Origin**

**Related Provision**
R.S. 47:287.738(F)

**Beneficiaries**
Individual and corporate shareholders of national banking corporations

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

6. **Interest on State or Local Government Obligations**

Interest earned on state or local obligations issued by the state of Louisiana or its political or municipal subdivisions is excluded from gross income. The purpose of this exclusion is to encourage investment in Louisiana obligations.

**Legal Citations**
R.S. 47:48, R.S. 47:287.71(B)(4)

**Origin**
Acts 1934, No. 21, Acts 1986, 1st Ex. Sess., No. 16

**Effective Date**
1934

**Related Provision**
R.S. 47:287.738(F)

**Beneficiaries**
State and local governments and the individuals and entities that invest in their obligations

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
7. Certain Exempt Entities

Organizations described in Internal Revenue Code sections 401(a) or 501 are exempt from corporation income tax to the extent that those organizations are exempt from income taxation under federal law. Also, the Louisiana corporation income statute exempts certain other entities. The purpose of this exemption is to provide financial assistance to these nonprofit organizations. The following is a list of exempt entities:

A. Labor, agricultural, and horticultural organizations that are educational or instructive in character, and are designed to encourage the development of agricultural and horticultural products. The income from these organizations must be used exclusively to meet the necessary expenses of upkeep and operation.

B. Mutual savings banks, national banking corporations, and banking corporations organized under the laws of the state of Louisiana, who pay a tax for their shareholders, or whose shareholders pay a tax on their shares of stock under other laws of this state, and building and loan associations.

C. Fraternal beneficiary societies, orders, or associations operating under the lodge system, or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident, or other benefits to members of the society, order, or association or their dependents.

D. Nonprofit cemetery companies owned and operated exclusively for the benefit of their members.

E. Any corporation, community chest, or fund, organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals.

F. Business leagues, chambers of commerce, real estate boards, or boards of trade not organized for profit and no part of the net earnings benefits any private shareholder or individual.

G. Nonprofit civic leagues or organizations operated exclusively for charitable, educational, or recreational purposes.

H. Clubs organized and operated exclusively for pleasure, recreation, or other nonprofit purposes.

7. Certain Exempt Entities (continued)

I. Benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations, but only if 85 percent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

J. Farmers’ or other mutual hail, cyclone, casualty, or fire insurance companies or associations (including interinsurers and reciprocal underwriters), but only if the income of which is used or held for the purpose of paying losses or expenses.

K. Certain farmers, fruit growers, or like associations organized and operated on a cooperative basis for the purpose of marketing products or purchasing supplies and equipment.

L. Corporations organized by exempt farmers’ cooperatives to finance crop operations of members.

M. Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to organizations that are organized and operated exclusively for religious, charitable, scientific, literary, and educational purposes. No part of the net earnings can benefit any private stockholder.

N. Voluntary employees’ beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of the association or their dependents.

O. Teachers’ retirement fund associations of a purely local character, if no part of their net earnings (other than through payment of retirement benefits) benefits a private shareholder or individual, and if the income consists solely of amounts received from public taxation, amounts received from assessments upon the teaching salaries of members, and income in respect of investments.

Legal Citations

Origin
7. Certain Exempt Entities (continued)

Effective Date
1934

Beneficiaries
Members and shareholders of these exempt corporations

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

8. Louisiana Community Development Financial Institutions

A Louisiana Community Development Financial Institution (LCDFI) is any legal entity whose primary business activity is the investment of cash to acquire equity in or provide financing assistance as a licensed business and industrial development corporation to qualified Louisiana businesses in low-income communities.

LCDFI corporations themselves are exempt from corporation income and franchise taxes for five consecutive taxable periods. The exemption from the corporation income tax shall commence with the taxable period in which the capital company is certified by the commissioner.

The exemption was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The exemption allowed starting in FYE 6-16 is for four consecutive taxable periods.

Legal Citations
R.S. 51:3092

Origin

Effective Date
July 12, 2005

Sunset Date
July 1, 2009

Related Provision
R.S. 51:3085

Beneficiaries
Taxpayers that invest in LCDFI’s, the LCDFI, and low-income communities

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
9. **Governmental Subsidies for Operating Public Transportation Systems**

Funds received by a corporation from a governmental entity to subsidize the operation and maintenance of a public transportation system are excluded from gross income. The purpose of this exclusion is to provide financial assistance to public transportation systems.

The exemption was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The exemption allowed starting in FYE 6-16 is limited to 72 percent of the funds received.

**Legal Citations**
R.S. 47:51, R.S. 47:287.71(B)(2)

**Origin**

**Effective Date**
Taxable periods beginning on or after January 1, 1979

**Beneficiaries**
Certain public-service corporations

**Estimated Fiscal Effect**
$0; this exclusion has been inactive. No future activity is anticipated.

10. **Subchapter S Corporation**

Corporations classified as S corporations under Subchapter S of the Internal Revenue Code are required to file Louisiana corporation income tax returns. To arrive at taxable income Subchapter S corporations may exclude a percentage of their Louisiana net income. The excludable percentage is determined by dividing the number of issued and outstanding shares of capital stock of the Subchapter S corporation owned by Louisiana “resident individuals” on the last day of the corporation’s tax year by the total number of issued and outstanding shares of capital stock of the corporation on the last day of the corporation’s tax year. No share will be excluded unless its owner has filed a Louisiana individual income tax return that includes the owner’s share of the Subchapter S corporation’s income. The purpose of this exclusion is to limit income taxation on Subchapter S corporation income to either the corporate or shareholder level. The revenue loss associated with this exclusion is the gross revenue loss calculated using corporate income tax return data and is not offset by the amount of income tax paid on the Subchapter S corporation income included on individual income tax returns.

**Legal Citation**
R.S. 47:287.732

**Origin**
Acts 1989, No. 622

**Effective Date**
Taxable periods beginning on or after January 1, 1991

**Beneficiaries**
Subchapter S corporation shareholders

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$561,245,000</td>
</tr>
</tbody>
</table>

LDR is unable to include the impact of amended returns on the estimated fiscal effect. Therefore the above amount is the estimated fiscal effect of original returns only.
11. Percentage Depletion

An additional deduction in determining net income is allowed for oil and gas depletion. The deduction is based on a percentage of gross income from the property limited to 50 percent of the net income from the property calculated without the deduction for depletion. The purpose of this deduction is to promote oil and gas exploration and production.

The deduction was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the deduction is reduced; but one-third of the reduced portion of the deduction may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The deduction allowed starting in FYE 6-16 is deduction is based on a percentage of gross income from the property limited to 36 percent of the net income of the taxpayer.

Legal Citations
R.S. 47:158(C), R.S. 47:287.745

Origin

Effective Date
1934

Beneficiaries
Corporations with percentage depletion on oil and gas properties that is greater than their cost depletion

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

12. Net Louisiana Operating Loss

Corporations are allowed to carry a net operating loss deduction forward for 20 years. The purpose of this deduction is to allow corporations to offset losses made in one tax year with income earned in another.

The deduction was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018 regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the deduction is reduced; but one-third of the reduced portion of the deduction may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The deduction allowed starting in FYE 6-16 is limited to 72 percent of the amounts of net Louisiana loss incurred in a preceding year.

Legal Citations
R.S. 47:246, R.S. 47:287.86

Origin

Effective Date
Taxable periods beginning after December 31, 1978

Beneficiaries
Corporations that have losses for one year that can be offset against income earned during other years

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$156,229,000</td>
</tr>
</tbody>
</table>

LDR is unable to include the impact of amended returns on the estimated fiscal effect. Therefore the above amount is the estimated fiscal effect of original returns only.
13. **I.R.C. Section 280C Expense**

A deduction is allowed for any expenses that are disallowed under I.R.C. Section 280C. For federal purposes, taxpayers cannot claim certain tax credits and deduct certain expenses associated with those credits. I.R.C. Section 280C requires a taxpayer who elects to claim certain credits that are based on an expense to reduce the federal deduction for the expense by the dollar amount of the credit claimed. This deduction allows the taxpayer to reduce their federal taxable income by the amount of the deduction that was disallowed for federal income tax purposes.

The deduction was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the deduction is reduced; but one-third of the reduced portion of the deduction may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The deduction allowed starting in FYE 6-16 is limited to 72 percent of the expenses disallowed under I.R.C. Section 280C.

**Legal Citations**
R.S. 47:287.73(C)(4)

**Origin**

**Effective Date**
December 24, 1986

**Beneficiaries**
Corporations claiming certain credits on their federal returns

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

14. **Interest Income and Dividend Income**

A deduction is allowed from gross income of an amount equal to interest and dividend income that is included on the federal income tax return.

The deduction was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the deduction is reduced; but one-third of the reduced portion of the deduction may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The deduction allowed starting in FYE 6-16 is limited to 72 percent of the dividends that would otherwise be included in gross income.

**Legal Citations**
R.S. 47:287.738(F)

**Origin**

**Effective Date**
Taxable periods beginning after December 31, 2005

**Beneficiaries**
Taxpayers who have received interest income or dividend income that was included on their federal income tax return

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
Corporation Income Tax

{ Deductions }

15. Hurricane Recovery Entity Benefits

Corporations who received funds from a hurricane recovery entity and were required to include those funds on the federal income tax return are allowed a deduction for such funds. The deduction is for hurricane recovery benefits provided by the Road Home Corporation, the Louisiana Recovery Authority, the Louisiana Family Recovery Corps and the Disaster Recovery Unit, and is retroactive.

The deduction was changed by Act 123 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the deduction is reduced; but one-third of the reduced portion of the deduction may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The deduction allowed starting FYE 6-16 is limited to 72 percent of the funds from a hurricane recovery entity if such benefit was included in federal adjusted gross income.

Legal Citations
R.S. 47:287.738(G)

Origin

Effective Date
July 6, 2007 but is retroactive

Beneficiaries
Taxpayers who have received hurricane recovery benefits that were included on their federal income tax return

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

{ Credits }

16. Insurance Company Premium Tax

A credit is allowed for any premium taxes paid to the Insurance Commissioner of the state of Louisiana. The purpose of this credit is to allow an offset for the premium taxes paid. An offset provided under R.S. 22:832 and R.S. 22:2058 against the premium tax liability has reduced the impact of the premium tax credit.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of premium taxes paid.

Legal Citation
R.S. 47:227

Origin
Acts 1934, Nos. 21 and 61, amended by Acts 2015, No. 125

Effective Date
1934

Beneficiaries
Insurance companies that pay premium taxes

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$36,576,000</td>
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</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
17. Bone Marrow Donor Expense

A non-refundable credit is allowed for bone-marrow donor expenses incurred by employers. The credit is for 25 percent of the expenses paid or incurred during the tax year by an employer to provide a program for employees who are potential or actual bone-marrow donors. The purpose of this credit is to encourage bone-marrow donations.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 18 percent of the expenses paid or incurred.

Legal Citation
R.S. 47:287.758

Origin

Effective Date
August 21, 1992

Provision for Other Taxes
R.S. 47:297(1)

Beneficiaries
Individuals who donate bone-marrow and individuals who need bone-marrow residents.

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.

18. Employment of Certain First-Time Nonviolent Offenders

A non-refundable credit of $200 per employee per year for a maximum of two years is allowed for employing certain first-time nonviolent offenders. The offender must have successfully completed a court-ordered program and have worked 180 full-time days. The purpose of this credit is to encourage employment of first-time nonviolent offenders.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $140 per employee per year.

Legal Citations
R.S. 47:287.752

Origin

Effective Date
Taxable periods beginning on or after January 1, 1994

Provision for Other Taxes
R.S. 47:297(O)

Beneficiaries
First-time nonviolent offenders who are employed by businesses that receive the credit and the companies and individuals who employ them

Estimated Fiscal Effect
A negligible amount for this exemption was reported by taxpayers on the corporation income tax return data available at the time of publication.
19. **Donations to Assist Qualified Playgrounds**

A non-refundable credit is allowed for donations to assist qualified playgrounds in certain economically depressed areas. The credit shall be an amount equal to the lesser of $1,000 or 1/2 of the value of the donation. The purpose of this credit is to encourage donations to qualified playgrounds.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is the lesser of $720 or 36 percent of the value of the donation.

**Legal Citation**
R.S. 47:6008

**Origin**

**Effective Date**
Tax periods beginning after December 31, 1992

**Beneficiaries**
Economically depressed areas benefit from this credit, which should help to improve the quality of life of the residents

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.

20. **Contribution of Tangible Personal Property of Sophisticated & Technological Nature to Educational Institutions**

A non-refundable credit is allowed to corporations, persons, estates, and trusts that donate, sell below cost, or contribute properties of a sophisticated and technological nature to educational institutions in the state of Louisiana. Eligible property includes computer or data processing equipment hardware and software, capable of being used for research, research training, or direct education of students. The credit allowed is 40 percent of the property’s value, or, in the case of sales below cost, 40 percent of the difference between the price received and the property’s value, subject to the limitations prescribed in the statute. The purpose of this credit is to encourage donations of qualifying equipment to educational institutions.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 29 percent of the property’s value.

**Legal Citations**
R.S. 47:37, R.S. 47:287.755

**Origin**

**Effective Date**
January 1, 1984

**Beneficiaries**
Educational institutions, students, teachers, and the state as a whole

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.
Corporation Income Tax

{ Credits }

21. Employee and Dependent Health Insurance Coverage

A non-refundable tax credit is allowed for providing employee and dependent health insurance coverage when any contractor or subcontractor with a contract for the construction of a public work offers health insurance coverage and pays at least 75 percent of the total premium for the health insurance coverage for each full-time employee who elects to participate and pays at least 50 percent of total premium for each dependent of the full-time employee who elects to participate. Contractors who participate are eligible for a five percent income tax credit on 40 percent of the amount of the contract received in a tax year, not to exceed $3,000,000 per year. The credit is allowed against the income tax for the period in which the credit is earned.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 29 percent of the appraised value.

Legal Citation
R.S. 47:287.759

Origin

Effective Date
For tax years beginning on and after January 1, 2005

Sunset Date
December 31, 2007

Beneficiaries
Qualified contractors or subcontractors offering health insurance coverage

Estimated Fiscal Effect
This credit sunsetted December 31, 2007; however any unused credits may still be used.

22. Donations to Public Elementary or Secondary Schools

A non-refundable credit is allowed for qualified donations made to public elementary or secondary schools. The credit allowed is for 40 percent of the appraised value of the donation and not to exceed the taxpayer’s total tax liability for the year. “Qualified donation” means a donation of immovable property purchased or otherwise acquired by a corporation and donated to a public school immediately adjacent or contiguous to the property.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 29 percent of the appraised value.

Legal Citation
R.S. 47:6013

Origin

Effective date
July 1, 1998

Beneficiaries
Corporations that make donations and public schools in the state

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
Corporation Income Tax

{ Credits }

23. Debt Issuance Costs

An economic development corporation is allowed a non-refundable credit equal to the filing fee paid to the Louisiana Bond Commission for the preparation and issuance of bonds.

The credit shall be taken as a credit against the applicable tax or taxes in the taxable period in which the expenses were incurred, not to exceed the total tax liability for that taxable year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of the filing fee paid.

Legal Citation
R.S. 47:6017

Origin

Effective Date
June 25, 2002

Beneficiaries
Economic development corporations

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.

24. Donations of Property to Certain Offices and Agencies

A non-refundable credit is allowed for 50 percent of the value of historical property donated to the Old State Capitol, the State Capitol Complex, and the State Archives. The amount of the credit in any year is limited to 25 percent of the donor’s tax liability. The maximum amount of credit that may be granted in the aggregate in any single year is $70,000. The purpose of this credit is to encourage donations to certain state agencies property with historical value. This serves to preserve such property for future generations.

Legal Citation
R.S. 47:6011

Origin
Acts 1996, No. 10

Effective Date
August 1, 1996

Sunset Date
June 30, 2000

However unused credits can be carried forward until used.

Beneficiaries
Corporations that make donations

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
25. Donations of Material, Equipment, or Instructors Made to Certain Training Providers

A non-refundable credit is allowed for donations of materials, equipment, or instructors made to training providers, vocational/technical schools, apprenticeship programs registered with the Louisiana Workforce Commission, or community colleges within the state. The credit is for one-half the value of the materials, equipment, or services donated. The tax credit when combined with other tax credits cannot exceed 20 percent of the employer’s tax liability for any taxable year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 36 percent of the value of the donated materials, equipment, or services rendered by the instructor.

26. Employment of the Previously Unemployed

A non-refundable credit is allowed for employment of each previously unemployed person in a qualified newly created full-time job. The credit is $750 for each qualified new job and employee and is allowed during the taxable period that the employee has completed one year of full-time service with the employer. The credit is in lieu of other job tax credits provided for in the law. The purpose of this credit is to encourage creation of new jobs, which will provide job opportunities for the unemployed.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $540 for each qualified new job and employee.

Legal Citation
R.S. 47:6012

Origin

Effective date
June 24, 1998

Sunset date
December 31, 2000

Reestablished
August 15, 2002 for taxable periods beginning after December 31, 2002

Beneficiaries
Corporations who take the tax credit and the citizens of the state that benefit from better equipped training facilities

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.
27. Purchase of Qualified Recycling Equipment

A non-refundable credit is allowed for the purchase of new recycling manufacturing or process equipment and/or qualified service contracts. The amount of the credit is computed at 20 percent of the cost of the equipment less other tax credits received for the purchase of the equipment, but may not exceed 50 percent of the tax liability before the credit; unused credits may be carried forward until exhausted. If the equipment is sold before the total credit is claimed, the credit otherwise allowable may be claimed in the tax year of the sale and any unused credit is canceled for future periods. Total credits certified by the secretary of the Department of Environment Quality in any calendar year shall not exceed five million dollars.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the original credit.

Legal Citation
R.S. 47:6005

Origin

Effective Date
Reestablished June 30, 2005

Beneficiaries
Corporations that invest in qualifying equipment in the state as well as Louisiana citizens who benefit from an improved environment

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.
29.  Apprenticeship

A credit is allowed for employers for employing eligible apprentices. The credit is equal to one dollar for each hour of employment of each eligible apprentice, not to exceed 1,000 hours for each eligible apprentice. An eligible apprentice means a person who has entered into a written apprenticeship agreement with an employer or an association of employers pursuant to a registered apprenticeship program or a person who is enrolled in a training program accredited by the National Center for Construction Education and Research that has no less than four levels of training and no less than 500 hours of instruction.

Legal Citation
R.S. 47:6033

Origin

Effective Date
July 11, 2007 for taxable periods beginning after December 31, 2007

Repealed
Acts 2015, No. 357, effective June 29, 2015. However, taxpayers have ten years to utilize the credit.

Beneficiaries
Employers of eligible apprentices

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$288,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

30.  Cash Donations to the Dedicated Research Investment Fund

A credit is allowed for cash donations of $200,000 or more to the Dedicated Research Investment Fund. The credit is equal to 35 percent of cash donations to the Dedicated Research Investment Fund. The purpose of this credit is to encourage donations to qualifying funds, which will assist the research industry in the state.

Legal Citation
R.S. 51:2203

Origin
Acts 1987, No. 300

Effective Date
July 5, 1987

Beneficiaries
Qualifying research institutions

Estimated Fiscal Effect
$0; the Dedicated Research Investment Fund was never created.
Corporation Income Tax

31. New Jobs

A credit is allowed for each employee hired into a newly created job. The amount of the credit depends on whether the new employee qualifies as economically disadvantaged or is a resident of a neighborhood with an unemployment rate of 10 percent or more. The total jobs credit is limited to 50 percent of the tax liability. The purpose of this credit is to encourage corporations to create new jobs in Louisiana.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 36 percent of the tax liability.

Legal Citations
R.S. 47:34, R.S. 47:287.749

Origin

Effective Date
1978

Beneficiaries
Corporations creating new jobs

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$405,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

32. Certain Refunds Issued by Utilities

Refunds made by utility companies, resulting from denial of rate increases, may be credited against gross income. If a deduction from gross income would result in a net loss, the utility company may elect to take an income tax credit subject to certain limitations. The purpose of this credit is to accurately reflect the utility company’s gross income.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the income tax increase.

Legal Citations
R.S. 47:265, R.S. 47:287.664

Origin
Acts 1960, Nos. 1 and 210, amended by Acts 2015, No. 125

Effective Date
1960

Beneficiaries
Utility companies making refunds under these circumstances

Estimated Fiscal Effect
The effects of this credit have been replaced by the provisions of the net operating loss statute. (See R.S. 47:287.86.) Therefore, as long as §287.86, is valid there should be no fiscal effect.
Corporation Income Tax

{ Credits }

33. Hiring Eligible Re-Entrants
A credit is allowed for hiring re-entrants who have been convicted of a felony and who have successfully completed the Intensive Incarceration Program. The purpose of this credit is to provide job opportunities to qualified individuals.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $108 per eligible re-entrant.

Legal Citation
R.S. 47:287.748

Origin

Effective Date
Taxable periods beginning after December 31, 1986

Beneficiaries
Individuals employed as a result of this tax credit

Estimated Fiscal Effect
A negligible amount for this credit was reported by taxpayers on the corporation income tax return data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

34. Neighborhood Assistance
A credit is allowed to businesses that provide neighborhood assistance, job training for individuals, community service, or crime prevention to upgrade impoverished areas. The Commissioner of Administration may allow a credit of up to 70 percent of the actual amount contributed to approved programs. The credit for any corporation shall not exceed $250,000. The total amount of the tax credit granted for programs approved by the Commissioner may not exceed one percent of the total amount of state corporate income tax collected in the prior fiscal year. The purpose of this credit is to encourage assistance to impoverished areas.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 50 percent of the actual amount contributed to approved programs.

Legal Citations
R.S. 47:35, R.S. 47:287.753

Origin

Effective Date
July 22, 1982

Beneficiaries
Residents of impoverished areas of the state

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
35. Rehabilitation of Historic Structures

A tax credit is allowed for the eligible cost and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. Eligible structures must be nonresidential real property or residential rental property. The credit is for 25 percent of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018 and 20 percent for eligible costs and expenses incurred on or after January 1, 2018. No taxpayer or affiliate shall claim more than $5,000,000 of credit per year for any number of structures rehabilitated within a particular downtown development or a cultural product district. The credit is earned only in the year in which the property attributable to the expenditures is placed in service.

Legal Citation
R.S. 47:6019

Origin

Effective Date
July 1, 2002 and taxable periods beginning January 1, 2008 for a cultural product district.

Sunset Date
December 31, 2017

However, taxpayers have five years to utilize the credit.

Beneficiaries
Individuals or businesses rehabilitating a qualified historic structure

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$12,205,000</td>
<td>$12,449,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

36. Louisiana Community Development Financial Institutions Act

This provision creates the Louisiana Community Development Financial Institutions Act. A Louisiana Community Development Financial Institution (LCDFI) is any legal entity whose primary business activity is the investment of cash to acquire equity in or provide financing assistance as a licensed business and industrial development corporation to qualified Louisiana businesses in low-income communities and provides for an income and franchise tax credit for individuals and businesses that invest in LCDFIs. The investment credit is to be calculated as 75 percent of the investment. These credits are transferable and can be carried forward indefinitely. The total amount that can reduce tax revenues in fiscal years 2007 through 2009 is $5 million. Any unused allocation of credits from a previous year may be carried forward and granted in the next year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 54 percent of the investment.

Legal Citation
R.S. 51:3081 through 3094

Origin

Effective Date
July 12, 2005

Sunset Date
July 1, 2009, but provisions relevant to any granted tax credits continue to apply until July 1, 2012

Beneficiaries
Taxpayers that invest in LCDFI's, LCDFIs and low-income communities

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.
Corporation Income Tax

{ Credits }

37. Low-Income Housing

A credit is allowed to providers of certain low-income housing. The credit is computed in accordance with the provisions of Section 42 of the 1986 Internal Revenue Code as modified by Act 972 of the 1990 Legislative Session. The purpose of this credit is to encourage investment in low-income housing.

Legal Citation
R.S. 47:12

Origin
Acts 1990, No. 1033

Effective Date
Taxable periods beginning on or after July 1, 1990

Sunset date
December 31, 1993

However unused credits can be carried forward until used.

Beneficiaries
Corporations providing low-income housing and the tenants in the housing

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.

38. Inventory Tax/Ad Valorem Tax

A refundable tax credit is allowed for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers. The credit was reduced by Act 133 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 regardless of the taxable year to which the return relates. The credit allowed starting in FYE 6-16 is equal to 100 percent of the ad valorem taxes paid if the amount paid is less than $10,000. If the ad valorem taxes paid are $10,000 or more, only 75 percent of the excess credit over tax can be refunded with the remaining 25 percent carried forward for five years.

Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

Act 5 of the 2016 Second Extraordinary Session changed the inventory tax credit to a nonrefundable credit for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid, and for taxes paid by any company related to such manufacturer on inventory that is related to the business of such manufacturer.

Legal Citation
R.S. 47:6006

Origin

Effective Date
July 1, 1992
{ Credits }

38. Inventory Tax/Ad Valorem Tax (continued)

**Beneficiaries**
All corporations that are manufacturers, distributors and retailers paying ad valorem taxes on inventory

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$215,807,000</td>
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<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$220,123,000</td>
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</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

39. Ad Valorem Tax on Natural Gas

A credit is allowed for ad valorem taxes paid to political subdivisions of Louisiana on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The credit was reduced by Act 133 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 regardless of the taxable year to which the return relates. The credit allowed starting in FYE 6-16 is equal to 100 percent of the ad valorem taxes paid if the amount paid is less than $10,000. If the ad valorem taxes paid are $10,000 or more, only 75 percent of the excess credit over tax can be refunded with the remaining 25 percent carried forward for five years.

Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

**Legal Citation**
R.S. 47:6006

**Origin**

**Effective Date**
August 15, 2005

**Beneficiaries**
All corporations paying ad valorem taxes on natural gas held, used, or consumed in providing natural gas storage services
39. **Ad Valorem Tax on Natural Gas**

(continued)

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$3,635,000</td>
</tr>
<tr>
<td>$3,708,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

40. **Ad Valorem Tax on Offshore Vessels**

A credit is allowed for ad valorem taxes paid on vessels that operate principally in Outer Continental Shelf Lands Act Waters. To qualify for the credit, the taxpayer must certify to the assessor that the vessel operated principally in outer continental shelf waters within the calendar year immediately before the tax year of assessment of the vessel and the ad valorem tax must have been paid to the political subdivision without protest. The credit is equal to 100 percent of the taxes paid.

**Legal Citation**

R.S. 47:6006.1

**Origin**


**Effective Date**

July 7, 1994

**Beneficiaries**

All corporations paying ad valorem taxes on vessels operating in Outer Continental Shelf Lands Act Waters

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$35,819,000</td>
</tr>
<tr>
<td>$36,535,000</td>
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</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
Corporation Income Tax

{ Credits }

41. Ad Valorem Tax Paid by Certain Telephone Companies

A credit is allowed for 40 percent of the total ad valorem taxes paid to Louisiana political subdivisions by telephone companies on their public service properties which are assessed by the Louisiana Tax Commission at 25 percent of fair market value pursuant to R.S. 47:1854.

Legal Citation
R.S. 47:6014

Origin
Acts 2000, No. 22

Effective Date
The credit is effective for income tax years ending on or after December 31, 2001.

Beneficiaries
Telephone companies in an amount equal to 40 percent of ad valorem taxes paid to political subdivisions for public service properties

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$22,949,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

42. Purchases from Prison Industry Enhancement Contractors

A tax credit is allowed for the state sales and use taxes paid on purchases of specialty apparel items from a Private Sector Prison Industry Enhancement (PIE) contractor. PIE contractors use inmate labor to produce items for sale and then pay 30 percent of the salary paid to the inmates back to the state.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the sales and use taxes paid.

Legal Citation
R.S. 47:6018

Origin

Effective Date
The credit is effective for income and franchise tax becoming due after December 31, 2002

Beneficiaries
Private Sector Prison Industry Enhancement contractors and corporations who purchases items from them

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.
Corporation Income Tax

{ Credits }

43. LA Citizens Property Insurance Corporation Assessment

A refundable credit is allowed for the amount of surcharges, market equalization charges, or assessments paid as a result of the assessments levied by the Louisiana Citizens Property Insurance Corporation due to Hurricanes Katrina and Rita. This credit is available to taxpayers who paid the assessments as a part of their homeowner’s insurance premium. For assessments paid on or after January 1, 2007, an individual taxpayer can claim the credit after payment is made on a form provided by the secretary instead of on their Louisiana individual income tax return.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the assessment paid.

The credit was further reduced by Act 9 of the 2016 Second Extraordinary Legislative Session for any return filed for any taxable year beginning on or after January 1, 2016. The credit allowed effective June 28, 2016 is limited to 25 percent of the assessment paid.

Legal Citation
R.S. 47:6025

Origin

Effective Date
Taxable periods beginning on or after January 1, 2006

Beneficiaries
Taxpayers who have paid the assessments levied by the LA Citizens Property Insurance Corporation

44. Sugarcane Transport

A credit is allowed for the cost paid by a taxpayer to acquire an eligible sugarcane trailer, to replace an eligible sugarcane trailer, or to convert an ineligible sugarcane trailer to an eligible sugarcane trailer. “Eligible sugarcane trailer” means a trailer that hauls sugarcane and meets the requirements of R.S. 32:387.7(B). Effective for costs of conversions or modifications of eligible sugarcane trailers paid on and after January 1, 2009, but before January 1, 2014.

Legal Citation
R.S. 47:6029

Origin

Effective Date
January 1, 2009

Sunset Date
December 31, 2013

Repealed
Acts 2015, No. 357, effective June 29, 2015

Beneficiaries
Owners of vehicles hauling sugarcane

Estimated Fiscal Effect
This credit sunsetted December 31, 2013.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$1,592,000</td>
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</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
Corporation Income Tax

{ Credits }

45. Solar Energy System
A credit is allowed for the cost of purchase and installation of a solar energy system by a taxpayer at their residence located in Louisiana by a taxpayer who owns a residential rental apartment project, or by a taxpayer who purchases and installs such a system in a residence or a residential rental apartment project which is located in Louisiana. The credit is 50 percent of the first $25,000 of the cost of a system purchased and installed on or after January 1, 2008. The credit for leased systems is 38 percent of the first $20,000 of the cost of purchase installed on or after January 1, 2014. For systems installed after July 1, 2015, the credit for purchased systems is now equal to the lesser of 1) $2.00 multiplied by the total size of the system as measured in DC watts or 2) 50 percent of the first $20,000 of the cost of purchase and installation. The credit may be used in addition to any federal tax credits earned for the same system, except that, a taxpayer may not receive any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for property for which a tax credit has been received under this Section. Only one tax credit is available for any eligible system and use of the credit must be disclosed when the property is sold.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Leased</th>
<th>Non-Leased</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>$19 million</td>
<td>No cap</td>
</tr>
<tr>
<td>2015-2016</td>
<td>$10 million</td>
<td>$10 million</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$10 million</td>
<td>$10 million</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$5 million</td>
<td>$5 million</td>
</tr>
</tbody>
</table>

The cap on the credit for non-leased systems has been reached for Fiscal Years 2015-2016, 2016-2017 and 2017-2018. The cap on the credit for leased systems has been reached for Fiscal Year 2014-2015.

Legal Citation
R.S. 47:6030

Origin

Effective Date
January 1, 2008

Beneficiaries
Taxpayers installing wind or solar energy systems on their property

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$10,000,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit is limited by the cap placed on the credit by Acts 2015, No. 131.

46. Milk Producers
A credit is allowed for resident taxpayers engaged in the business of producing milk for sale. The credit will be allowed when the USDA Uniform Price in Federal Order Number 7 drops below the announced production price established by the Department of Agriculture and Forestry any time during the calendar year. Qualified taxpayers are eligible for tax credits based on the production and sale of milk below the announced production price over a calendar year.

The Department of Health and Hospitals must certify to the Department of Revenue, by January 31 of the following year, which milk producers are eligible to receive the credits. Any producer not certified by the Department of Health and Hospitals will not be entitled to the credits. The credits allowed for each milk producer may not exceed $30,000 per calendar year, and the total amount of tax credits allowed for all producers may not exceed $2.5 million per calendar year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 may not exceed $21,600 per calendar year, and the total amount of tax credits allowed for all producers may not exceed $1.8 million per calendar year.

Legal Citation
R.S. 47:6032

Origin

Effective Date
January 1, 2007

Beneficiaries
Resident taxpayers engaged in the business of producing milk for sale

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$108,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
47. Conversion of Vehicles to Alternative Fuel

A credit is allowed for 50 percent of the cost of the qualified clean burning motor vehicle fuel property for the taxable period in which the property is purchased and installed. If the taxpayer purchases a new motor vehicle originally equipped with qualified clean burning motor vehicle fuel property and is unable to or elects not to determine the exact cost attributable to the property, the taxpayer may claim a credit equal to 10 percent of the cost of the motor vehicle or $3,000, whichever is less, provided the motor vehicle is registered in Louisiana. The purpose of this credit is to provide an incentive to persons or corporations to invest in qualified clean-burning motor vehicle fuel property.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the taxable year to which the return relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting with FYE 6-16 is 36 percent of the cost of the qualified clean-burning motor vehicle fuel property. If the taxpayer is unable to, or elects not to determine the exact cost, the credit is equal to 7.2 percent of the cost of the motor vehicle or $1,500, whichever is less.

Legal Citation
R.S. 47:6035

Origin

Effective Date
January 1, 2009

Beneficiaries
Owners purchasing qualified clean burning motor vehicle fuel property

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$2,682,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

48. School Readiness Child Care Provider

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education (LDE) for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

Child care providers participating in Quality Start are allowed a credit based on the average monthly number of children who either participate in the Child Care Assistance Program administered by the LDE or who are foster children in the custody of DCFS and attending facilities operated by a child care provider, multiplied by an amount based upon the quality rating of the facility.

Legal Citation
R.S. 47:6105

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Child care providers participating in Quality Start, a program that is designed to increase the quality of child care and early learning for all children throughout Louisiana

Estimated Fiscal Effect
The estimated fiscal effect of this credit is shown in the listing of credits for corporation income tax and includes the total revenue loss for individual income, corporation income and franchise taxes.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$2,296,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
Corporation Income Tax

{ Credits }

49. School Readiness Business Supported Child Care

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

A credit is allowed for a taxpayer who incurs eligible business-supported child-care expenses. The credit amount depends upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility that the child attends. Eligible business-supported child-care expenses include expenses to construct, renovate, or expand a child care center, purchase equipment for a center, maintain or operate a center, or subsidize child care for their employees.

Legal Citation
R.S. 47:6107(A)(1)

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Businesses that support child care centers participating in Quality Start, the child care centers and students and the state through the increase in the quality of child care and early learning

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$245,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

50. School Readiness Fees and Grants to Resource and Referral Agencies

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

A credit is allowed for a taxpayer whose business pays fees and grants to child care resource and referral agencies. These are private agencies that contract with the Department of Education to provide important information and services to parents and child care providers. The credit is equal to the amount donated but cannot exceed $5,000 per tax year.

Legal Citation
R.S. 47:6107(A)(2)

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Participating child care providers and children attending child care facilities participating in Quality Start

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$191,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
51. Donations to School Tuition Organization

A rebate is available for taxpayers who donate to certain school tuition organizations (STO). In order to qualify for receive the rebate the taxpayer must file an income tax return with LDR. The rebate is equal to the amount of the donation used by the STO to fund a scholarship, not including any administrative costs paid by the donation. Rebates will be claimed and paid after the conclusion of school year after receiving certification by the STO and the Department of Education.

**Legal Citations**
R.S. 47:6301

**Origin**
Acts 2012, No. 25

**Effective Date**
January 1, 2013 for donations made to a STO which provides scholarships to qualified students to attend a qualified school for the 2013-2014 school year and thereafter.

**Beneficiaries**
Taxpayers that make such donations and low-income students that receive such scholarships

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

LDR is unable to include the impact of amended returns on the estimated fiscal effect. Therefore the above amount is the estimated fiscal effect of original returns only.

52. Federal Income Tax Deduction

A deduction is allowed for federal income taxes paid on income taxed by Louisiana. The purpose of this deduction is to reduce the corporate income tax burden.

**Legal Citations**

**Origin**
1974 Constitution and Acts 1974, No. 188

**Effective Date**
July 12, 1974

**Beneficiaries**
All corporate taxpayers that paid federal income tax

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$162,051,000</td>
</tr>
</tbody>
</table>

LDR is unable to include the impact of amended returns on the estimated fiscal effect. Therefore the above amount is the estimated fiscal effect of original returns only.
Individual Income Tax Exemptions
**Individual Income Tax**

( Introduction )

Louisiana’s individual income tax was first imposed in 1934. The tax is assessed on a resident individual’s income derived from all sources and a nonresident individual’s income derived from Louisiana sources. Resident individuals are allowed a credit for income tax paid to other states on income that is also taxed by Louisiana.

Like other states that impose a personal income tax, Louisiana closely follows the federal system utilizing the federal definition of income and deductions with certain modifications. Louisiana tax-table income is a modified federal adjusted gross income less federal income taxes paid.

The income tax base is partially diminished by a combined personal exemption/standard deduction of $4,500 for single filers and married taxpayers filing separately or $9,000 for married taxpayers filing jointly, head-of-household filers, and qualifying widowers. Additional $1,000 deductions are given for each dependent and each taxpayer who is blind or 65 years of age or older.

Any resident, nonresident, or part-year resident required to file a tax return must do so by the fifteenth day of the fifth month after the close of their taxable year.

**Legal Citations**
R.S. 47:21 through 47:285, R.S. 47:290 through 47:299

**Tax Base**
The tax base is comprised of federal adjusted gross income less federal income tax and the portion of federal itemized deductions that were in excess of the federal standard deduction with adjustments for other modifications to federal adjusted gross income.

**Tax Rate**
Tax tables are used to determine tax liability using rates as follows:

<table>
<thead>
<tr>
<th></th>
<th>Effective for taxable periods beginning after December 31, 2002</th>
<th>Effective for taxable periods beginning after December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married couple filing joint return or qualifying widow:</td>
<td>2% on the first $25,000</td>
<td>2% on the first $25,000</td>
</tr>
<tr>
<td></td>
<td>4% on the next $25,000</td>
<td>4% on the next $75,000</td>
</tr>
<tr>
<td></td>
<td>6% on the taxable income above $50,000</td>
<td>6% on the taxable income above $100,000</td>
</tr>
<tr>
<td>Single, Head of Household, or married filing separately</td>
<td>2% on the first $12,500</td>
<td>2% on the first $12,500</td>
</tr>
<tr>
<td></td>
<td>4% on the next $12,500</td>
<td>4% on the next $37,500</td>
</tr>
<tr>
<td></td>
<td>6% on the taxable income above $25,000</td>
<td>6% on the taxable income above $50,000</td>
</tr>
</tbody>
</table>

**Types of Tax Exemptions**
Individual income tax exemptions are in the form of exemptions/exclusions, deductions, and credits. Exemptions/exclusions generally mean a specific item of income that is not included in taxable income. Deductions are generally defined as a reduction in net income to arrive at taxable income. Credits are generally defined as a reduction to the amount of tax due. All exemptions related to individual income tax are contained in this report.

The federal income tax deduction, although a statutory deduction, is also required by the state constitution. Repeal of this deduction requires a vote of the people. For this reason, this deduction has been separated from the other exemptions and appears at the end of this section.
Individual Income Tax

{ Introduction }

Significant Changes
Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 21 repeals the Student Assessment for a Valuable Education (SAVE) credit program in its entirety. Effective March 14, 2016.

Act 23 changes the ordering of the application of tax credits and requires that refundable credits, other than the credit provided for in R.S. 47:6006, be applied before all other credits and payments of tax except for nonrefundable credits with no carry forward which will be applied first. Further provides that credits be applied against income tax first before being applied against franchise tax. Finally, provides that transferable credits with an effective date of transfer, as reflected in the Tax Credit Registry pursuant to R.S. 47:1524, on or before the due date of the tax return, without regard to extensions, may be claimed on the return while transferable credits with an effective date of transfer after the due date of the return, without regard to extensions, may be used as a payment. Effective March 10, 2016 and applicable to taxable periods beginning on or after January 1, 2016.

Act 28 Extends the reductions made to tax credits in Act No. 125 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

Act 29 Extends the sunset of reductions to certain rebate programs made in Act No. 126 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

2016 Regular Legislative Session
Act 187 provides that the income tax checkoff for the Friends of Palmetto Island State Park, Inc. will remain on the individual income tax return through January 1, 2020, regardless of whether donations exceed $10,000 for two consecutive years. Effective May 26, 2016.

Act 461 provides that the secretary may accept a physical copy of a taxpayer’s Internal Revenue Service form requesting an extension of time to file a federal income tax return as an extension of time to file a Louisiana income tax return without the necessity of an additional state form. Effective August 1, 2016.

2016 Second Extraordinary Legislative Session
Act 4 provides that taxpayers whose ad valorem taxes are less than or equal to $500,000 will be refunded all of the excess credit over tax. Taxpayers whose ad valorem taxes are more than $500,000, but less than or equal to $1,000,000 will be refunded 75 percent of the excess credit, with the remaining 25 percent being carried forward as a credit against subsequent tax liability for up to five years. Taxpayers whose ad valorem taxes are more than $1,000,000 will be refunded 75 percent of the first $1,000,000 of the excess credit, with the remaining amount of the credit being carried forward as a credit against subsequent tax liability for up to five years. Effective June 28, 2016.

Act 5 changed the definition of manufacturer for inventory tax credit purposes to create a specific subset of persons who meet the definition of manufacturer and have claimed the industrial ad valorem tax exemption. For this subset of manufacturers, if the amount of the inventory tax credit claimed on a tax return exceeds the amount of tax liability due on the return, the excess credit is not eligible for refund, but can be carried forward against subsequent Louisiana income or corporation franchise tax liability for up to five years. Effective June 28, 2016.

Act 9 changed the amount of the Louisiana Citizens Property Insurance Corporation tax credit from 72 percent to 25 percent of the Citizens Assessment paid. Effective June 28, 2016.

Act 11 limits the individual income tax deduction for certain net capital gains. Limits the deduction to net capital gains resulting from the sale or exchange of an equity interest or assets held by the taxpayer for a minimum of five years immediately prior to the sale or exchange. Provides that the amount of the deduction is based on the number of years the entity was domiciled in Louisiana. Effective June 28, 2016. Act 11 is applicable to sales or exchanges of equity interests or assets that occur on or after June 28, 2016.
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<th>Section</th>
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Individual Income Tax

{ Exemptions/Exclusions }

1. **Interest on State or Local Government Obligations**

Interest received on obligations issued by the state or its political or municipal subdivisions is exempt from tax table income. The purpose of this exclusion is to encourage investment in Louisiana obligations.

**Legal Citation**
R.S. 47:48, R.S. 47:293(9)(b)

**Origin**
Acts 1934, No. 21

**Effective Date**
July 12, 1934

**Beneficiaries**
State and local governments and the individuals and entities that invest in their obligations

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

2. **Resident Estates and Trusts**

Resident estates and trusts are allowed to exempt up to $2,500 of their federal taxable income when calculating their Louisiana taxable income. The $2,500 exemption includes any exemption allowed under IRC section 642(a).

**Legal Citation**
R.S. 47:300.6(B)(2)(c)

**Origin**
Acts 2000, No. 40

**Effective Date**

**Beneficiaries**
Resident Estates and trusts subject to Louisiana income tax

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data.
3. Annual Retirement Income

Persons 65 years or older may exclude up to $6,000 of annual retirement income from their taxable income. The purpose of this exclusion is to reduce the tax burden for persons 65 years or older.

**Legal Citation**
R.S. 47:44.1(A)

**Origin**
Acts 1981, No. 880

**Effective Date**
Taxable periods beginning after December 31, 1980

**Beneficiaries**
Retirees, 65 years or older, with taxable retirement income

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,154,000</td>
<td>$24,637,000</td>
<td></td>
</tr>
</tbody>
</table>

4. Disability Income

Individuals receiving annual disability income for a permanent total disability as provided for in R.S. 23:1221(2) may exclude up to $6,000 of disability income. An individual claiming an exemption under R.S. 47:79(A)(2), for blindness, loss of one or more limbs, mental incapacitation, or for deafness is not eligible for this exemption.

**Legal Citation**
R.S. 47:44.1(B)

**Origin**
Act 2000, No. 34

**Effective Date**
January 1, 2001

**Beneficiaries**
Individual receiving certain disability income

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,004,000</td>
<td>$5,104,000</td>
<td></td>
</tr>
</tbody>
</table>

*Note:* this amount includes the total revenue loss for S Bank income exclusion, deduction for adaptive home improvements for disabled individuals, and deduction for military family assistance fund. (See numbers 9, 10, and 22, individual income tax section).
**Individual Income Tax**

{ Exemptions/Exclusions }

5. **State Employees, Teachers, and Other Retirement Benefits**

Individuals receiving benefits from certain retirement systems are allowed to exclude those benefits from their Louisiana tax-table income. Acts 68 and 69 of 1991, amended and reenacted R.S. 33:7203 and R.S. 40:427.2(E), relative to Municipal and State Police Employees Retirement Systems, to provide that deferred retirement option plan funds are exempt from state income tax. The purpose of this exclusion is to shelter certain retirement benefits from the income tax.

**Legal Citations**

- R.S. 11:405 State Employees' Retirement System
- R.S. 11:570 Funded Judicial Retirement Plan
- R.S. 11:704 Teachers' Retirement System
- R.S. 11:704 Teachers' Retirement System of Orleans Parish
- R.S. 11:1003 Louisiana School Employees' Retirement System
- R.S. 11:1331 Louisiana State Police Retirement System
- R.S. 11:1403 Assessors Retirement Fund
- R.S. 11:1526 Clerks' of Court Retirement and Relief Fund
- R.S. 11:1735 Municipal Employees' Retirement System
- R.S. 11:1735 City of Baton Rouge Retirement System
- R.S. 11:1735 Employees' Retirement System of East Baton Rouge Parish
- R.S. 11:1735 Employees' Retirement System of Shreveport
- R.S. 11:1905 Parochial Employees' Retirement System
- R.S. 11:3906 City of Alexandria Employees’ Retirement System
- R.S. 11:3003 Registrars of Voters Employees’ Retirement System
- R.S. 11:2128 Sheriffs’ Pension and Relief Fund
- R.S. 11:2228 Municipal Police Employees’ Retirement System
- R.S. 11:2263 Firefighters Retirement System (See note at end of this list.)
- R.S. 11:3389 Firefighters’ Pension and Relief Fund of New Orleans
- R.S. 11:3566 Policemen’s Pension and Relief Fund for Alexandria
- R.S. 11:3568 Policemen's Pension and Relief Fund for City of Bossier City
- R.S. 11:3608 Policemen’s Pension and Relief Fund for City of Lafayette
- R.S. 11:3658 Policemen’s Pension and Relief Fund for the Police Department of the City of New Orleans
- R.S. 11:2228 Policemen's Pension and Relief Fund for Lafayette
- R.S. 11:3691 Harbor Police Retirement System (Port of New Orleans)
- R.S. 11:2228 Policemen's Pension and Relief Fund of the City of Shreveport
- R.S. 11:3823 Employees' Retirement System of the City of New Orleans
- R.S. 11:952.3 LSU Retirement System

**Note:** The Firefighters’ Retirement System was established effective January 1, 1980, by R.S. 11:2251 et seq. As of October 1999, all of the local firefighters’ retirement systems have merged with this system except the systems for the cities of Baton Rouge and New Orleans.

Firemen’s Pension and Relief Fund of:

- R.S. 11:3118 Alexandria
- R.S. 11:3205 Bossier City
- R.S. 11:3300 Lafayette
- R.S. 11:3389 New Orleans

**Origin**
Various legislation since 1946

**Effective Date**
1946 and subsequent years

**Beneficiaries**
Retirees of various Louisiana public retirement systems

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$94,644,000</td>
</tr>
</tbody>
</table>
Individual Income Tax

{ Exemptions/Exclusions }

6. Federal Retirement Benefits

Federal retirement benefits received by federal retirees, both military and nonmilitary, may be excluded from Louisiana taxable income. The purpose of this exclusion is to shelter federal retirement benefits from the income tax.

Legal Citation
R.S. 47:44.2 Federal Retirement System Benefits
R.S. 47:44.2 Railroad Retirement System Benefits
R.S. 47:52 Disability Pay to World War II Veterans
U.S.C.A. 45:231(m) Railroad Retirement Supplemental

Origin
Acts 1989, No. 812

Effective Date
1988

Beneficiaries
Individuals receiving federal retirement income, both military and nonmilitary

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$31,787,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$32,423,000</td>
</tr>
</tbody>
</table>

7. Social Security Benefits

Social Security benefits received by individuals that are taxable for federal purposes may be excluded from Louisiana taxable income. The purpose of this exclusion is to shelter Social Security benefits from the income tax.

Legal Citation
R.S. 47:44.2

Origin
Acts 1984, No. 298

Effective Date
1984

Beneficiaries
Individuals receiving Social Security income

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$96,303,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$98,230,000</td>
</tr>
</tbody>
</table>
Individual Income Tax

{ Exemptions/Exclusions }

8. Military Pay

Compensation of the first $30,000 paid to a member of the United States armed forces for services performed outside the state is exempt from income tax. The exemption is for tax periods beginning after December 31, 2002. Such member must be on active duty and the duty must be continuous and uninterrupted for 120 days or more.

Legal Citation
R.S. 47:293(9)(e)

Origin

Effective Date
January 1, 2001

Beneficiaries
Military personnel deriving income outside Louisiana

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$6,097,000</td>
<td>$6,219,000</td>
</tr>
</tbody>
</table>

9. S Bank Income

An S Bank shareholder may exclude an amount equal to the S Bank shareholder’s nontaxable income from Louisiana tax table income. S Bank non-taxable income is defined as the portion of the income reported by an S Bank on Form 1120S Schedule K-1, or equivalent document, which is attributable to the net earnings used to compute the S Bank’s shares tax as provided in R.S. 47:1967.

Legal Citation
R.S. 47:297.3, R.S. 47:300.6 (B)(2)(d), R.S. 47:300.7 (C)(2)(c)

Origin
Acts 2002, No. 30

Effective Date
Tax periods beginning on or after January 1, 2003

Beneficiaries
Individuals, trusts, and estates that are S Bank Shareholders

Estimated Fiscal Effect
See number 4, individual income tax section.
Individual Income Tax

{ Deductions }

10. Adaptive Home Improvements for Disabled Individuals

Individuals with a disability, as described by R.S. 51:2232(11), that is permanent in nature are allowed to deduct from gross income up to $5,000 of expenses incurred to make necessary adaptations to their home. The disabled individual’s gross family income must be $50,000 or less to qualify for this deduction. The purpose of this deduction is to provide financial relief to individuals for expenses incurred modifying their homes to accommodate disabilities.

Legal Citations
R.S. 47:59.1

Origin
Acts 1994, No. 11

Effective Date
June 7, 1994

Beneficiaries
Individuals with disabilities who incur qualified home adaptation expenses

Estimated Fiscal Effect
See number 4, individual income tax section.

11. Dependent Exemption/Deduction

A $1,000 deduction from the lowest tax bracket is allowed for each dependent. The purpose of this deduction is to reduce the tax burden for taxpayers with dependents.

Legal Citations
R.S. 47:79(B), R.S. 47:294(B)

Origin
Acts 1934, No. 21, amended by Acts 1980, No. 316

Effective Date
January 1, 1935

Beneficiaries
All individual taxpayers who file a tax return and claim one or more dependents

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$32,009,000</td>
</tr>
</tbody>
</table>
12. **Construction Code Retrofitting**

A deduction is allowed for voluntarily retrofitting an existing residential structure for which the taxpayer claims the homestead exemption. “Voluntarily retrofitting an existing residential structure” means that the retrofitting is not a construction, reconstruction, alteration, or repair of the structure required by the State Uniform Construction Code because the structure is a new residential structure or because of damage or destruction of an existing residential structure. The deduction is equal to 50 percent of the cost paid or incurred on or after January 1, 2007, less any other state, municipal or federal-sponsored incentives. The total amount of deduction granted may not exceed $5,000 per retrofitted residential structure, and will be claimed on the return for the taxable year in which the work is completed.

**Legal Citations**

R.S. 47:293(2)(a)(i)

**Origin**

Acts 2007, No. 467

**Effective Date**

July 11, 2007 for tax years beginning on and after January 1, 2008

**Beneficiaries**

Individual taxpayers who are homeowners

**Estimated Fiscal Effect**

A negligible amount for this deduction was reported by taxpayers on the individual income tax return data available at the time of publication.

13. **Excess Federal Itemized Deductions**

For taxable periods beginning on or after January 1, 2009, taxpayers are allowed to deduct 100 percent of the federal itemized deductions that were in excess of the federal standard deduction. The purpose of this deduction is to shelter a portion of a taxpayer’s income from state income tax.

**Legal Citation**

R.S. 47:293(3)

**Origin**


**Effective Date**

Reestablished August 15, 2007 for taxable periods beginning on or after January 1, 2007

**Beneficiaries**

Individual taxpayers who itemize their federal deductions

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$353,127,000</td>
</tr>
</tbody>
</table>
Individual Income Tax

{ Deductions }

14. Hurricane Recovery Entity Benefits
Individuals who received funds from a hurricane recovery entity and were required to include those funds on the federal income tax return are allowed a deduction for such funds. The deduction is for hurricane recovery benefits provided by the Road Home Corporation, the Louisiana Recovery Authority, the Louisiana Family Recovery Corps and the Disaster Recovery Unit, and is retroactive.

Legal Citations
R.S. 47:293(5)

Origin

Effective Date
July 6, 2007, but the deduction is retroactive

Beneficiaries
Taxpayers who received hurricane recovery benefits that were included on their federal income tax return

Estimated Fiscal Effect
$0; no future activity is anticipated.

15. Recreation Volunteer
A $500 deduction is allowed for recreation department volunteers who volunteer a minimum of 30 hours in a calendar year and receive a written certification from the recreation department that they have completed the required number of service hours.

Legal Citations
R.S. 47:293(7)(a)

Origin
Acts 2007, No. 458

Effective Date
January 1, 2007

Beneficiaries
Communities where individuals volunteer with their recreation departments

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$41,000</td>
</tr>
<tr>
<td>$42,000</td>
</tr>
</tbody>
</table>
16. **Volunteer Firefighter**

A $500 deduction for volunteer firefighters who complete 24 hours of continuing education during the calendar year and are either an active member of the Louisiana State Fireman’s Association or are on the personnel roster for the State Fire Marshal’s Volunteer Fireman’s Insurance Program.

**Legal Citations**

R.S. 47:293(7)(a)

**Origin**

Acts 2007, No. 458

**Effective Date**

January 1, 2007

**Beneficiaries**

Communities with volunteer firefighters

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$60,000</td>
</tr>
</tbody>
</table>

17. **START Savings Program Contribution**

Relative to the Student Tuition Assistance and Revenue Trust Program, the amount an owner deposits into an education savings account shall be deducted from taxable income up to a maximum of $2,400 per account owned per taxable year for account owners filing single returns and up to a maximum of $4,800 per beneficiary per taxable year for account owners filing joint returns. An individual may designate on his income tax return that any part of his income tax refund be deposited into the fund. Any funds withdrawn from the account to pay expenses other than qualified higher education expense as defined in R.S. 17:3092(10) are included in taxable income. The law was amended in 2001 to allow for the difference between the total deposited, if less than the maximum and $2,400 to be carried forward to subsequent years.

**Legal Citations**

R.S. 17:3095(A)(1), 17:3098, 47:120.62, 47:293

**Origin**


**Effective Date**

July 1, 2000, for taxable periods after January 1, 2001

**Beneficiaries**

All individuals who deposit funds into a qualified education savings account

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$2,227,000</td>
</tr>
</tbody>
</table>
18. **I.R.C. Section 280C Expense**

A deduction is allowed for any expenses that are disallowed under I.R.C. Section 280C. For federal purposes, taxpayers can not claim certain tax credits and deduct certain expenses associated with those credits. I.R.C. Section 280C requires a taxpayer who elects to claim certain credits that are based on an expense to reduce the federal deduction for the expense by the dollar amount of the credit claimed. This deduction allows the taxpayer to reduce their federal adjusted gross income by the amount of the deduction that was disallowed for federal income tax purposes.

**Legal Citations**
R.S. 47:293(9)(a)(ix)

**Origin**
Acts 2006, 1st Ex. Sess., No. 25

**Effective Date**
Taxable periods beginning after December 31, 2003

**Beneficiaries**
Individuals who are business owners who claim certain credits on their federal returns

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$476,000</td>
</tr>
<tr>
<td>$486,000</td>
</tr>
</tbody>
</table>

19. **Teachers**

A $1,000 deduction is allowed for individuals who were previously employed as a public school classroom teacher in Jefferson, Orleans, Plaquemines, St. Bernard, and St. Tammany parishes and who signed a contract to be employed as a public school classroom teacher for at least three years.

**Legal Citations**
R.S. 47:293

**Origin**
Acts 2007, No. 351

**Effective Date**
Taxable periods beginning in 2007 and 2008

**Sunset Date**
December 31, 2008

**Beneficiaries**
Teachers previously employed as a public school classroom teacher in Jefferson, Orleans, Plaquemines, St. Bernard, and St. Tammany parishes

**Estimated Fiscal Effect**
This deduction sunsets December 31, 2008.
20. **Net Capital Gains**

Taxpayers are allowed a deduction for net capital gains, limited to gains recognized and treated for federal income tax purposes as arising from the sale or exchange of an equity interest in or substantially all of the assets of a nonpublicly traded corporation, partnership, limited liability company, or other business organization commercially domiciled in this state.

Act 11 of the 2016 Second Extraordinary Session changed the calculation of the deduction for sales or exchanges occurring on or after June 28, 2016.

**Legal Citation**
R.S. 47:293(9)(a)(xvii)

**Origin**

**Effective Date**
August 15, 2009 for all taxable periods beginning on or after January 1, 2010

**Beneficiaries**
Investors in nonpublicly traded companies domiciled in Louisiana

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$33,846,000</td>
<td>$34,523,000</td>
</tr>
</tbody>
</table>

The fiscal effect assumes no restrictions on eliminating this deduction. Assuming that to reduce this deduction below the levels in effect January 1, 1974, would require a constitutional amendment, 58 percent of the fiscal effect should be considered constitutionally protected.

21. **Personal Exemption—Standard Deduction**

Taxpayers are allowed a deduction from tax table income. The combined personal exemption/standard deduction is $4,500 for taxpayers filing single or separate returns and $9,000 for taxpayers filing joint returns or as head of household and is deducted from the lowest tax bracket. The purpose of this deduction is to shelter a portion of a taxpayer’s income from state income tax.

**Legal Citation**
R.S. 47:294(A)

**Origin**
Acts 1934, No. 21

**Effective Date**
1934

**Beneficiaries**
All individual taxpayers who file a tax return

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$255,676,000</td>
<td>$260,789,000</td>
</tr>
</tbody>
</table>

The fiscal effect assumes no restrictions on eliminating this deduction. Assuming that to reduce this deduction below the levels in effect January 1, 1974, would require a constitutional amendment, 58 percent of the fiscal effect should be considered constitutionally protected.
22. **Military Family Assistance Fund**

Activated military personnel or family members of activated military personnel who receive payments or awards from the Louisiana Military Family Assistance Fund are allowed a deduction of the payments received.

**Legal Citation**
R.S. 47:297.5

**Origin**
Acts 2005, No. 151

**Effective Date**
June 28, 2005

**Beneficiaries**
Activated military personnel or family members of activated military personnel who have received benefits from the Military Family Assistance Fund

**Estimated Fiscal Effect**
See number 4, individual income tax section.

23. **Elementary & Secondary School Tuition**

Residents with dependents attending a nonpublic elementary or secondary school which complies with the criteria set forth in Brumfield, et al. v. Dodd, et al. 425 F. Supp. 528 and Section 501(c)(3) of the Internal Revenue Code or any public elementary or secondary laboratory school operated by a public college or university are allowed a deduction for tuition and fees required by the school. The deduction is equal to 50 percent of the tuition and fees per dependent, limited to $5,000. Starting with the 2011 tax year, the deduction is equal to the actual amount paid, limited to $5,000. Amounts paid on or after January 1, 2009 for tuition, fees, uniforms, textbooks and other supplies required by the school can be deducted for a child who was claimed as a dependent on the current or prior year’s tax return.

**Legal Citation**
R.S. 47:297.10

**Origin**

**Effective date**
March 24, 2008

**Beneficiaries**
Taxpayers with dependents attending a nonpublic elementary or secondary school

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$21,863,000</td>
<td>$22,300,000</td>
</tr>
</tbody>
</table>
Individual Income Tax

{ Deductions }

24. Educational Expenses for Home-Schooled Children

Residents with dependents who are home-schooled are allowed a deduction for educational expenses. The deduction is equal to 50 percent of the qualified educational expenses for each dependent, limited to $5,000. Qualified educational expenses include amounts paid on or after January 1, 2009 for the purchase of textbooks and curricula necessary for home-schooling of each child claimed as a dependent on the current or prior year’s tax return.

Legal Citation
R.S. 47:297.11

Origin

Effective date
March 24, 2008

Beneficiaries
Taxpayers who are home-schooling their dependents

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
</tbody>
</table>

25. Fees and Other Educational Expenses for a Quality Public Education

Residents with dependents attending a public elementary or secondary school are allowed a deduction for fees or other amounts paid during the year. The deduction is equal to 50 percent of the amounts paid per dependent, limited to $5,000. The amounts that can be deducted include amounts paid on or after January 1, 2009 for uniforms, textbooks and other supplies required by the school for each child claimed as a dependent on the current or prior year’s tax return.

Legal Citation
R.S. 47:297.12

Origin

Effective date
March 24, 2008

Beneficiaries
Taxpayers with dependants attending a public elementary or secondary school

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
</tbody>
</table>
26. Employment of Qualified Disabled Individuals

A deduction is allowed from income taxes imposed for each taxpayer who provides continuous employment to a qualified disabled individual within Louisiana. A taxpayer shall be eligible to claim the deduction provided for in this Section after employing a qualified individual with a disability for four continuous months for no less than an average of twenty hours a week at a rate comparable to and in the same setting as other employees of the taxpayer performing the same or similar task.

Legal Citation
R.S. 47:297.13

Origin
Acts 2015, No. 117

Effective date
June 19, 2015

Beneficiaries
Taxpayers that employ qualified disabled individuals within Louisiana

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.

27. Net Income Taxes Paid to Other States

A credit is allowed for taxes paid to other states. The purpose of this credit is to allow taxpayers to deduct the income tax paid to other states on income also taxed by Louisiana, so as not to subject the taxpayer to double taxation.

The credit was reduced by Act 109 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018. The credit is allowed only if the other state provides a similar credit for Louisiana income taxes paid on income derived from property located in, or from services rendered in, or from business transacted in Louisiana; shall be limited to the amount of Louisiana income tax that would have been imposed if the income earned in the other state had been earned in Louisiana and not allowed for income taxes paid to a state that allows non-resident a credit against the income taxes imposed by that state for taxes paid or payable to the state of residence.

Legal Citation
R.S. 47:33

Origin

Effective date
1946

Beneficiaries
Louisiana resident individuals who derive taxable income from other states

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$61,525,000</td>
<td>$62,755,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 109 on June 30, 2018.
28. Contribution of Tangible Personal Property of a Sophisticated & Technological Nature to Educational Institutions

A credit is allowed for contributions of tangible personal property of a sophisticated and technological nature to educational institutions. The credit allowed is 40 percent of the property's value, or, in the case of sales below cost, 40 percent of the difference between the price received and the property's value, subject to the limitations prescribed in the statute. The purpose of this credit is to allow a tax credit to corporations, persons, estates, and trusts that donate, sell below cost, or contribute properties of a sophisticated and technological nature to educational institutions in the state of Louisiana.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 29 percent of the property’s value.

Legal Citation
R.S. 47:37, R.S. 47:287.755

Origin

Effective Date
January 1, 1984

Beneficiaries
Educational institutions, students, teachers, the state as a whole, and donors who make a contribution of equipment

29. Certain Disabilities

A credit of $100 is allowed for taxpayers, spouses, or dependents who are blind, deaf, mentally incapacitated, or have lost the use of a limb. The purpose of this credit is to reduce the tax burden for persons with certain disabilities.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $72 for persons with certain disabilities.

Legal Citation
R.S. 47:297(A)

Origin

Effective Date
Taxable periods beginning after December 31, 1979

Beneficiaries
Individual taxpayers with certain disabilities

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$2,172,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
30. Special Allowable Credits

A credit is allowed for ten percent of the amount of certain federal income tax credits. Beginning in 1975, the use of federal tax as an entry into state tax tables gave taxpayers benefit of the following credits:

- credit for contributions to candidates for public office
- credit for the elderly
- investment credit
- foreign tax credit
- work incentive credit
- jobs credit
- residential energy credit

In 1980, the method was changed to use federal adjusted gross income to calculate the amount of tax due. Because the change eliminated federal tax credits, this provision was enacted. Beginning in 1986, the credit was limited to $25. The purpose of this credit is to allow some of the federal credits to also be applied against the state tax liability.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is for 7.2 percent of the federal credits, limited to $18.

Legal Citation

R.S. 47:297(B)

Origin

Acts 1980, No. 316

Effective Date

Taxable periods beginning after December 31, 1979

Beneficiaries

Individual taxpayers who are entitled to certain federal credits

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$835,000</td>
<td>$852,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

31. Education

A credit of $25 is allowed for each qualified dependent child who was in school in kindergarten through 12th grade at least part of the year. This credit enacted in 1980, was suspended beginning with the tax year 1986 through tax year 1995.

The credit was suspended by Act 38 of the 2000 Legislative Session for the taxable years beginning after December 31, 1999, and before January 1, 2002. Acts 2002, No. 25 suspended the credit for tax years beginning on or after January 1, 2000, and prior to January 1, 2006.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $18 for each qualified dependent. Also, Acts 2015, No. 140 limited the credit to Louisiana residents for dependents attending school in Louisiana who does not claim the elementary and secondary school tuition deduction.

Legal Citation

R.S. 47:297(D)

Origin


Effective Date

Taxable periods beginning after December 31, 2005

Beneficiaries

Individual taxpayers with school age dependent children

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$11,024,000</td>
<td>$11,244,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
32. **Certain Child Care Expenses**

Taxpayers are allowed a credit for a percentage of the federal child and dependent care credit taken on a resident’s federal income tax return. If a federal credit was not taken because of the alternative minimum tax, then no state credit is allowed because the Louisiana credit is based on the credits taken on the federal return.

The state child care tax credit is allowed as follows:

<table>
<thead>
<tr>
<th>Federal Adjusted Gross Income</th>
<th>Percent of Federal Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000 or less</td>
<td>50%</td>
</tr>
<tr>
<td>$25,001 to $35,000</td>
<td>30%</td>
</tr>
<tr>
<td>$35,001 to $60,000</td>
<td>10%</td>
</tr>
<tr>
<td>Over $60,000</td>
<td>Lesser of $25 or 10%</td>
</tr>
</tbody>
</table>

For tax years beginning on or after January 1, 2006 taxpayers whose federal adjusted gross income is $25,000 or less will be allowed a refundable credit without regard to whether a federal credit is claimed.

**Legal Citation**
R.S. 47:297.4

**Origin**

**Effective Date**
Taxable periods beginning on or after January 1, 2003

**Beneficiaries**
Individual taxpayers who are claiming a child and dependent care credit on their federal income tax return

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,177,000</td>
<td></td>
<td>$18,540,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

33. **Gasoline & Special Fuels Taxes for Commercial Fisherman**

A credit is allowed for gasoline and special fuels taxes paid for operating or propelling any commercial fishing boat, if a refund of the taxes has not been received pursuant to R.S. 47:802.2 and R.S. 47:1681. The purpose of this credit is to allow taxpayers additional time to obtain a refund of the taxes since under R.S. 47:802.2 and R.S. 47:1681 the refund application period is only six months.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the state gasoline and special fuels taxes paid.

**Legal Citation**
R.S. 47:297(C)

**Origin**
Act 1993, No. 164, amended by Acts 2015, No. 125

**Effective Date**
For taxable years beginning after December 31, 1992

**Beneficiaries**
Licensed commercial fishermen

**Estimated Fiscal Effect**
A negligible amount for this credit was reported by taxpayers on the individual income tax return data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

34. **Family Responsibility**

A credit is allowed for 33.33 percent of the amount a taxpayer contributed in a program of voluntary family responsibility developed and implemented by the Department of Health and Human Resources. The credit is limited to $200 per year. The purpose of this credit is to encourage individuals to donate money to the Family Responsibility Program.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to $144 per year.

**Legal Citations**

R.S. 47:297(F) and R.S. 46:449

**Origin**


**Effective Date**

Taxable periods beginning after December 31, 1982

**Beneficiaries**

Persons receiving intermediate or skilled nursing care in the state with insufficient income and resources to meet the costs of the care

**Estimated Fiscal Effect**

A negligible amount for this credit was reported by taxpayers on the individual income tax return data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the changes to the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

35. **Small-town Doctors/Dentist**

A credit is allowed for qualified doctors affiliated with a small-town hospital and dentists who relocate their primary office to certain locations, for the lesser of the tax due or $5,000 per taxable year up to a maximum of five years. The purpose of this credit is to encourage doctors and dentists to locate in small towns.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is the lesser of the tax due or $3,000 per taxable year.

**Legal Citation**

R.S. 47:297(H)

**Origin**


**Effective Date**

January 1, 1991

**Beneficiaries**

Doctors and dentist who locate in small towns and the hospitals, residents, and patients of that area

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$573,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

36. Bone Marrow Donor Expense

A credit is allowed for bone-marrow donor expenses incurred by an employer. The amount of the credit is 25 percent of certain expenses paid or incurred during the tax year by an employer to provide a program for employees who are potentially or who actually become bone-marrow donors. The purpose of this credit is to encourage bone-marrow donation.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 18 percent of the expenses paid or incurred.

Legal Citation
R.S. 47:297(I)

Origin

Effective Date
August 21, 1992

Provision for Other Taxes
R.S. 47:287.758

Beneficiaries
Individuals transplants may need bone-marrow transplants

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.

37. Educational Expenses Incurred for Degree Related to Law Enforcement

A credit is allowed certain law enforcement officers and employees of the Department of Public Safety and Corrections for certain educational expenses incurred in pursuit of an undergraduate degree related to law enforcement. The amount of credit allowed in a tax year is equal to the lesser of the tax due, the amount of the qualifying educational expenses, or $750.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of the qualifying educational expenses or $540.

Legal Citation
R.S. 47:297(J)

Origin

Effective Date
Taxable periods beginning on or after January 1, 1995

Beneficiaries
Employees and law enforcement officers pursuing a degree related to law enforcement

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$45,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
38. Employment of Certain First-Time Drug Offenders

A credit of $200 per employee per year for a maximum of two years is allowed for employing certain first-time drug offenders. The offender must have successfully completed a court-ordered drug treatment rehabilitation program, must be less than 25 years old at the time of initial employment, and must have worked for 180 full days. The purpose of this credit is to encourage employment of first-time drug offenders who complete a drug rehabilitation program.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $140 per employee per year.

Legal Citations
R.S. 47:297(K)

Origin

Effective Date
Taxable periods beginning on or after January 1, 1994

Beneficiaries
First-time drug offenders who are employed by businesses that receive the credit and the companies and individuals who employ them

Estimated Fiscal Effect
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.

39. Purchase of Bulletproof Vest

A credit is allowed for the purchase of a bulletproof vest by qualified law enforcement officers and certain employees of the Department of Public Safety and Corrections. The credit allowed is for the purchase price of the vest or $100, whichever is less. Only one credit is allowed for the Five-Year period beginning with the purchase of the vest.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of the purchase price or $72, whichever is less.

Legal Citation
R.S. 47:297(L)

Origin

Effective date
Taxable periods beginning after December 31, 1997

Beneficiaries
Law enforcement officers and certain employees of the Department of Public Safety and Corrections

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$13,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$13,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
40. **Employment of Certain First-Time Nonviolent Offenders**

A credit of $200 per employee per year for a maximum of two years is allowed for employing certain first-time nonviolent offenders. The offender must have successfully completed a court-ordered program and have worked 180 full-time days. The purpose of this credit is to encourage employment of first-time nonviolent offenders.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $140 per taxable year per eligible employee.

**Legal Citation**
R.S. 47:297(O)

**Origin**

**Effective Date**
Taxable periods beginning on or after January 1, 2005

**Provision for Other Taxes**
R.S. 47:287.752

**Beneficiaries**
First time nonviolent offenders who are employed by businesses that receive the credit and the companies and individuals who employ them

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there were no credits claimed in the Fiscal Year 2015-16.

41. **Accessible and Barrier-Free Constructed Home**

A credit is allowed for taxpayers who include accessible and barrier-free design elements in the construction of a new one- or two-family dwelling. To claim the credit, the taxpayer must own the newly constructed one- or two-family dwelling and must qualify for and claim the homestead exemption on the home.

The credit allowed is for the lesser of the tax due or $1,000 and must be taken in the taxable year in which the construction of the dwelling is completed. Only one tax credit may be granted per dwelling.

The required accessible and barrier free design elements for the credit are:

- The dwelling must have one zero-step entrance at the front, back, or side of the residence.
- All main floor doors must have a clear passage space of at least thirty-two inches between doorjambs and strikes with the door at a ninety degree angle.
- All hallways and passages on the main floor must have at least thirty-six inches of clearance to the accessible bathroom and eating area.
- The main floor must have, at a minimum, a half bath with a minimum five-foot diameter of free and clear floor space.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $720 or 72 percent of the total tax liability, whichever is less.

**Legal Citation**
R.S. 47:297(P)

**Origin**

**Effective Date**
Taxable periods beginning on or after January 1, 2012

**Beneficiaries**
Owners of newly constructed homes

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$18,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

42. Donations to Assist Qualified Playgrounds

A credit is allowed for donations to assist qualified playgrounds in certain economically depressed areas. The credit shall be an amount equal to the lesser of $1,000 or half of the value of the donation. The purpose of this credit is to encourage donations to qualified playgrounds.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is the lesser of $720 or 36 percent of the value of the donation.

Legal Citation
R.S. 47:6008

Origin

Effective Date
Tax periods beginning after December 31, 1992

Beneficiaries
Economically depressed areas benefit from this credit, which should help to improve the quality of life of the resident

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$22,000</td>
</tr>
<tr>
<td>$22,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

43. Debt Issuance Costs

An economic development corporation is allowed a credit equal to the filing fee paid to the Louisiana Bond Commission for the preparation and issuance of bonds.

The credit shall be taken as a credit against the applicable tax or taxes in the taxable period in which the expenses were incurred, not to exceed the total tax liability for that taxable year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the exemption is reduced; but one-third of the reduced portion of the exemption may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of the filing fee paid.

Legal Citation
R.S. 47:6017

Origin

Effective Date
June 25, 2002

Beneficiaries
Economic development corporations

Estimated Fiscal Effect
A negligible amount for this credit was reported by taxpayers on the individual income tax return data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the changes to the estimated fiscal effect of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

44. Donations of Property to Certain Offices and Agencies

A credit is allowed for 50 percent of the value of historical property donated to the Old State Capitol, the State Capitol Complex, and the State Archives. The amount of the credit in any year is limited to 50 percent of the donor’s tax liability. The maximum amount of credit that may be granted in the aggregate in any single year is $70,000. The purpose of this credit is to encourage donations to certain state agencies of property with historical value. This serves to preserve such property for future generations.

Legal Citation
R. S. 47:6011

Origin
Acts 1996, No. 10

Effective Date
August 1, 1996

Sunset Date
June 30, 2000

However, unused credits may be carried forward until the full credit has been used.

Beneficiaries
Individuals who make such donations

Estimated Fiscal Effect
$0; this credit has been inactive. No future activity is anticipated.

45. Donations of Material, Equipment, or Instructors Made to Certain Training Providers

A credit is allowed for donations of materials, equipment, or instructors made to training providers, vocational/technical schools, apprenticeship programs registered with the Louisiana Workforce Commission, or community colleges within the state. The credit is for one-half the value of the materials, equipment, or services donated. The tax credit when combined with other tax credits cannot exceed 20 percent of the employer’s tax liability for any taxable year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 36 percent of the value of the donation.

Legal Citation
R.S. 47:6012

Origin

Effective date
June 24, 1998

Sunset date
December 31, 2000

Reestablished
August 15, 2002 for taxable periods beginning after December 31, 2002

Beneficiaries
Individuals who take the tax credit and the citizens of the state that benefit from better equipped training facilities

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$22,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$22,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

46. Long-term Care Insurance Premiums
An individual who purchases a federally qualifying long-term care insurance policy is allowed a tax credit for 10 percent of the total amount of premiums paid annually. Taxpayers applying for the credit must complete a form prescribed by the department.

For the premiums to qualify for the credit, the long-term care insurance policy must:

- Be approved by the commissioner of insurance for sale in Louisiana.
- Comply with the requirements of Part VI of Chapter 1 of Title 22 of the Louisiana Revised Statutes of 1950.
- Qualify for the federal credit as a long-term care insurance contract as defined in Section 7702(B)(6) of the Internal Revenue Code of 1986.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 7.2 percent of the total amount of premiums paid annually.

Legal Citation
R.S. 47:297(M)

Origin

Effective Date
The credit becomes effective if and when the legislature enacts a special fund to finance the credit.

Beneficiaries
Individuals who purchase a federally qualifying long-term care insurance policy

Estimated Fiscal Effect
The legislature has not created a special fund to finance the credit.

47. Living Organ Donation
A credit is allowed for expenses paid by a taxpayer if related to the taxpayer’s travel or absence from work related to the taxpayer’s or the taxpayer’s spouse’s living organ donation. The amount of credit allowed shall not exceed $10,000 per organ donation.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 72 percent of the expenses paid.

Legal Citation
R.S. 47:297(N)

Origin

Effective Date
July 1, 2005, applicable to tax years beginning on or after January 1, 2005

Beneficiaries
Taxpayers making a living organ donation

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$17,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
**Individual Income Tax**

{ Credits }

### 48. Employment-related Expense for Maintaining Household for Certain Disabled Dependents

A credit is allowed for persons maintaining a household that includes dependents who are physically or mentally disabled. The credit is equal to the applicable percentage of employment related expense allowable pursuant to Section 21 of the Internal Revenue Code. Unused credits are carried forward. The purpose of this credit is to provide some relief to taxpayers who incur such extraordinary expenses.

**Legal Citation**
R.S. 47:297.2

**Origin**
Acts 1996, No. 27

**Effective Date**
Taxable periods beginning after December 31, 1996

**Beneficiaries**
Families with disabled dependents benefit from this credit

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$238,000</td>
<td>$242,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

### 49. Employment of the Previously Unemployed

A credit is allowed for employment of each previously unemployed person in a qualified newly created full-time job. The credit is $750 for each qualified new job and employee and is allowed during the taxable period that the employee has completed one year of full-time service with the employer. The credit is in lieu of other job tax credits provided for in the law. The purpose of this credit is to encourage creation of new jobs, which will provide job opportunities for the previously unemployed.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is $540 for each qualified new job and employee.

**Legal Citation**
R.S. 47:6004

**Origin**

**Effective Date**
Taxable periods beginning on or after July 1, 1990

**Beneficiaries**
Corporations that hire the previously unemployed in a newly created full-time job and the state as a whole because these individuals are now employed and productive

**Estimated Fiscal Effect**
A negligible amount for this credit was reported by taxpayers on the individual income tax return data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the changes to the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

50. **Purchase of a Qualified Recycling Equipment**
A credit is allowed for the purchase of new recycling manufacturing or process equipment and/or qualified service contracts. The amount of the credit is computed at 20 percent of the cost of the equipment less other tax credits received for the purchase of the equipment, but may not exceed 50 percent of the tax liability before the credit; unused credits may be carried forward until exhausted. If the equipment is sold before the total credit is claimed, the credit otherwise allowable may be claimed in the tax year of the sale and any unused credit is canceled for future periods. Total credits certified by the secretary of the Department of Environmental Quality in any calendar year shall not exceed five million dollars.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the original credit.

**Legal Citation**
R.S. 47:6005

**Origin**

**Effective Date**
Reestablished June 30, 2005

**Beneficiaries**
Individuals who invest in qualifying equipment and the general public, due to an improved environment

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$29,000</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

51. **Louisiana Basic-Skills Training**
Corporations are allowed a credit of $250 per qualified employee who participates in a basic-skills training program at an accredited school. The credit cannot exceed $30,000 for any single business in a particular year. Basic-skills training means any employer-paid training for qualified employees that enhances the employees’ reading, writing, or mathematical skills to at least a twelfth grade level. The purpose of this credit is to encourage corporations to provide basic-skills training, which will result in a more educated workforce.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to $180 per qualified employee. The credit cannot exceed $21,600 for any single business in a particular year.

**Legal Citation**
R.S. 47:6009

**Origin**

**Effective Date**
July 1, 1993

**Beneficiaries**
Companies who provide qualified training to employees as well as Louisiana employees who benefit from improved skills

**Estimated Fiscal Effect**
A negligible amount for this credit was reported by taxpayers on the individual income tax return data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

52. Apprenticeship

A credit is allowed for employers for employing eligible apprentices. The credit is equal to one dollar for each hour of employment of each eligible apprentice, not to exceed 1,000 hours for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program or a person who is enrolled in a training program accredited by the National Center for Construction Education and Research that has no less than four levels of training and no less than 500 hours of instruction.

Legal Citation
R.S. 47:6033

Origin

Effective Date
July 11, 2007 for taxable periods beginning after December 31, 2007

Repealed
Acts 2015, No. 357, effective June 29, 2015. However, taxpayers have ten years to utilize the credit.

Beneficiaries
Employers of eligible apprentices

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$271,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$271,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

53. Cash Donations to the Dedicated Research Investment Fund

A credit is allowed to persons or corporations who donate $200,000 or more to the Dedicated Research Investment Fund. The credit is equal to 35 percent of cash donations to the Dedicated Research Investment Fund. The purpose of this credit is to encourage donations to the Dedicated Research Investment Fund.

Legal Citation
R.S. 51:2203

Origin
Acts 1987, No. 300

Effective Date
July 5, 1987

Beneficiaries
Qualifying research institutions

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

Estimated Fiscal Effect
$0; the Dedicated Research Investment Fund was never created.
Individual Income Tax

{ Credits }

54. Rehabilitation of Historic Structures

A tax credit is allowed for the eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. Eligible structures must be nonresidential real property or residential rental property. The credit shall equal 25 percent of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018, 20 percent of the eligible costs and expenses of the rehabilitation incurred on or after January 1, 2018 and no taxpayer or affiliate shall receive more than $5,000,000 of credit for any number of structures rehabilitated within a particular downtown development or a cultural product district. The credit is earned only in the year in which the property attributable to the expenditures is placed in service.

Legal Citation
R.S. 47:6019

Origin

Effective Date
July 1, 2002 and taxable periods beginning January 1, 2008 for a cultural product district

Sunset Date
December 31, 2021

However, taxpayers have ten years to utilize the credit.

Beneficiaries
Individuals or businesses rehabilitating a qualified historic structure

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$37,873,000</td>
<td>$38,630,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

55. Louisiana Community Development Financial Institutions Act

This provision creates the Louisiana Community Development Financial Institutions Act. A Louisiana Community Development Financial Institution (LCDFI) is any legal entity whose primary business activity is the investment of cash to acquire equity in or provide financing assistance as a licensed business and industrial development corporation to qualified Louisiana businesses in low-income communities and provides for an income and franchise tax credit for individuals and businesses that invest in LCDFIs. The investment credit is to be calculated as 75 percent of the investment. These credits are transferable and can be carried forward indefinitely. The total amount that can reduce tax revenues in fiscal years 2007 through 2009 is $5 million. Any unused allocation of credits from a previous year may be carried forward and granted in the next year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is 54 percent of the investment.

Legal Citation
R.S. 51:3081 through 3094

Origin

Effective Date
July 12, 2005

Sunset Date
July 1, 2009, but provisions relevant to any granted tax credits continue to apply until July 1, 2012

Beneficiaries
Taxpayers that invest in LCDFI’s, and the LCDFI will benefit from the tax credits allowed under this provision and low-income communities will benefit from the creation of jobs and economic activity

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$142,000</td>
<td>$145,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
56. **Low-Income Housing**

A credit is allowed for providers of certain low-income housing. The credit is computed in accordance with the provisions of Section 42 of the 1986 Internal Revenue Code as modified by Act 972 of the 1990 Legislative Session. The purpose of this credit is to ensure the availability of low-income housing.

**Legal Citation**

R.S. 47:12

**Origin**

Acts 1990, No. 1033

**Effective Date**

July 1, 1990

**Sunset Date**

December 31, 1993

However unused credits can be carried forward until used.

**Beneficiaries**

Individuals who invest in low-income housing and tenants of low-income housing

**Estimated Fiscal Effect**

$0; no future activity is anticipated.

57. **Rehabilitation of an Owner Occupied Residential or Mixed-Use Property**

This provision provides a credit for a percentage of eligible expenses rehabilitating an owner occupied residential or mixed-use property located in a National Register historic district, a local historic district, a main street district, a cultural products district, or a downtown development district, or is eligible for listing on the National Register, or has been certified by the State Historic Preservation Office. The credit is limited to $25,000 per structure and the percent of expenses allowed for the credit varies by income level. The tax credit is divided into five equal portions to be applied against the tax for the Five-Year period beginning in the taxable period in which the rehabilitated residential structure is first placed in service. Total credits granted cannot exceed $10,000,000 in any calendar year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 74 percent of the original credit.

**Legal Citations**

R.S. 47:297.6

**Origin**


**Effective Date**

January 1, 2006

**Sunset Date**

January 1, 2018

**Beneficiaries**

Individuals rehabilitating qualified property

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$293,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
58. Property Insurance
A credit is allowed for seven percent of the premiums paid by individuals on their primary residence for homeowners’ insurance, condominium owners’ insurance, or tenant homeowners’ insurance. Any Citizens property insurance assessment must be subtracted from the total premium paid before applying the seven percent credit rate.
This credit is limited to tax years beginning in 2008 only.

Legal Citations
R.S. 47:297.7

Origin

Effective Date
January 1, 2008

Sunset Date
December 31, 2008

Beneficiaries
Taxpayers who have paid premiums on their primary residence for homeowners’ insurance, condominium owners’ insurance, or tenant homeowners’ insurance

Estimated Fiscal Effect
This credit sunsetted December 31, 2008.

59. Earned Income Tax Credit
A credit is allowed for residents of the state who are eligible for the federal earned income tax credit. The credit is equal to 3.5 percent of the federal earned income tax credit taken on a resident’s federal income tax return.

Legal Citations
R.S. 47:297.8

Origin
Acts 2007, No. 278

Effective Date
January 1, 2008

Beneficiaries
Individual taxpayers who are claiming the earned income tax credit on their federal income tax return

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$49,067,000</td>
</tr>
<tr>
<td>$50,048,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
Individual Income Tax

{ Credits }

60. Amounts Paid by Certain Military Servicemembers for Obtaining Louisiana Hunting & Fishing Licenses

A credit is allowed for the amounts paid by an active or reserve military servicemember, the spouse of an active or reserve military servicemember, or the dependent of such servicemember for obtaining a Louisiana noncommercial hunting or fishing license. The license purchased shall be valid only during the time the servicemember is on active duty. The credit does not apply to purchases of lifetime licenses.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the original credit.

Legal Citations
R.S. 47:297.9

Origin

Effective Date
July 1, 2007

Beneficiaries
Military personnel obtaining Louisiana hunting and fishing licenses

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$102,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

61. Inventory Tax/Ad Valorem Tax

A refundable tax credit is allowed for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers. The credit was reduced by Act 133 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 regardless of the taxable year to which the return relates. The credit allowed starting in FYE 6-16 is equal to 100 percent of the ad valorem taxes paid if the amount paid is less than $10,000. If the ad valorem taxes paid are $10,000 or more, only 75 percent of the excess credit over tax can be refunded with the remaining 25 percent carried forward for five years.

Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

Act 5 of the 2016 Second Extraordinary Session changed the inventory tax credit to a nonrefundable credit for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid, and for taxes paid by any company related to such manufacturer on inventory that is related to the business of such manufacturer.

Legal Citation
R.S. 47:6006

Origin

Effective date
July 1, 1992
61. **Inventory Tax/Ad Valorem Tax**  
(continued)

**Beneficiaries**
All corporations that are manufacturers, distributors, and retailers paying ad valorem taxes on inventory

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$10,441,000</td>
<td></td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$10,650,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

62. **Ad Valorem Tax on Natural Gas**

A credit is allowed for ad valorem taxes paid to political subdivisions of Louisiana on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The credit was reduced by Act 133 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 regardless of the taxable year to which the return relates. The credit allowed starting in FYE 6-16 is equal to 100 percent of the ad valorem taxes paid if the amount paid is less than $10,000. If the ad valorem taxes paid are $10,000 or more, only 75 percent of the excess credit over tax can be refunded with the remaining 25 percent carried forward for five years.

Act 4 of the 2016 Second Extraordinary Session changed the limitation on the amount of the excess credit over tax that is refunded, and required that groups of affiliated companies be treated as one taxpayer for purposes of the limitations on refundability, for the credit claimed on returns filed on or after July 1, 2016. Except for new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For new business entities formed or first registered to do business in Louisiana after April 15, 2016, Act 4 deemed that if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

**Legal Citation**
R.S. 47:6006

**Origin**

**Effective date**
August 15, 2005

**Beneficiaries**
All corporations paying ad valorem taxes on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities
**Individual Income Tax**

### Credits

#### 62. Ad Valorem Tax on Natural Gas

*(continued)*

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$113,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

#### 63. Ad Valorem Tax on Offshore Vessels

A credit is allowed for ad valorem taxes paid on vessels that operate principally in Outer Continental Shelf Lands Act Waters. To qualify for the credit, the taxpayer must certify to the assessor that the vessel operated principally in outer continental shelf waters within the calendar year immediately before the tax year of assessment of the vessel and the ad valorem tax must have been paid to the political subdivision without protest. The credit is equal to 100 percent of the taxes paid.

#### Legal Citation

R.S. 47:6006.1

#### Origin


#### Effective date

July 7, 1994

#### Beneficiaries

All corporations paying ad valorem taxes on vessels operating in Outer Continental Shelf Lands Act Waters

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$20,973,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
Individual Income Tax

{ Credits }

64. **Ad Valorem Tax Paid by Certain Telephone Companies**

A credit is allowed for 40 percent of the total ad valorem taxes paid to Louisiana political subdivisions by telephone companies on their public service properties which are assessed by the Louisiana Tax Commission at 25 percent of fair market value pursuant to R.S. 47:1854.

**Statutory Citation**
R.S. 47:6014

**Origin**
Acts 2000, No. 22

**Effective Date**
Tax years ending on or after December 31, 2001

**Beneficiaries**
Telephone companies in an amount equal to 40 percent of ad valorem taxes paid to political subdivisions for public service properties

**Estimated Fiscal Effect**
$0; this credit has been inactive. No future activity is anticipated.

65. **Purchases from Prison Industry Enhancement Contractors**

A tax credit is allowed for the state sales and use taxes paid on purchases of specialty apparel items from a Private Sector Prison Industry Enhancement (PIE) contractor. PIE contractors use inmate labor to produce items for sale and then pay 30 percent of the salary paid to the inmates back to the state.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the sales and use taxes paid.

**Legal Citation**
R.S. 47:6018

**Origin**

**Effective Date**
Taxable periods beginning on or after December 31, 2002

**Beneficiaries**
Private Sector Prison Industry Enhancement contractors and individuals who purchase from them

**Estimated Fiscal Effect**
$0; this credit has been inactive. No future activity is anticipated.
{ Credits }

66. **LA Citizens Property Insurance Corporation Assessments**

A refundable credit is allowed for the amount of surcharges, market equalization charges, or assessments paid as a result of the assessments levied by the Louisiana Citizens Property Insurance Corporation due to Hurricanes Katrina and Rita. This credit is available to taxpayers who paid the assessments as a part of their homeowner’s insurance premium. For assessments paid on or after January 1, 2007, an individual taxpayer can claim the credit after payment is made on a form provided by the secretary instead of on their Louisiana individual income tax return.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is limited to 72 percent of the assessment paid.

The credit was further reduced by Act 9 of the 2016 Second Extraordinary Legislative Session for any return filed for any taxable year beginning on or after January 1, 2016. The credit allowed effective June 28, 2016 is limited to 25 percent of the assessment paid.

**Legal Citation**
R.S. 47:6025

**Origin**

**Effective Date**
Taxable periods beginning on or after January 1, 2006

**Beneficiaries**
Owners of vehicles hauling sugarcane

**Estimated Fiscal Effect**

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$14,442,000</td>
<td>$12,998,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

67. **Sugarcane Transport**

A credit is allowed for the cost paid by a taxpayer to acquire an eligible sugarcane trailer, to replace an eligible sugarcane trailer, or to convert an ineligible sugarcane trailer to an eligible sugarcane trailer. “Eligible sugarcane trailer” means a trailer that hauls sugarcane and meets the requirements of R.S. 32:387.7(B). Effective for costs of conversions or modifications of eligible sugarcane trailers paid on and after January 1, 2009, but before January 1, 2014.

**Legal Citation**
R.S. 47:6029

**Origin**

**Effective Date**
January 1, 2009

**Sunset Date**
December 31, 2013

**Repealed**
Acts 2015, No. 357, effective June 29, 2015

**Beneficiaries**
Owners of vehicles hauling sugarcane

**Estimated Fiscal Effect**
This credit sunsetted December 31, 2013.
### Individual Income Tax

#### { Credits }

**68. Solar Energy System**

A credit is allowed for the cost of purchase and installation of a solar energy system by a taxpayer at their residence located in Louisiana by a taxpayer who owns a residential rental apartment project, or by a taxpayer who purchases and installs such a system in a residence or a residential rental apartment project which is located in Louisiana. The credit is 50 percent of the first $25,000 of the cost of a system purchased and installed on or after January 1, 2008. The credit for leased systems is 38 percent of the first $20,000 of the cost of purchase installed on or after January 1, 2014. For systems installed after July 1, 2015, the credit for purchased systems is now equal to the lesser of 1) $2.00 multiplied by the total size of the system as measured in DC watts or 2) 50 percent of the first $20,000 of the cost of purchase and installation. The credit may be used in addition to any federal tax credits earned for the same system, except that, a taxpayer may not receive any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for property for which a tax credit has been received under this Section. Only one tax credit is available for any eligible system and use of the credit must be disclosed when the property is sold.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Leased</th>
<th>Non-Leased</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>$19 million</td>
<td>No cap</td>
</tr>
<tr>
<td>2015-2016</td>
<td>$10 million</td>
<td>$10 million</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$10 million</td>
<td>$10 million</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$5 million</td>
<td>$5 million</td>
</tr>
</tbody>
</table>

The cap on the credit for non-leased systems has been reached for Fiscal Years 2015-2016, 2016-2017 and 2017-2018. The cap on the credit for leased systems has been reached for Fiscal Year 2014-2015.

**Legal Citation**

R.S. 47:6030

**Origin**


**Effective Date**

January 1, 2008

**Beneficiaries**

Taxpayers installing wind or solar energy systems on their property

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000,000</td>
<td>$5,000,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit is limited by the cap placed on the credit by Acts 2015, No. 131.

**69. Milk Producers**

A credit is allowed for resident taxpayers engaged in the business of producing milk for sale. The credit is allowed when the USDA Uniform Price in Federal Order Number 7 drops below the announced production price established by the Department of Agriculture and Forestry at any time during the calendar year. Qualified taxpayers are eligible for tax credits based on the production and sale of milk below the announced production price over a calendar year.

The Department of Health and Hospitals must certify to the Department of Revenue, by January 31 of the following year, which milk producers are eligible to receive the credits. Any producer not certified by the Department of Health and Hospitals will not be entitled to the credits. The credits allowed for each milk producer may not exceed $30,000 per calendar year, and the total amount of tax credits allowed for all producers may not exceed $2.5 million per calendar year.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 may not exceed $221,600 per calendar year, and the total amount of tax credits allowed for all producers may not exceed $1.8 million per calendar year.

**Legal Citation**

R.S. 47:6032

**Origin**


**Effective Date**

January 1, 2007

**Beneficiaries**

Resident taxpayers engaged in the business of producing milk for sale

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$738,000</td>
<td>$753,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
Individual Income Tax

{ Credits }

70. Conversion of Vehicles to Alternative Fuel

A credit is allowed for 50 percent of the cost of the qualified clean burning motor vehicle fuel property for the taxable period in which the property is purchased and installed. If the taxpayer purchases a new motor vehicle equipped with qualified clean burning motor vehicle fuel property and is unable to or elects not to determine the exact cost attributable to the property, the taxpayer may claim a credit equal to 10 percent of the cost of the motor vehicle or $3,000, whichever is less, provided the motor vehicle is registered in Louisiana. The purpose of this credit is to provide an incentive to persons or corporations to invest in qualified clean-burning motor vehicle fuel property.

Nothing in the current law is to be construed to authorize the credit for the cost of a purchase of, or conversion of a vehicle to, a flexible fuel vehicle that is designed to run on an alternative fuel and either petroleum gasoline or petroleum diesel if the vehicle has only a single fuel storage and delivery system and retains the capability to be propelled by petroleum gasoline or petroleum diesel.

The credit was reduced by Act 125 of the 2015 Legislative Session for tax returns filed beginning on or after July 1, 2015 but before June 30, 2018, regardless of the tax year to which it relates. If an extension was granted prior to July 1, 2015 and the return was filed by the extended due date, the credit is reduced; but one-third of the reduced portion of the credit may be claimed on the taxpayer’s return for each of the taxable years beginning during calendar years 2017, 2018, and 2019. The credit allowed starting in FYE 6-16 is equal to 7.2 percent of the cost of the motor vehicle or $1,500, whichever is less.

Legal Citation
R.S. 47:6035

Origin

Effective Date
January 1, 2009

Beneficiaries
Owners purchasing qualified clean burning motor vehicle fuel property

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$560,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.

71. School Readiness Child Care

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

The School Readiness Child Care Credit is allowed for children under the age of six who attended a quality-rated child care facility as designated by the Department of Education. The credit is for individuals based upon the credit provided for child care expenses in R.S. 47:297.4 and the quality rating of the child care facility.

Legal Citation
R.S. 47:6104

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Individual taxpayers who have a child under the age of six enrolled in an eligible child care facility participating in the Quality Start program that is designed to increase the quality of child care and early learning for all children throughout Louisiana

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$3,232,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
72. **School Readiness Child Care Provider**

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

Child care providers participating in Quality Start are allowed a credit based on the average monthly number of children who either participate in the Child Care Assistance Program administered by the LDE or who are foster children in the custody of DCFS and attending facilities operated by a child care provider, multiplied by an amount based upon the quality rating of the facility.

**Legal Citation**
R.S. 47:6105

**Origin**
Acts 2007, No. 394

**Effective Date**
January 1, 2008

**Beneficiaries**
Child care providers participating in Quality Start, a program that is designed to increase the quality of child care and early learning for all children throughout Louisiana.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$2,241,000</td>
<td>$2,286,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

73. **School Readiness Child Care Directors and Staff**

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

Child care teachers and directors will be eligible for the credit based on the level of their education if they teach in centers participating in Quality Start. As long as the center is participating in Quality Start, and therefore has at least one star, then the teachers and directors are eligible to apply for the credit. Eligible teachers and directors must meet all of the educational requirements and must have worked at least 6 months of the calendar year at the same child care center.

The credit is adjusted annually by the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U), as prepared by the United States Department of Labor, Bureau of Labor Statistics, as determined by the secretary of the Department of Revenue on December first of the preceding calendar year.

**Legal Citation**
R.S. 47:6106

**Origin**
Acts 2007, No. 394

**Effective Date**
January 1, 2008

**Beneficiaries**
Eligible teachers and directors of licensed child care centers participating in the Quality Start program, the children of the facility and the State of Louisiana through the increase in the quality of child care and early learning for all children throughout the state.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$8,537,000</td>
<td>$8,708,000</td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
Individual Income Tax

{ Credits }

74. School Readiness Business Supported Child Care

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

A credit is allowed for a taxpayer who incurs eligible business-supported child-care expenses. The credit amount depends upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility that the child attends. Eligible business-supported child-care expenses include expenses to construct, renovate, or expand a child care center, purchase equipment for a center, maintain or operate a center, or subsidize child care for their employees.

Legal Citation
R.S. 47:6107(A)(1)

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Businesses that support child care centers participating in Quality Start, the child care centers and students and the state through the increase in the quality of child care and early learning.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$201,000</td>
<td>$205,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.

75. School Readiness Fees and Grants to Resource and Referral Agencies

The School Readiness Tax Credits are a comprehensive effort to support Quality Start, a voluntary, quality rating system by the Department of Education for child care centers through tax breaks to families, child care providers, child care teachers and directors, as well as businesses that support child care.

A credit is allowed for a taxpayer whose business pays fees and grants to child care resource and referral agencies. These are private agencies that contract with the Department of Education to provide important information and services to parents and child care providers. The credit is equal to the amount donated but cannot exceed $5,000 per tax year.

Legal Citation
R.S. 47:6107(A)(2)

Origin
Acts 2007, No. 394

Effective Date
January 1, 2008

Beneficiaries
Businesses that support child care centers participating in Quality Start, the child care centers and students and the state through the increase in the quality of child care and early learning.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$662,000</td>
<td>$675,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23.
76. Donations to School Tuition Organization

A rebate is available for taxpayers who donate to certain school tuition organizations (STO). In order to qualify to receive the rebate the taxpayer must file an income tax return with LDR. The rebate is equal to the amount of the donation used by the STO to fund a scholarship, not including any administrative costs paid by the donation. Rebates will be claimed and paid after the conclusion of the school year after receiving certification by the STO and the Department of Education.

Legal Citations
R.S. 47:6301

Origin
Acts 2012, No. 25

Effective Date
January 1, 2013 for donations made to a STO which provides scholarships to qualified students to attend a qualified school for the 2013-2014 school year and thereafter

Beneficiaries
Taxpayers that make such donations and low-income students that receive such scholarships

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$1,600,000</td>
</tr>
<tr>
<td>$1,600,000</td>
</tr>
</tbody>
</table>

77. Federal Income Tax Deduction

A deduction is allowed for federal income tax on income that Louisiana income tax is paid. The purpose of this deduction is to shelter from taxation the portion of a taxpayer’s income that represents federal income taxes paid.

Legal Citations

Origin
1974 Constitution and Acts 1974, No. 188

Effective Date
July 12, 1974

Beneficiaries
All individual taxpayers who file a tax return and have paid federal income tax

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$892,385,000</td>
</tr>
<tr>
<td>$910,233,000</td>
</tr>
</tbody>
</table>
{ Exemptions Required by the State Constitution or Federal Law }

78. **Interest on United States Government Obligations**

Interest and dividends from obligations issued directly by the U.S. government such as Treasury bills, U.S. savings bonds and U.S. agency obligations are exempt from Louisiana state income tax under R.S. 47:293. Also, interest and dividends from U.S. government obligations is prohibited from state taxation by 31 U.S.C. Section 3124(a) which states in part, “stocks and obligations of the United States Government are exempt from taxation by a State or political subdivision of a State. The exemption applies to each form of taxation that would require the obligation, the interest on the obligation or both, to be considered in computing a tax.”

**Legal Citations**

31 U.S.C. Section 3124(a), R.S. 47:293

**Beneficiaries**

The U.S. government and the individuals and entities that invest in their obligations

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$1,731,000</td>
</tr>
</tbody>
</table>

79. **Native American Income**

Income derived from sources on the reservation that have been earned or received by an enrolled member of a federally recognized Indian tribe who resides on that tribe’s reservation is exempt from Louisiana individual income tax.

**Legal Citations**

18 U.S.C. Section 1162, R.S. 47:293

**Beneficiaries**

Native Americans living and working on their tribe’s reservation

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$234,000</td>
</tr>
</tbody>
</table>
Liquors-Alcoholic Beverage Tax Exemptions
Liquors-Alcoholic Beverage Tax

{ Introduction }

The alcoholic beverage tax law encompasses taxation on two categories of alcoholic beverages: (a) beverages of low-alcoholic content that are defined as alcoholic beverages containing not more than six percent alcohol by volume, and (b) beverages of high-alcoholic content that are defined as alcoholic beverages containing more than six percent alcohol by volume. Act 2 of the Extraordinary Session of 1933 first imposed an alcoholic beverage tax of $1 per 31-gallon barrel on beer, porter, ale, fruit juices and wine. Act 15 of the 1934 Regular Session imposed a tax on liquor at 50¢ per wine gallon; sparkling wines at 50¢ per wine gallon; still wines not more than 14 percent alcohol by volume at 5¢ per wine gallon; still wines between 14 percent and 24 percent alcohol by volume at 10¢ per wine gallon; still wines over 24 percent alcohol by volume at 50¢ per wine gallon; and beer at $1.50 per 31-gallon barrel. Tax stamps were used to indicate that the appropriate taxes had been paid. A discount of five percent of the face value of the stamps purchased in lots of $100 or more was allowed to dealers.

The tax rates of beverages of alcoholic content have changed numerous times since 1934 as shown:

**Low Alcohol and Malt Beverages**
- 1934 $1.50 per 31-gallon barrel
- 1948 $10.00 per 31-gallon barrel
- 2016 $12.50 per 31-gallon barrel

**Liquor**
- 1934 $0.50 per wine gallon
- 1935 $0.60 per wine gallon
- 1938 $1.00 per wine gallon
- 1940 $1.50 per wine gallon
- 1956 $1.68 per wine gallon
- 1970 $2.50 per wine gallon
- 1978 $0.66 per liter
- 2016 $0.80 per liter

**Sparkling Wines and Still Wines over 24% alcohol by volume**
- 1934 $0.50 per wine gallon
- 1935 $0.60 per wine gallon
- 1938 $1.00 per wine gallon
- 1940 $1.50 per wine gallon
- 1956 $1.58 per wine gallon
- 1978 $0.42 per liter
- 2016 $0.55 per liter

**Still Wines not over 14% alcohol by volume**
- 1934 $0.05 per wine gallon
- 1940 $0.15 per wine gallon
- 1942 $0.10 per wine gallon
- 1956 $0.11 per wine gallon
- 1978 $0.03 per liter
- 2016 $0.20 per liter

**Still Wines between 14% and 24% alcohol by volume**
- 1934 $0.10 per wine gallon
- 1940 $0.30 per wine gallon
- 1942 $0.20 per wine gallon
- 1956 $0.21 per wine gallon
- 1978 $0.06 per liter
- 2016 $0.35 per liter

The provisions related to the use of tax stamps for alcoholic beverages and the purchase discount were repealed in 1964 and were replaced by a six percent discount for timely filing and remitting the taxes on beverages of high alcohol content. This discount was reduced to three and one-third percent in 1972 and a two percent discount was enacted for beverages of low alcohol content. Acts 1978, No. 441 changed the measurement of liquor and wines from gallons to liters for tax purposes. The rates effectively remained unchanged as the per-gallon rates convert to the per-liter rates.
Liquors-Alcoholic Beverage Tax

Introduction

Act 736 of the 1990 Regular Legislative Session enacted the Louisiana Native Wine Law. Rates for the native wines were set the same as rates for other wines. This law was repealed in 2006.

The alcoholic beverages taxes are collected from the first handlers in Louisiana, usually bonded wholesale dealers. The bond required of manufacturers or wholesalers of alcoholic beverages is a minimum of $10,000 for each type of permit held.

During the 1998 Regular Legislative Session, Act 71 established provisions by which sparkling and still wines could be sold and shipped directly to consumers in Louisiana by a manufacturer or retailer of such beverage domiciled outside of Louisiana. Included in the statutory requirements were the stipulations that in order for the wine to be shipped into Louisiana, the applicable taxes must be paid in full, the consumer to whom the wine is being shipped must be 21 years of age or older, and that the wine was purchased for the consumer's personal consumption.

Act 808 of the 2006 Regular Legislative Session repealed the Native Wine Law, defined and established permit procedures for wine producers. Furthermore, the law made provision that wine producers can, under certain conditions, ship product directly to consumers.

Legal Citations
R.S. 26:341 through 26:423

Tax Base
Quantity of beverage handled

Tax Rate
1. Liquors: 66¢ per liter; 80¢ per liter (effective 4/1/16)
2. Sparkling wines: 42¢ per liter; 55¢ per liter (effective 4/1/16)
3. Still wines:
   a. Alcohol content not over 14% – 3¢ per liter; 20¢ per liter (effective 4/1/16)
   b. Alcohol content 14% to 24% – 6¢ per liter; 35¢ per liter (effective 4/1/16)
   c. Alcohol content over 24% – 42¢ per liter; 55¢ per liter (effective 4/1/16)
4. Low alcohol 6% and under, malt beverages: $10 per barrel; $12.50 per barrel (effective 4/1/16)

Types of Tax Exemptions
For alcoholic beverage tax purposes, tax exemptions are exemptions, refund/credits, and discounts. Exemptions are items that were included in the tax base, but have been specifically exempted. Refund/credits are items that taxes were paid on initially, but the taxpayer has a right to request a refund or a credit. Discounts are a proportionate deduction from the gross amount reported. The tax exemptions for beer have been separated from those for liquor and wine.

There are several statutory tax exemptions that are also prohibited from taxation by federal laws. Because of these additional prohibitions, repeal of the exemption alone would not yield the fiscal effect indicated. For this reason, these exemptions have been separately grouped at the end of the section.

Significant Changes
Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 7 reduces the discount to 1 ½ percent on beverages of low alcoholic content (beer) and 2 ½ percent on beverages of high alcoholic content.

Act 13 increases the tax levied on beverages of high and low alcoholic content. Effective April 1, 2016, the following excise tax is imposed: Liquor - $0.80 per liter; Sparkling wine - $0.55 per liter; Still wines less than 14% alcoholic volume - $0.20 per liter; Still wines with 14-24% alcoholic volume - $0.35 per liter; Still wines more than 24% alcoholic volume - $0.55 per liter; Malt beverages - $12.50 per barrel; Low alcoholic content beverages - $12.50 per barrel.
Liquors-Alcoholic Beverage Tax
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{ LOW ALCOHOL, LIQUOR & WINE TAX REFUND/CREDIT }
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   R.S. 26:347

{ LIQUOR AND WINE TAX EXEMPTIONS }
3. Antiseptic, Scientific, Religious, and Chemical Uses .................... 198
   R.S. 26:421

{ LIQUOR AND WINE TAX DISCOUNT }
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   R.S. 26:354(D)

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Liquors-Alcoholic Beverage Tax

{ Low Alcohol Tax Discount }

1. Timely Filing and Payment
A discount of 2 percent of the tax due is allowed for accurately reporting and timely remitting the taxes due. The purpose of this discount is to compensate the dealer for expenses incurred in accounting for the tax. Effective April 1, 2016, the discount was reduced to 1.5 percent.

Legal Citation
R.S. 26:345

Origin

Effective Date
July 26, 1972

Beneficiaries
Registered wholesalers who accurately and timely remit the tax reports

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$656,000</td>
</tr>
</tbody>
</table>

Note: The estimated fiscal effect is based on a 1.5 percent discount on the new higher tax rate.

{ Low Alcohol, Liquor & Wine Tax Refund/Credit }

2. Products Returned to Manufacturer or Destroyed by a Dealer
A tax refund or credit is allowed for alcoholic beverages that are returned to a manufacturer or destroyed by the dealer either due to the product being damaged or unfit for sale. The purpose of this provision is to give dealers credit for taxes paid on products returned as unsaleable.

Legal Citation
R.S. 26:347

Origin

Effective Date
August 1, 1934

Beneficiaries
Licensed dealers or manufacturers of alcoholic beverages of low and high alcohol content

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$219,000</td>
</tr>
</tbody>
</table>
Liquors-Alcoholic Beverage Tax

{ Liquor and Wine Tax Exemptions }

3. **Antiseptic, Scientific, Religious, and Chemical Uses**

Liquor and wine that is not for consumption as an alcoholic beverage is exempt from the tax. The purpose of this exemption is to allow the tax-free sales of alcoholic products used in antiseptic preparations, chemical products, scientific products, and for religious purposes.

**Legal Citation**
R.S. 26:421

**Origin**
Acts 1934, No. 15

**Effective Date**
August 1, 1934

**Beneficiaries**
Religious organizations, pharmaceutical or chemical companies, and consumers of end products

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there are no reporting requirements for this data.

{ Liquor and Wine Tax Discount }

4. **Timely Filing and Payment**

A dealer is allowed a discount of 3.33 percent of the tax due for accurately reporting and timely filing their excise taxes return together with the full tax amounts due to the Department. The purpose of this discount is to encourage compliance. Effective April 1, 2016, the discount was reduced to 2.5 percent.

**Legal Citation**
R.S. 26:354(D)

**Origin**

**Effective Date**
July 26, 1972

**Beneficiaries**
Licensed wholesalers who accurately and timely remit the tax reports

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$861,000</td>
<td>$879,000</td>
</tr>
</tbody>
</table>

Note: The estimated fiscal effect is based on a 2.5 percent discount on the new higher tax rates.
5. Interstate Shipments
Low alcohol and malt beverages that are exported beyond the borders of Louisiana are not subject to excise taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
R.S. 26:366(B)

Origin
Acts 1933 Ex. Sess., No. 2

Effective Date
April 13, 1933

Beneficiaries
Dealers who export products in interstate commerce

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$981,000</td>
</tr>
</tbody>
</table>

6. Sales to Federal Government and its Agencies
Sales of alcoholic beverages to the U.S. Government or any of its agencies may be exempt from the excise taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
R.S. 26:422

Origin
Acts 1933 Ex. Sess., No. 2

Effective Date
April 13, 1933

Beneficiaries
The U.S. Government and its agencies

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$173,000</td>
</tr>
</tbody>
</table>
Liquors-Alcoholic Beverage Tax

{ Federally Imposed Exemptions-
Low Alcohol Tax }  
{ Federally Imposed Exemptions-
Liquor and Wine Tax }  

7.  Sales to Ships Engaged in Interstate or Foreign Commerce

Sales of alcoholic beverages to ships whose destination is beyond the borders of the state are exempt from excise taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
R.S. 26:366(B)

Origin
Acts 1933 Ex. Sess., No. 2

Effective Date
April 13, 1933

Beneficiaries
Dealers who sell for export in interstate commerce

Estimated Fiscal Effect
A negligible amount for this exemption was reported by taxpayers on the beer tax return data available at the time of publication.

8.  Interstate Shipments of Alcoholic Beverages

Alcoholic beverages exported beyond the border of Louisiana are not subject to any alcoholic beverage excise taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
R.S. 26:366(A)

Origin
Acts 1934, No. 15

Effective Date
August 1, 1934

Beneficiaries
Licensed dealers who export products in interstate commerce

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$28,000</td>
</tr>
<tr>
<td>$28,000</td>
</tr>
</tbody>
</table>
9. **Foreign Consul and Foreign Commerce**
All sales of alcoholic beverages to a foreign consulate or country are exempt from alcoholic beverage excise taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

**Legal Citation**
R.S. 26:366

**Origin**
Acts 1934, No. 15

**Effective Date**
August 1, 1934

**Beneficiaries**
Foreign nations and their consulates

**Estimated Fiscal Effect**
A negligible amount for this exemption was reported by taxpayers on the liquors tax returns data available at the time of publication.

10. **Sales to the Federal Government and its Agencies**
Sales of alcoholic beverages to the U.S. Government or any of its agencies may be subject to the excise taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

**Legal Citation**
R.S. 26:422

**Origin**
Acts 1934, No. 15

**Effective Date**
August 1, 1934

**Beneficiaries**
The U.S. Government and its agencies

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$41,000</td>
</tr>
<tr>
<td>$42,000</td>
</tr>
</tbody>
</table>
Natural Resources Severance Tax Exemptions
A severance tax is levied upon all natural resources severed from the soil or water, including all forms of timber, including pulp woods, and turpentine and other forest products; minerals such as oil, gas, natural gasoline, distillate, condensate, casinghead gasoline, sulphur, salt, coal, lignite, and ores; also marble, stone, gravel, sand, shells, and other natural deposits; and the salt content in brine.

Oil and gas collections account for almost 98 percent of all severance tax collections. Because of the significant revenues generated and the fact that only one minor exemption affects the other natural resources, the focus of this section is centered on the oil and gas taxes.

The first tax, based on the severance of oil and gas, was imposed in 1910. This tax was levied as an occupational license tax at a rate of 1/5¢ per 10,000 cubic feet or 10 MCF for gas, and 2/5¢ per barrel of oil.

Act 140 of 1922 carried into effect a 1921 constitutional authority for a severance tax. There have been many changes in the tax rates since 1910, including fluctuations from a volumetric to a percentage-of-value based tax. The changes are listed below in chronological order.

1910 Oil 2/5¢ per barrel; gas 1/5¢ per 10 MCF
1912 Oil and gas; 0.5% of gross value less royalty interest
1920 Oil and gas; 2% of gross value
1922 Oil and gas; 3% of gross market value
1928 Oil 4-11¢ per barrel depending on gravity; gas 1/5¢ per MCF
1936 Gas 3/10¢ per MCF
1940 Oil 6-11¢ per barrel depending on gravity; condensate 11¢ per barrel
1948 Oil 18-26¢ per barrel depending on gravity; condensate 20¢ per barrel
1958 Gas 2.3¢ per MCF
1972 Gas 3.3¢ per MCF
1974 Oil and condensate 12.5% of value; gas 7¢ per MCF
7/90 Gas 10¢ per MCF, indexed annually
7/91 Gas 9¢ per MCF
7/92 Gas 7¢ per MCF
7/93 Gas 7.5¢ per MCF
7/94 Gas 8.7¢ per MCF
7/95 Gas 7¢ per MCF
7/96 Gas 7.7¢ per MCF
7/97 Gas 10.1¢ per MCF
7/98 Gas 9.3¢ per MCF
7/99 Gas 7.8¢ per MCF
7/00 Gas 9.7¢ per MCF
7/01 Gas 19.9¢ per MCF
7/02 Gas 12.2¢ per MCF
7/03 Gas 17.1¢ per MCF
7/04 Gas 20.8¢ per MCF
7/05 Gas 25.2¢ per MCF
7/06 Gas 37.3¢ per MCF
7/07 Gas 26.9¢ per MCF
7/08 Gas 28.8¢ per MCF
7/09 Gas 33.1¢ per MCF
7/10 Gas 16.4¢ per MCF
7/11 Gas 16.4¢ per MCF
7/12 Gas 14.8¢ per MCF
7/13 Gas 11.8¢ per MCF
7/14 Gas 16.3¢ per MCF
7/15 Gas 15.8¢ per MCF
7/16 Gas 9.8¢ per MCF
Natural Resources - Severance Tax

{ Introduction }

Tax Base
The tax is imposed upon severance of the oil and gas from the soil or water and is paid by the natural resource owners. The state of Louisiana has over 30,000 producing oil and gas wells.

Tax Rate
The capable tax rate for oil and condensate is 12.5 percent of value and accounts for over 98 percent of the oil and condensate tax collections. There is also an incapable rate and a stripper rate for low-producing oil wells. The capable rate for gas, presently 9.8¢ per MCF, is responsible for over 99 percent of total gas tax collections. There are also reduced tax rates for low-pressure oil-well gas and incapable gas-well gas. The current severance tax rates are:

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil severance tax</td>
<td></td>
</tr>
<tr>
<td>Capable rate</td>
<td>12.5% of value</td>
</tr>
<tr>
<td>R.S. 47:633(7)(a)</td>
<td></td>
</tr>
<tr>
<td>Incapable rate</td>
<td>6.25% of value</td>
</tr>
<tr>
<td>R.S. 47:633(7)(b)</td>
<td></td>
</tr>
<tr>
<td>Stripper rate</td>
<td>3.125% of value</td>
</tr>
<tr>
<td>R.S. 47:633(7)(c)(i)</td>
<td></td>
</tr>
<tr>
<td>Condensate severance</td>
<td>12.5% of value</td>
</tr>
<tr>
<td>tax</td>
<td>R.S. 47:633(8)</td>
</tr>
<tr>
<td>Gas severance tax</td>
<td></td>
</tr>
<tr>
<td>Capable rate</td>
<td>9.8¢ per MCF</td>
</tr>
<tr>
<td>R.S. 47:633(9)(a)</td>
<td></td>
</tr>
<tr>
<td>Low pressure oil-well gas rate</td>
<td>3¢ per MCF</td>
</tr>
<tr>
<td>R.S. 47:633(9)(d)(i)</td>
<td></td>
</tr>
<tr>
<td>Incapable gas-well gas rate</td>
<td>1.3¢ per MCF</td>
</tr>
<tr>
<td>R.S. 47:633(9)(c)</td>
<td></td>
</tr>
</tbody>
</table>

Types of Tax Exemptions
Severance tax exemptions for oil, gas, and minerals are in the form of exclusions, exemptions, special rates, deductions, and suspensions. Exclusions are by statute and refer to specific categories of natural gas upon which the tax shall not accrue. Exemptions and suspensions are also statutorily mandated and exempt or suspend the tax on oil or gas severed from wells that meet certain criteria. Special rates reduce the tax on natural resources severed from wells that qualify under specified criteria. Deductions are defined as a credit against or a reduction to the taxable base.

There are two exemptions that are also prohibited from taxation by federal laws. Because of these additional prohibitions, repeal of the exemption alone would not yield the fiscal effect indicated. For this reason, these exemptions have been separately grouped at the end of the section.

Significant Changes
Fiscal Year 2015-2016
2016 Regular Legislative Session
Act 666 changes the amount at which the secretary of the Department of Revenue will resume collecting the oilfield site restoration fee from $6 million to $10 million. The secretary will resume collecting the fee upon receipt of a certification from the Treasurer that the Oilfield Site Restoration Fund has fallen below $10 million and will continue to collect the fee until the balance in the fund equals or exceeds $14 million. Effective June 17, 2016.
{ NATURAL GAS EXCLUSIONS }

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   208

2. **Produced Outside the State of Louisiana**
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   208

3. **Flared or Vented**
   209

4. **Consumed in Field Operations**
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   209

5. **Consumed in the Production of Natural Resources in the State of Louisiana**
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   210

6. **Used in the Manufacture of Carbon Black**
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   210

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7. **Horizontal Wells**
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8. **Inactive Wells**
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   211

9. **Deep Wells**
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10. **Incapable Oil-Well Gas**
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11. **Incapable Gas-Well Gas**
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    213

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12. **Produced Water Injection-Gas Wells**
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    213

{ OIL DEDUCTIONS }

13. **Trucking, Barging, and Pipeline Fees**
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    214

{ OIL SUSPENSIONS }

14. **Horizontal Wells**
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    214

15. **Inactive Wells**
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16. **Deep Wells**
    R.S. 47:633(9)(d)(v)
    215

17. **Tertiary Recovery**
    R.S. 47:633.4
    216

{ OIL SPECIAL RATES }

18. **Incapable Oil**
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    216

19. **Stripper Oil**
    R.S. 47:633(7)(c)(i)(aa)
    217

20. **Stripper Oil - Value Less than $20 per Barrel**
    R.S. 47:633(c)(i)(bb)
    217

21. **Salvage Oil**
    R.S. 47:648.21
    218

22. **Horizontal Mining and Drilling Projects**
    R.S. 47:633(7)(c)(ii) (aa) and (cc)
    218

{ OIL INCENTIVE }

23. **Produced Water Injection – Oil Wells**
    R.S. 47:633.5(C)
    219
## MINERAL EXEMPTION

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>Owned and Severed by Political Subdivisions</td>
<td>219</td>
</tr>
<tr>
<td></td>
<td>R.S. 47:632(B)</td>
<td></td>
</tr>
</tbody>
</table>

## REBATES

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Louisiana Mega-Project Energy Assistance</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>R.S. 51:2367</td>
<td></td>
</tr>
</tbody>
</table>

## FEDERALLY IMPOSED TAX EXEMPTIONS

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>U.S. Government Royalty - Gas Wells</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>No specific statute</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>U.S. Government Royalty - Oil Wells</td>
<td>221</td>
</tr>
<tr>
<td></td>
<td>No specific statute</td>
<td></td>
</tr>
</tbody>
</table>
Natural Resources - Severance Tax

{ Natural Gas Exclusions }

1. Injection
An exclusion is allowed for the injection of gas into producing reservoirs. The gas injected maintains reservoir pressure and enhances the recovery of hydrocarbons. This gas will eventually be reproduced and sold, and at that time the tax will be paid. This is really more of a deferred payment than an exclusion. The purpose of this exclusion is to promote secondary recovery and repressurization programs.

Legal Citation
R.S. 47:633(9)(e)(i)

Origin
Acts 1940, No. 145

Effective Date
1940

Beneficiaries
Anyone in industry undertaking a repressurization or secondary recovery project

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,160,000</td>
<td>$1,190,000</td>
<td></td>
</tr>
</tbody>
</table>

2. Produced Outside the State of Louisiana
An exclusion is allowed for gas produced outside the state and transported into Louisiana to be injected. The purpose of this exclusion is to clarify that natural gas severed outside the state is not taxable.

Legal Citation
R.S. 47:633(9)(e)(ii)

Origin
Acts 1960, No. 2

Effective Date
1960

Beneficiaries
Unknown beneficiaries as the volume of gas imported is too small to benefit most companies and the only activity is around the three-mile offshore boundary separating state and federal leases

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000</td>
<td>$36,000</td>
<td></td>
</tr>
</tbody>
</table>
3. Flared or Vented
An exclusion is allowed for gas flared or vented to the atmosphere, provided such gas is not otherwise sold. Gas is normally vented or flared when testing, waiting on sales line, or when produced in noncommercial quantities. The purpose of this exclusion is to provide financial relief to producers of natural and casinghead gas.

Legal Citations

Origin
Acts 1935, No. 24

Effective Date
1935

Beneficiaries
All of industry

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$451,000</td>
<td>$460,000</td>
</tr>
</tbody>
</table>

4. Consumed in Field Operations
An exclusion is allowed for gas used or consumed for fuel in maintaining the operation of a field. This includes gas used for heating, separating, producing, dehydrating, compressing, and pumping oil and gas in the field where produced provided that the gas is not otherwise sold. The purpose of this exclusion is to provide financial assistance to qualifying producers.

Legal Citation
R.S. 47:633(9)(e)(iv)

Origin
Acts 1958, No. 2

Effective Date
1958

Beneficiaries
All of industry

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,600,000</td>
<td>$5,700,000</td>
</tr>
</tbody>
</table>
{ Natural Gas Exclusions }

5. Consumed in the Production of Natural Resources in the State of Louisiana

An exclusion is allowed for gas consumed in the production of natural resources, other than oil and gas, in the state of Louisiana. The purpose of this exclusion is to provide financial assistance to qualifying producers.

Legal Citation
R.S. 47:633(9)(c)(v)

Origin
Acts 1974, No. 5

Effective Date
January 1, 1974

Beneficiaries
Producers who use natural gas in the production of natural resources, other than oil or gas

Estimated Fiscal Effect
A negligible amount for this exclusion was reported by taxpayers on the severance tax return data available at the time of publication.

6. Used in the Manufacture of Carbon Black

An exclusion is allowed for gas consumed in the manufacture of carbon black in plants. The producer and seller of the gas are allowed an exclusion from the severance tax that in turn lowers the sales price. The purpose of this exclusion is to provide financial assistance to carbon-black manufacturers.

Legal Citation
R.S. 47:633(9)(c)(vii)

Origin
Acts 1958 Ex. Sess., No. 2

Effective Date
1958

Beneficiaries
Carbon-black companies operating in Louisiana

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$240,000</td>
</tr>
</tbody>
</table>
Natural Resources - Severance Tax

{ Natural Gas Suspensions }

7. Horizontal Wells

Any well drilled or recompleted horizontally from which production commences after July 31, 1994, shall have all severance tax suspended for 24 months or until payout of the well is achieved, whichever comes first. Payout of well cost shall be the cost of completing the well to the start of production. Acts 2015, No 120 amended R.S. 47:633(7) for any production commencing after July 1, 2015. The exemption is now dependent on the average oil price determined by the secretary on July 1st of each year for the ensuing 12 months. The purpose of this tax suspension is to encourage the drilling of horizontal wells.

Legal Citation
R.S. 47:633(7)(c)(iii)

Origin
Acts 1994, No. 2, amended by Acts 2015, No. 120

Effective Date
August 1, 1994

Beneficiaries
Any producer who successfully completes or recompletes a well horizontally

Estimated Fiscal Effect
In accordance with Acts 2015, No. 120, the price of natural gas for FY 17 was set by the secretary at $2.30 per million BTU. Since this amount is below the $4.50 threshold for gas, the exemption is at 100 percent.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$85,000,000</td>
</tr>
<tr>
<td>$85,000,000</td>
</tr>
</tbody>
</table>

8. Inactive Wells

Gas wells returned to service after being inactive for two or more years or having 30 days or less production for the past two years were allowed a severance tax exemption for five years. The June 30, 1996, deadline for applying for inactive status was extended to June 30, 1998, by Acts 1996, No. 16, and to June 30, 2000, by Acts 1998, No. 7. Acts 2002, No. 74 amended R.S. 47:633(7)(c)(iv) to reactivate the exemption effective for production beginning July 1, 2002, and ending June 30, 2006, and change the exemption period from five to two years. Acts 2005, No. 492 extended the time for taxpayers to apply for certification June 30, 2006, to June 30, 2010, and extended the suspension period from two to five years for any well granted inactive certification on or after January 1, 2005.

Legal Citation
R.S. 47:633(7)(c)(iv)

Origin
Acts 1994, No. 2

Effective Date
August 1, 1994

Beneficiaries
Gas producers with older mature fields containing inactive wells

Estimated Fiscal Effect
The application deadline was June 30, 2010 and the suspension is for five years from the date of production or ninety days from the date of application, whichever comes first. The exemption amount has started to decrease as the wells meet their five year exemption period and should be less than $10,000 in FYE 6-17 and zero in FYE 6-18.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>Negligible</td>
</tr>
<tr>
<td>$0</td>
</tr>
</tbody>
</table>
9. Deep Wells

The severance tax on gas wells drilled to a true vertical depth of more than 15,000 feet is suspended for a period of 24 months or until payout of the well cost, whichever occurs first. Production must start after July 31, 1994. The purpose of this tax suspension is to encourage gas operators to invest in the drilling of deep wells.

Legal Citation
R.S. 47:633(9)(d)(v)

Origin
Acts 1994, No. 2

Effective Date
August 1, 1994

Beneficiaries
Gas producers that successfully drill to a depth greater than 15,000 feet

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$5,000,000</td>
</tr>
<tr>
<td>$5,100,000</td>
</tr>
</tbody>
</table>

10. Incapable Oil-Well Gas

Gas produced from an oil well that has been determined by the Secretary to have 50 pounds or less of wellhead pressure per square inch or producing by artificial methods, gas lift, or pumping, is eligible for a special reduced tax rate of 3¢ per MCF. The purpose of this special rate is to encourage continued production from low-pressure oil wells.

Legal Citation
R.S. 47:633(9)(b)

Origin
Acts 1958 Ex. Sess., No. 2

Effective Date
1958

Beneficiaries
Small independent operators who continue production on low-producing wells as well as major oil companies

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$600,000</td>
</tr>
<tr>
<td>$612,000</td>
</tr>
</tbody>
</table>
Natural Resources - Severance Tax

{ Natural Gas Special Rates }

11. Incapable Gas-Well Gas

Gas produced from gas wells that are determined by the Secretary to be incapable of producing an average of 250,000 cubic feet of gas per day is eligible for a special reduced tax rate of 1.3¢ per MCF. The purpose of this special rate is to encourage the continued production from low-producing gas wells.

Legal Citation
R.S. 47:633(9)(c)

Origin
Acts 1958 Ex. Sess., No. 2

Effective Date
1958

Beneficiaries
Small independent operators who continue production on low-producing wells as well as major oil companies

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$14,200,000</td>
</tr>
<tr>
<td>$14,500,000</td>
</tr>
</tbody>
</table>

{ Natural Gas Incentive }

12. Produced Water Injection-Gas Wells

A 20 percent severance tax reduction is allowed on gas produced from wells in which produced water is injected into the reservoir to increase recovery. This incentive was enacted to reduce produced water discharge by providing a severance tax saving for producers that inject produced waters into a gas reservoir to increase recovery of gas.

Legal Citation
R.S. 47:633.5(C)

Origin
Acts 1991, No.625

Effective Date
July 17, 1991

Beneficiaries
Gas producers that inject produced waters into a gas reservoir to increase the recovery of gas

Estimated Fiscal Effect
A negligible amount for this incentive was reported by taxpayers on the severance tax return data available at the time of publication.
Natural Resources - Severance Tax

{ Oil Deductions }

13. Trucking, Barging, and Pipeline Fees

Oil and condensate are taxable at the higher of 12.5 percent of the gross receipts less charges for trucking, bargeing, and pipeline fees or the posted field price. The Department’s regulation, LAC 61:1.2903, allows producers transporting through their own facilities a 25¢ per barrel deduction; those with third-party transportation may deduct 25¢ per barrel or the actual amount charged. The purpose of the regulation is to allow a standard 25¢ per barrel deduction for all producers.

Legal Citation
R.S. 47:633(7)(a)

Origin
Acts 1973 Ex. Sess., No. 6

Effective Date
January 1, 1974

Beneficiaries
All of industry

{ Oil Suspensions }

14. Horizontal Wells

Any well drilled or recompleted horizontally from which production begins after July 31, 1994, will have all severance tax suspended for 24 months or until payout of the well is achieved, whichever occurs first. Payout of well cost is the cost of completing the well to the start of production. Acts 2015, No 120 amended R.S. 47:633(7) for any production commencing after July 1, 2015. The exemption is dependent on the average oil price determined by the secretary on July 1st of each year for the ensuing 12 months. The purpose of this tax suspension is to encourage drilling horizontal wells.

Legal Citation
R.S. 47:633(7)(c)(iii)

Origin
Acts 1994, No. 2, amended by Acts 2015, No. 120

Effective Date
August 1, 1994

Beneficiaries
Any producer who successfully completes or recompletes a well horizontally

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
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<tbody>
<tr>
<td>Estimated</td>
<td></td>
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</tr>
<tr>
<td>Fiscal Effect</td>
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</tr>
<tr>
<td>FYE 6-17</td>
<td>$358,000</td>
<td>$365,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$13,500,000</td>
<td>$13,500,000</td>
</tr>
</tbody>
</table>
15. **Inactive Wells**

Oil wells returned to service after being inactive for two or more years or having 30 days or less production for the past two years were allowed a severance tax exemption for five years. The June 30, 1996, deadline for applying for inactive status was extended to June 30, 1998, by Acts 1996, No. 16, and to June 30, 2000, by Acts 1998, No. 7. Acts 2002, No. 74 amended R.S. 47:633(7)(c)(iv) to reactivate the exemption effective for production beginning July 1, 2002, and ending June 30, 2006, and change the exemption period from five to two years. Acts 2005, No. 492 extended the time for taxpayers to apply for certification June 30, 2006, to June 30, 2010, and extended the suspension period from two to five years for any well granted inactive certification on or after January 1, 2005.

**Legal Citation**
R.S. 47:633(7)(c)(iv)

**Origin**
Acts 1994, No. 2

**Effective Date**
August 1, 1994

**Beneficiaries**
Oil producers with older mature fields containing many inactive wells

**Estimated Fiscal Effect**
The application deadline was June 30, 2010 and the suspension is for five years from the date of production or ninety days from the date of application, whichever comes first. The exemption amount has started to decrease as the wells meet their five year exemption period and should be $850,000 in FYE 6-17 and less than $10,000 in FYE 6-18.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$850,000</td>
</tr>
</tbody>
</table>

16. **Deep Wells**

The severance tax on oil wells drilled to a true vertical depth of more than 15,000 feet is suspended for a period of 24 months or until payout of the well cost, whichever occurs first. Production must start after July 31, 1994. The purpose of this tax suspension is to encourage oil operators to invest in the drilling of deep wells.

**Legal Citation**
R.S. 47:633(9)(d)(v)

**Origin**
Acts 1994, No. 2

**Effective Date**
August 1, 1994

**Beneficiaries**
Oil producers that successfully drill to a depth greater than 15,000 feet

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$5,000,000</td>
</tr>
</tbody>
</table>
### 17. Tertiary Recovery

This suspension, enacted in 1983, provides that no severance tax is due on crude oil produced from a qualified tertiary project approved by the Department of Natural Resources until the project has reached payout. The purpose of this suspension is to provide financial assistance to producers undertaking large-scale carbon dioxide injection projects; however, the collapse of oil prices has postponed these projects.

**Legal Citation**
R.S. 47:633.4

**Origin**

**Effective Date**
July 20, 1983

**Beneficiaries**
Producers undertaking large-scale carbon dioxide injection projects

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,900,000</td>
<td>$15,200,000</td>
<td></td>
</tr>
</tbody>
</table>

### 18. Incapable Oil

An oil well incapable of producing an average of more than 25 barrels of oil per producing day, and producing at least 50 percent salt water, and having no capable well on the lease is eligible for a special reduced tax rate of 6.25 percent of value. The purpose of this special rate is to encourage the continued production from low-volume wells.

**Legal Citation**
R.S. 47:633(7)(b)

**Origin**
Acts 1948, No. 10

**Effective Date**
1948

**Beneficiaries**
Oil producers in Louisiana with wells producing in the 10-25 barrel per day range

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,100,000</td>
<td>$5,200,000</td>
<td></td>
</tr>
</tbody>
</table>
Natural Resources - Severance Tax

{ Oil Special Rates }

19. **Stripper Oil**

An oil well incapable of producing an average of more than ten barrels of oil per producing day for the entire taxable month is eligible for a special reduced tax rate of 3.125 percent of value. The purpose of this special rate is to encourage the continued production from stripper oil wells.

**Legal Citation**
R.S. 47:633(7)(c)(i)(aa)

**Origin**
Acts 1973 Ex. Sess., No.5

**Effective Date**
January 1, 1974

**Beneficiaries**
Oil producers in Louisiana with low-producing oil wells

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$17,800,000</td>
<td>$18,200,000</td>
</tr>
</tbody>
</table>

20. **Stripper Oil - Value Less than $20 per Barrel**

An oil well certified as a stripper well (incapable of producing an average of more than ten barrels of oil per producing day) is exempt from severance tax in any month in which the average posted price for a 30-day period is less than $20 per barrel. Act 43 of the 1998 Regular Legislative Session amended the law to provide that the same value used as a basis to impose the severance tax under R.S. 47:633(7)(a) be used to determine the exemption for certified stripper production. The purpose of this exemption is to encourage producers to continue the operation of low-producing oil wells. However, stripper wells already qualify for a reduced tax rate of 3.125 percent of value.

**Legal Citation**
R.S. 47:633(c)(i)(bb)

**Origin**
Acts 1994, No. 2

**Effective Date**
June 1, 1994

**Beneficiaries**
Producers with oil wells certified as a stripper well

**Estimated Fiscal Effect**
The price of oil is expected to exceed $20/bbl, therefore the estimated fiscal effect is $0.
21. **Salvage Oil**

A special reduced rate of 3.125 percent of value applies to salvage oil reclaimed by class-one reclamation facilities that are permitted by the Office of Conservation. The purpose of this special rate is to provide financial assistance to class-one salvage oil operators. There is a prohibition against any person or affiliate of a person actually engaged in severing of oil, gas, or other natural resources from participating in this reduced rate program.

**Legal Citation**
R.S. 47:648.21

**Origin**
Acts 1986, No. 673

**Effective Date**
July 1, 1986

**Beneficiaries**
Class-one salvage oil operators

**Estimated Fiscal Effect**
A negligible amount for this special rate was reported by taxpayers on the severance tax return data available at the time of publication.

22. **Horizontal Mining and Drilling Projects**

The working-interest owners of horizontal-mining and drilling projects approved by the Office of Conservation are taxed at the special reduced rate of 3.125 percent of value until the cumulative value of hydrocarbon production from the project equals 2.33 times the private investment invested by the working-interest owners. The purpose of this special rate is to promote innovation in horizontal-mining and drilling technologies. One project was planned; however, it was abandoned and no projects are planned for the near future.

**Legal Citation**
R.S. 47:633(7)(c)(ii) (aa) and (cc)

**Origin**
Acts 1990, No. 551

**Effective Date**
August 1, 1990

**Beneficiaries**
Companies who undertake horizontal-mining and drilling projects

**Estimated Fiscal Effect**
$0; no activity is anticipated.
Natural Resources - Severance Tax

{ Oil Incentive }

23. Produced Water Injection – Oil Wells
A 20 percent severance tax reduction is allowed on oil produced from wells in which produced water is injected into the reservoir to increase recovery. This incentive was enacted to reduce produced water discharge by providing a severance tax saving for producers that inject produced waters into an oil reservoir to increase recovery of oil.

Legal Citation
R.S. 47:633.5(C)

Origin
Acts 1991, No.625

Effective Date
July 17, 1991

Beneficiaries
Oil producers that inject produced waters into an oil reservoir to increase the recovery of oil

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$13,000</td>
<td>Negligible</td>
</tr>
</tbody>
</table>

{ Mineral Exemption }

24. Owned and Severed by Political Subdivisions
This exemption, enacted in 1988, applies to any political subdivision of the state that owns and severs natural resources for its own use. The purpose of this exemption is to provide financial assistance to police jurors severing gravel for their own use.

Legal Citation
R.S. 47:632(B)

Origin
Acts 1988, No. 594

Effective Date
1988

Beneficiaries
The political subdivisions that own and sever natural resources for their own use

Estimated Fiscal Effect
$0; no activity is anticipated in the future since the tax on gravel has been repealed.
Natural Resources - Severance Tax

{ Rebates }

25. **Louisiana Mega-Project Energy Assistance**

The secretary of the Department of Economic Development may grant assistance if it is determined that the consumption of energy will be a major cost component of the operation of a mega fund project and such assistance may moderate the cost of energy thereby becoming a major factor in inducing a mega fund project to locate, expand, or remain in the state. With respect to projects for which the secretary makes a determination on or after July 1, 2015, the rebate granted to a mega-project cannot exceed 80 percent of severance taxes that were paid to the state on any natural gas consumed or used directly in the operation or consumed indirectly in the manufacture or creation of energy sold to the mega-project facility for its operation.

**Legal Citation**
R.S. 51:2367

**Origin**

**Effective Date**
July 1, 2010

**Beneficiaries**
Operators of mega-project facilities

**Estimated Fiscal Effect**
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16, no rebates were granted.

{ Federally Imposed Tax Exemptions }

26. **U.S. Government Royalty - Gas Wells**

An exclusion is allowed for natural gas produced by privately owned wells in which the Federal Government holds interest in mineral royalties. The purpose of this exclusion is to comply with taxation prohibitions of the U.S. Constitution.

**Legal Citation**
No specific statute

**Origin**

**Effective Date**
1995

**Beneficiaries**
United States Federal Government

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$136,000</td>
</tr>
</tbody>
</table>
27. U.S. Government Royalty - Oil Wells

An exclusion is allowed for oil produced by privately owned wells in which the Federal Government holds interest in mineral royalties. The purpose of this exclusion is to comply with taxation prohibitions of the U.S. Constitution.

**Legal Citation**
No specific statute

**Origin**
Louisiana Administrative Code Title 61.1.2903

**Effective Date**
1995

**Beneficiaries**
United States Federal Government

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$299,000</td>
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</table>
Petroleum Products Tax Exemptions
Petroleum Products Taxes

{ Introduction }

A tax on gasoline and motor fuels was first levied in the 1921 Louisiana Constitution at the rate of 1¢ per gallon. Special fuels were first taxed at the rate of 7¢ per gallon under a Use Fuel Tax as levied by Act 244 of 1940. This act also required fuel permits. Various amendments through the years set the rates as follows:

1921  Gasoline tax first levied at 1¢ per gallon
1924  Gasoline at 2¢ per gallon
1928  Gasoline at 4¢ per gallon
1930  Gasoline at 5¢ per gallon
1936  Gasoline at 7¢ per gallon
1940  Special fuels tax first levied at 7¢ per gallon
1948  Gasoline and special fuels at 9¢ per gallon
1952  Gasoline and special fuels at 7¢ per gallon
1968  Gasoline and special fuels at 8¢ per gallon
1984  Gasoline and special fuels at 16¢ per gallon
1990  Gasoline and special fuels at combined rate of 20¢ per gallon
2016  Special fuels (CNG and LNG) at 20¢ per gallon, LPG at 14.6¢ per gallon

Act 16 of the First Extraordinary Session of 1989 increased the total tax on gasoline, motor fuels, and special fuels to the current 20¢ per gallon, not by increasing the 16¢ per gallon rate imposed by R.S. 47:711 and R.S. 47:802, but by levying an additional 4¢ under a new part titled Transportation Infrastructure Model for Economic Development (TIMED). The money generated by this levy, which was effective January 1, 1990, was specifically dedicated. By the same legislation, the Transportation Trust Fund was created wherein the 16¢ per gallon tax collections would eventually be deposited.

Gasoline and Diesel Fuels Tax

The gasoline tax was collected from the dealer who first handles, sells, distributes, uses, or consumes the gasoline and motor fuel in Louisiana. However, Acts 2005, No. 252 enacted R.S. 47:818.1 et seq. to move the point of collection for tax on motor fuels to the terminal rack. Clear diesel fuel, as newly defined, will be subject to tax when the product leaves the terminal via the rack so that subsequent sales of the product should be of taxed fuel and any clear diesel ultimately used for a nontaxable purpose could be eligible for the refund of the fuel tax paid.

The act also changed the discounts allowed to dealers and marketers. Previously a discount was allowed to gasoline dealers for three percent of the first 1¢ of tax; gasoline jobbers were allowed three percent of the first 4¢ of tax; and special fuel suppliers were allowed three percent of net taxable gallons. Acts 2005, No. 252 allowed suppliers (refiners) to keep 1.5 percent of the tax if they timely filed and remitted the taxes and passed on one percent of the tax to the distributors (marketers). Under Acts 2015, No. 147, the discount for suppliers was reduced to 0.5 percent of the tax and .003 percent for a licensed distributor or importer.

Special Fuels Tax

Special fuels are defined as any gas or liquid, other than gasoline or diesel fuel, used or suitable for use as motor fuel in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. Special fuels include compressed natural gas, liquefied natural gas, and liquefied petroleum gas. The tax on special fuels was paid by any person who operates a motor vehicle upon the highways that uses or is capable of using LPG or CNG. From July 1, 2006 to December 31, 2015, the tax was paid on an annual return using an annual flat rate or tax based on usage depending on the weight of the vehicle and evidenced by a decal that was issued to owner or operator of motor vehicles.

Effective January 1, 2016, Acts 2015, No. 147 repealed R.S. 47:818.101 through 104 and enacted R.S. 818.111 through R.S. 818.132 which changed the manner in which fuel tax is collected on compressed natural gas (CNG), liquefied natural gas (LNG), and liquefied petroleum gas (LPG) when used to power a motor fuel vehicle. The tax is added to the price of the fuel dispensed at the pump or from the storage container and is to be paid by the retail dealer selling the fuel as a motor fuel, or from the special fuel fleet dealer when used in fleet operations.

Fee for Inspection

To defray the expenses connected with the inspection, testing, and analyzing of petroleum products in the state, an inspection
Petroleum Products Taxes

{ Introduction }

fee of 4/32 of one cent per gallon is collected on all petroleum products distributed, sold, or offered for sale or use or consumption in the state or used or consumed in the state. The fee, to be paid by the first person handling the fuel, must be paid before delivery to agents, dealers, or consumers in the state. The fee is not collected on liquefied petroleum gas, natural gas, or bulk sale or transfers and exports out of the state are not subject to the fee. In addition, no fee is due on fuels that are eligible for tax refunds under the provisions of R.S. 47:818.15(A)(5) or that are sold for use in or distributed to seagoing vessels as defined in R.S. 3:4602.

Legal Citations

R.S. 47:818.6 enacted by Acts 2005, No. 252 provides that the provisions of the act, R.S. 47:818.1 et seq. supersede the provisions of R.S. 47:711-727, 771-788, and 801-815.1 to the extent that they are inconsistent or in conflict. The provisions of R.S. 47:711-727, 771-788, and 801-815.1 that are not inconsistent or in conflict with R.S. 47:818.1 et seq. remain in effect.

Gasoline and Diesel Fuels Tax:
R.S. 47:818.1 through 818.6-General Provisions
R.S. 47:818.11 through 818.62 Gasoline and Diesel Fuel

Special Fuels Tax:
R.S. 47:818.1 through 818.6-General Provisions
R.S. 47:818.111 through 818.132 Special Fuels

Fee for Inspection:
R.S. 3:4684

Tax Base
Gasoline and diesel fuel sold, used, or consumed in the state of Louisiana for domestic consumption; all special fuels sold, used, or consumed in Louisiana for the operation of motor vehicles that are licensed or required to be licensed for highway use.

Fee Base
All petroleum products distributed, sold, or offered for sale or use or consumption in the state of Louisiana except liquefied petroleum gas and natural gas.

Tax Rate
Gasoline and diesel fuels ................................................................. 20¢ per gallon
Special fuels (CNG and LNG).............................................................. 20¢ per gallon
Special Fuels (LPG) ................................................................. 14.6¢ per gallon
Fee for inspection ................................................................. 4/32 of 1¢ per gallon

Special Fuels of liquefied natural gas, liquefied petroleum gas, and compressed natural gas:
• Beginning January 1, 2016, the special fuel tax will be collected by any person or entity upon the delivery of the fuel into the fuel supply tank of a motor vehicle.
• Previously, the tax was collected by the purchase of a decal at an annual flat rate of $150 or a variable rate of 16¢ per gallon, but not to exceed $150, for each vehicle operating on one of these fuels.

School buses that transport Louisiana students:
• One-half of the lesser of the regular flat rate or one-half of the variable rate.

Types of Tax Exemptions
Petroleum products tax exemptions are in the form of exemptions, refunds, and discounts. Exemptions are items that were included in the tax base, but have been specifically exempted statutorily. Refunds are a restitution of taxes paid. Discounts are a proportionate deduction from the amounts reported.

There are two statutory tax exemptions that are also prohibited from taxation by federal laws. Because of these additional prohibitions, repeal of the exemption alone would not yield the fiscal effect indicated. For this reason, these exemptions have been separately grouped at the end of the section.
Petroleum Products Taxes

{ Introduction }

Significant Changes
Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 21 repealed the Student Assessment for a Valuable Education (SAVE) credit program. Effective March 14, 2016.
Petroleum Products Taxes
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Petroleum Products Taxes

{ Gasoline Tax Exemptions }

1. Casinghead Gasoline

Casinghead and absorption gasoline, when sold to be blended or compounded with other less volatile liquids in the manufacture of commercial gasoline or motor fuel, is exempt from gasoline tax. The purpose of this exemption is to encourage the blending of casinghead and absorption gasoline with other less volatile liquids in the production of gasoline or motor fuels.

Legal Citation
R.S. 47:713

Origin
Acts 1928 Ex. Sess., No. 6

Effective Date
January 4, 1929

Beneficiaries
None

Estimated Fiscal Effect
$0; At present, no casinghead or absorption gasoline is being sold for blending or compounding with a less volatile liquid in the manufacturing of commercial gasoline as a motor fuel.

2. Aviation Gasoline

Aviation fuel used for propelling aircraft, including aircraft operated in interstate or foreign commerce under a certificate or permit issued by the Civil Aeronautics Board of the United States or any successor or federal governmental board or agency having similar authority is exempt from the tax. The purpose of this provision is to allow the sale of gasoline for aviation use to be exempt from the gasoline tax.

Legal Citation
R.S. 47:716.1 superseded by R.S. 47:818.14(A)(3)

Origin

Effective Date
September 12, 1980

Beneficiaries
Owners/operators of aviation gasoline powered aircraft

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$153,000</td>
</tr>
<tr>
<td>$156,000</td>
</tr>
</tbody>
</table>
Petroleum Products Taxes

{ Gasoline Tax Refunds }

3. School Bus Drivers
Contract drivers of all privately owned school buses transporting Louisiana students may qualify for a refund of three-fourths of the gasoline or diesel fuel tax paid beginning July 1, 2006. This refund does not apply to commercial buses that transport students only incidentally as a part of the operator’s regular business. The purpose of this refund is to financially assist contract drivers of privately owned school buses.

Legal Citation
R.S. 47:715.1 superseded by R.S. 47:818.15(A)(1)

Origin

Effective Date
September 3, 1984

Beneficiaries
Contract drivers of privately owned school buses

Estimated Fiscal Effect
A negligible amount for this refund was requested by taxpayers at the time of publication.

4. Farmers, Fishermen, and Aircraft
Tax paid on gasoline fuel used for the following purposes may be refunded when the requirements of R.S. 47:1681 et seq. have been met:

• Operating or propelling aircraft;
• Operating or propelling any commercial fishing boat or any vehicle used by a licensed fisherman in the administration of business associated with commercial fishing;
• Operating any boat used to transport children to or from school; and
• Operating any farm tractor or any farm machinery, including any stationary motor, used in the actual tilling of the soil and production of crops.

The purpose of this refund is to allow gasoline for certain uses to be free of tax and to provide financial assistance to the beneficiaries.

Legal Citation
R.S. 47:818.15(A)(2)

Origin

Effective Date
September 1, 1950

Beneficiaries
Farmers, fishermen, and operators of gasoline-powered aircraft

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$15,000</td>
</tr>
</tbody>
</table>
5. **Timely Filing and Payment by Suppliers/Permissive Suppliers**

Suppliers and permissive suppliers that file a timely return and remit a timely payment are allowed to deduct an administrative discount of one and one-half percent of the tax due on gasoline fuels. The deduction is only allowed if the supplier allows a deduction of one percent to a purchaser with a valid distributor or importer license. Effective July 1, 2015, the discount for suppliers was reduced to one-half percent and the deduction allowed to a valid distributor or importer was reduced to one-third of one percent.

**Legal Citation**
R.S. 47:818.22(A)

**Origin**
Acts 2005, No. 252, amended by Acts 2015, No. 147

**Effective Date**
July 1, 2006

**Beneficiaries**
Suppliers and permissive suppliers that comply with the discount requirements

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,413,000</td>
<td>$2,462,000</td>
<td></td>
</tr>
</tbody>
</table>

6. **School Bus Drivers**

Contract drivers of all privately-owned school buses transporting Louisiana students, whether such students are in private or public schools, are eligible for a refund of three-fourths of the diesel fuels tax. The purpose of this refund is to financially assist contract drivers of privately-owned school buses.

**Legal Citation**
R.S. 47:715.1 superseded by R.S. 47:818.15(A)(1)

**Origin**
Acts 1984, No. 927

**Effective Date**
September 3, 1984

**Beneficiaries**
Contract drivers of privately owned school buses

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$211,000</td>
<td>$211,000</td>
<td></td>
</tr>
</tbody>
</table>
Petroleum Products Taxes

{ Diesel Fuels Tax Refunds }

7. Diesel Fuels Used in Licensed Vehicles by Commercial Fishermen

Licensed commercial fishermen are eligible for a refund of the diesel fuels tax paid on the fuel used operating licensed motor vehicles when performing commercial fishing-related business. The purpose of this refund is to allow undyed diesel fuels used by fishermen to be free of tax and to financially assist the commercial fishermen.

Legal Citation
R.S. 47:802.2 superseded by R.S. 47:818.15(A)(2)

Origin

Effective Date
January 1, 1983

Beneficiaries
Licensed commercial fishermen

Estimated Fiscal Effect
$0; at present, no claims are being filed for this refund.

8. Undyed Diesel Fuels Used for Nontaxable Purposes

Tax paid for undyed diesel fuel used for nontaxable purposes when dyed diesel fuel is not available may be eligible for a refund. The purpose of this refund is to allow diesel fuel for certain uses to be free of tax and to provide financial assistance to the beneficiaries.

Legal Citation
R.S. 47:815.15 (A)(4)

Origin
Acts 1984, No. 927

Effective Date
September 3, 1984

Beneficiaries
End users who purchase tax-paid diesel fuel

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$598,000</td>
<td>$610,000</td>
</tr>
</tbody>
</table>
Petroleum Products Taxes

9. **Timely Filing and Payment by Suppliers/Permissive Suppliers**

R.S. 47:818.22(A) allows suppliers and permissive suppliers that file a timely return and remit a timely payment to deduct an administrative discount of one and one-half percent of the tax due on gasoline fuels. The deduction is only allowed if the supplier allows a deduction of one percent to a purchaser with a valid distributor or importer license. Effective July 1, 2015, the discount for suppliers was reduced to one-half percent and the deduction allowed to a valid distributor or importer was reduced to one-third of one percent.

**Legal Citation**
R.S. 47:818.22(A)

**Origin**
Acts 2005, No. 252, amended by Acts 2015, No. 147

**Effective Date**
July 1, 2006

**Beneficiaries**
Suppliers and permissive suppliers that comply with the discount requirements

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$645,000</td>
</tr>
</tbody>
</table>

10. **School Bus Drivers**

Contract drivers of all privately owned school buses transporting Louisiana students may qualify for a refund of three-fourths of the special fuel tax paid beginning January 1, 2016. This refund does not apply to commercial buses that transport students only incidentally as a part of the operator’s regular business. The purpose of this refund is to financially assist contract drivers of privately owned school buses.

**Legal Citation**
R.S. 47:818.120

**Origin**
Acts 2015, No. 147

**Effective Date**
January 1, 2016

**Beneficiaries**
Contract drivers of privately owned school buses

**Estimated Fiscal Effect**
$0; at present, no claims are being filed for this refund.
Petroleum Products Taxes

{ Special Fuels Tax Discount }

11. **Timely Filing and Payment by Dealers**
R.S. 47:818.119(A) allows licensed dealers that file a timely return and remit a timely payment to deduct an administrative discount of one-third of one percent of the tax due on special fuels.

**Legal Citation**
R.S. 47:818.119(A)

**Origin**
Acts 2015, No. 147

**Effective Date**
January 1, 2016

**Beneficiaries**
Licensed dealers that comply with the discount requirements

**Estimated Fiscal Effect**
A negligible amount for this discount was reported by taxpayers on the special fuels tax return data available at the time of publication.

{ Inspection Fee Exemptions }

12. **Gasoline and Undyed Diesel Brought into Louisiana in Fuel Supply Tanks of Interstate Motor Fuel Users**
The inspection fee does not apply to gasoline or undyed diesel fuels brought into Louisiana in the fuel supply tanks of interstate motor fuel users. The majority of these users are participants in the International Fuel Tax Agreement who file reports with their base jurisdiction to report miles traveled within this state and the related tax liability.

**Legal Citation**
R.S. 47:818.13(F), R.S. 3:4684

**Origin**
Acts 1976, No. 555

**Effective Date**
January 1, 1977

**Beneficiaries**
Interstate motor fuel users who travel into and through Louisiana

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$38,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$39,000</td>
</tr>
</tbody>
</table>
Petroleum Products Taxes

{ Inspection Fee Exemptions }

13. Undyed Diesel Fuel Used by Commercial Fisherman

The inspection fee does not apply to taxed undyed special fuel that is purchased and used in vehicles utilized by licensed commercial fishermen in the administration of the business associated with commercial fishing that is subject to a tax refund in accordance with R.S. 47:818.15(A)(5).

Legal Citation
R.S. 3:4684

Origin
Acts 2003, No. 139

Effective Date
September 1, 2003

Beneficiaries
Licensed commercial fishermen

Estimated Fiscal Effect
$0; at present, no reports are being filed claiming this exemption.

14. Diesel Fuels Used in or Distributed to Seagoing Vessels

The inspection fee does not apply to fuels sold for use in or distributed to seagoing vessels as defined at R.S. 3:4602. These vessels must also be in possession of an exemption certificate issued under the provisions of R.S. 47:305.1.

Legal Citation
R.S. 3:4684

Origin
Acts 2003, No. 139

Effective Date
September 1, 2003

Beneficiaries
Seagoing vessels

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$745,000</td>
<td>$759,000</td>
<td></td>
</tr>
</tbody>
</table>
Petroleum Products Taxes

{ Inspection Fee Exemptions }

15. Exports of Gasoline or Diesel Fuels
The inspection fee does not apply to gasoline or diesel fuels that are exported from Louisiana.

Legal Citation
R.S. 3:4684

Origin
Acts 2003, No. 139

Effective Date
September 1, 2003

Beneficiaries
Those who export products in interstate commerce

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$638,000</td>
<td>$650,000</td>
<td></td>
</tr>
</tbody>
</table>

{ Federally Imposed Exemptions }

Bulk gasoline sales of 6,000 gallons or more per transaction to the U.S. Government and gasoline sold to the U.S. armed forces for propelling ships of the Navy or Coast Guard or for aviation purposes is exempt from the gasoline taxes. The purpose of this provision is to provide an exemption for bulk sales and for fuel used for specific government purposes and not for resale at retail.

Legal Citation
R.S. 47:715 superseded by R.S. 47:818.14(A)(1) and (2)

Origin
Acts 1944, No. 131

Effective Date
July 6, 1944

Beneficiaries
The U.S. Government

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$44,000</td>
<td>$45,000</td>
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</tbody>
</table>
{ Federally Imposed Exemptions }

17. Interstate Gasoline and Diesel Shipments/Exports

Gasoline or undyed diesel fuel exported to any other state is exempt from the tax only when the tax of the destination state is remitted to the supplier for that state. This exemption does not apply to any gasoline or undyed diesel fuel that is transported and delivered outside this state in the fuel supply tank of a highway vehicle.

In addition, gasoline or undyed diesel fuel exported to a foreign country is exempt from the tax if the bill of lading indicates the foreign destination.

The purpose of these exemptions is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citations
R.S. 47:717 superseded by R.S. 47:818.14(C) and (D) and the U.S. Constitution

Origin
Acts 1928 Ex. Sess., No. 6

Effective Date
January 4, 1929

Beneficiaries
Dealers who export products in interstate commerce

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$96,443,000</td>
</tr>
</tbody>
</table>
Public Utilities and Carriers
Tax Exemptions
Public Utilities and Carriers Taxes
Inspection and Supervision Fee

{ Introduction }

The inspection and supervision fee was first imposed by Act 108 passed during the Extraordinary Session of 1921. This act established that each common carrier and public utility doing business in Louisiana and subject to the control and jurisdiction of the Public Service Commission would pay an annual fee for the inspection, control, and supervision of the business, service, and rates of such common carrier and public utility. The fee was set on a graduated scale, with a minimum annual fee established of $10 not to exceed a maximum of $500, to be due at the end of December. Changes to the fee and rate schedules occurred in 1928, 1935, 1962, 1970, and again in 1972 when a minimum annual fee of $35 was established and the maximum amount eliminated.

The year 1985 brought forth two pieces of legislation. Act 182 changed the due date from December 31 to April 1; while Act 561 implemented a supplemental fee of 20 percent of the inspection and supervision fee payment on each gas, electric, and telephone public utility. Act 700 of 1986 changed the reporting period from annually to quarterly, adjusted the rates, and established the minimum amount to be paid at not less than $12.50 quarterly, $50 annually. The rates were adjusted again in 2007 by Act 234, which also repealed the supplemental fee and increased the minimum fee to $20 per quarter, $80 annually.

As a result of Section 601 of the Federal Aviation Administration Act of 1994, Act 301 of 1995 was enacted removing certain motor carriers from the jurisdiction of the Louisiana Public Service Commission thus eliminating these carriers from the imposition of the Inspection and Supervision Fee.

Legal Citations
R.S. 45:1177 through 45:1179

Tax Base
Gross receipts from Louisiana intrastate business from each common and contract carrier and public utility.

Tax Rate
- $5.01 per $1,000 for the first $100,000 or less of such gross receipts;
- $4.23 per $1,000 of such gross receipts in excess of $100,000 and not more than $250,000;
- $3.45 per $1,000 of such gross receipts in excess of $250,000 and not more than $500,000;
- $2.68 per $1,000 of such gross receipts in excess of $500,000 and not more than $750,000;
- $2.29 per $1,000 of such gross receipts in excess of $750,000 and not more than $1,000,000;
- $1.90 per $1,000 of such gross receipts in excess of $1,000,000 and not more than $2,000,000;
- $1.51 per $1,000 of such gross receipts in excess of $2,000,000 and not more than $5,000,000;
- $1.31 per $1,000 of such gross receipts in excess of $5,000,000 and not more than $10,000,000;
- $.97 per $1,000 of such gross receipts in excess of $10,000,000 and not more than $25,000,000
- $.82 per $1,000 of such gross receipts in excess of $25,000,000 and not more than $100,000,000;
- $.71 per $1,000 of such gross receipts in excess of $100,000,000.

In no case shall the fee be less than $80 annually.

Types of Tax Exemptions
For the purpose of the fee, the tax exemptions are in the form of exclusions. Exclusions are items specifically not included in the tax base.

Significant Changes
Fiscal Year 2015-2016

2016 Regular Legislative Session
Act 433 increases the inspection and supervision fees for common and contract motor carriers and public utilities. Effective July 1, 2016.
Public Utilities and Carriers Taxes
Transportation and Communication Utilities Tax

{ Introduction }

A tax on transportation and communication utilities was first imposed by Act 13 of the 1934 Regular Legislative Session. The tax was levied on every person owning or operating any public utility in this state. Public utilities has been defined to include railroads and railways, sleeping cars, motor bus lines, motor freight lines, express companies, boat or packet lines, and pipe lines. The basic law has remained relatively unchanged over the years with the majority of changes occurring to the definitions of the various utilities and what constitutes gross receipts for the respective utilities.

Acts 1991, No. 388 repealed the transportation and communication tax as it applied to telephone companies and at the same time the telephone companies’ services became subject to sales and use tax.

Legal Citations
R.S. 47:1001 through 47:1010

Tax Base
Gross receipts, as defined, from the utility’s intrastate business.

Tax Rate
Two percent of gross receipts as defined.

Types of Tax Exemptions
The only tax exemption provided for is an exclusion. An exclusion is an item specifically not included in the tax base.

Significant Changes
Fiscal Year 2015-2016
There were no significant changes to the transportation and communication utilities taxes during the past year.
Public Utilities and Carriers Taxes
Index of Exemptions

{ Introduction }

{ EXCLUSIONS-INSPECTION AND SUPERVISION FEE }
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   R.S. 45:1177(A)(5)

{ EXCLUSION-TRANSPORTATION AND COMMUNICATION UTILITIES TAXES }
3. Seven-Mile Zone ........................................................... 242
   R.S. 47:1003(11)
Public Utilities and Carriers Taxes
Inspection and Supervision Fee

{ Exclusions-Inspection and Supervision Fee }

1. Ten-Mile Zone

Certain common carriers operating sightseeing passenger vehicles are allowed to exclude a ten-mile zone from the computation of their gross receipts. The common carrier must operate the vehicles within the limits and not more than ten miles from one incorporated municipality under a municipal certificate of public convenience and necessity. The purpose of this exclusion is to shelter the ten-mile zone from taxation.

Legal Citation
R.S. 45:1177(A)(4)

Origin
Acts 1980, No. 626

Effective Date
September 12, 1980

Beneficiaries
Carriers conducting business operations as provided

Estimated Fiscal Effect
We are unable to estimate the fiscal effect, there are no reporting requirements for this data.

2. Power Cost

A deduction from gross receipts is allowed for the cost paid for the purchase of wholesale power for resale by electric cooperatives organized pursuant to R.S. 12:401 et seq. The purpose of this exclusion is to eliminate the double taxation of power; first when it is purchased for resale and second when it is sold.

Legal Citation
R.S. 45:1177(A)(5)

Origin
Acts 1990, No. 39

Effective Date
September 7, 1990

Beneficiaries
Electric cooperatives and their customers

Estimated Fiscal Effect
We are unable to estimate the fiscal effect, there are no reporting requirements for this data.
Public Utilities and Carriers Taxes
Transportation and Communication Utilities Tax

{ Exclusion-Transportation and Communication Utilities Taxes }

3. **Seven-Mile Zone**

Gross receipts from the transportation of passengers, freight, or property that originates and is delivered to points within the corporate limits of the same city or town or within a seven-mile zone adjacent to the city or town and within two contiguous parishes each with a population of 400,000 or more and a seven-mile adjacent zone, are not subject to the excise tax. The purpose of this exclusion is to shelter the seven-mile zone from taxation.

**Legal Citation**
R.S. 47:1003(11)

**Origin**

**Effective Date**
June 28, 1965

**Beneficiaries**
Public utilities that transport within the specified area

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$1,209,000</td>
</tr>
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</table>
Sales Tax Exemptions
Sales Tax

{ Introduction }

Louisiana sales tax was first imposed in 1936. The original sales tax was enacted as a two percent luxury sales tax. It was replaced by a one percent general sales tax that was in effect between 1938 and 1940. In 1942, a one percent war emergency tax was enacted and set to run for a two-year period. The first permanent sales tax was enacted in 1944 at a rate of one percent (R.S. 47:302); increased to two percent in 1948 (R.S. 47:302); increased to three percent in 1970 (R.S. 47:321); increased to four percent in 1984 (R.S. 47:331); and increased to a five percent rate in April 2016 (R.S. 47:321.1).

The general sales tax rate was four percent until June 30, 1988. In 1988, the legislature created the Louisiana Recovery District and authorized the District to issue bonds to be secured through the imposition of a sales tax. The one percent general sales tax imposed under R.S. 47:321 was repealed and was replaced by the one percent Recovery District tax. Due to bonding requirements, the taxes levied by the Recovery District are not affected by tax law changes subsequent to 1988. This combination of a three percent general sales tax, along with a one percent Recovery District tax remained in effect from July 1, 1988 to September 30, 1990.

In 1990, the legislature created the Louisiana Tourism Promotion District and granted it the authority to levy a tax. On October 1, 1990, the Tourism Promotion District levied a .03 percent sales tax, and on the same date the general sales tax rate imposed under R.S. 47:331 was reduced to .97 percent totalling the same overall tax rate of one percent. The tax base is the same for the Tourism Promotion District and general sales tax. On September 30, 1996, the bonds of the Recovery District were retired and the Recovery District ceased to exist. The levy of the Recovery District was replaced with a one percent general sales tax levy under R.S. 47:321.

Effective April 1, 2016, Act 26 of the First Extraordinary Session temporarily increased the state sales tax rate from four percent to five percent through June 30, 2018. For the purposes of this report, the term general sales tax is used to reference the five percent tax imposed by both the state and the Tourism Promotion District.

Exclusions and exemptions from the sales tax have existed since the first tax levy and new exclusions and exemptions have been enacted over the years. The exemptions were effective against the total sales tax base until 1986. During the 1986 Regular Legislative Session, House Concurrent Resolution 55 was enacted, which suspended the sales tax exemptions imposed under R.S. 47:331 for the period of July 1, 1986 through June 30, 1987. As a result of the suspension, traditionally exempt items were subject to a one percent sales tax. The legislature continued the one percent suspension until July 31, 1989. Effective August 1, 1989, the suspension rate was changed to three percent through December 31, 1989; two percent from January 1, 1990 through July 9, 1990; and three percent from July 10, 1990 through June 30, 1997. From July 1, 1993 to September 30, 1996, exemptions from the one percent sales tax levied by the Louisiana Recovery District were also suspended, resulting in a four percent suspension rate.

In order to extend tax relief, the Louisiana Legislature began enacting exclusions from the tax under the definitions in R.S. 47:301, rather than the exemptions under R.S. 47:305. Some of the new exclusions replaced existing exemptions that were taxable under the suspension of exemptions. This action resulted in two statutes affecting the same subject. In 1998, duplicative exemptions were repealed leaving only the exclusion as the statutory authority.

From July 1, 1997 to June 30, 2000, the suspension rate was three percent. From July 1, 2000 to June 30, 2009 the suspension rate was four percent, except for sales of non-residential electricity, water utility service, natural gas, and steam, which was subject to a suspended tax rate of 3.8 percent through December 31, 2005. For the period January 1, 2006, to June 30, 2008 sales for nonresidential purposes of natural gas for energy and electric power were subject to a suspended rate of 3.3 percent. Sales of steam and water for nonresidential use were taxed at the suspended rate of 3.8 percent. From July 1, 2008 to June 30, 2009 sales for nonresidential purposes of natural gas for energy and electric power were subject to a suspended rate of 2.3 percent. For the period July 1, 2008 through June 30, 2009, sales of steam and water for nonresidential use were taxed at the suspended rate of 2.8 percent.

In the 2009 Legislative Session, no legislation was proposed to continue the suspension of the sales tax exemptions. As a result, the exemptions found under R.S. 47:305 were now exempt from three of the four percent general sales tax. These unprotected exemptions remain subject to the permanent suspension of the one percent tax imposed under R.S. 47:321. Effective January 1, 2009, advance sales tax was repealed. As a result, all sales for resale became excluded from sales tax. Only the final sale to the consumer is now subject to the state sales tax.

Beginning April 1, 2016, Acts 25 and 26 of the First Extraordinary Session temporarily suspended most sales tax exemptions and exclusions. The partial suspension of these exemptions and exclusions will continue until June 30, 2018.
The sales tax currently collected by the Department of Revenue is as follows:

**Legal Citations**
R.S. 47:301 - 47:333  
R.S. 4:168  
R.S. 4:227  
R.S. 12:425  
R.S. 22:2065  
R.S. 33:4169  
R.S. 38:2212.4  
R.S. 39:467  
R.S. 39:468  
R.S. 40:582.1 - 40:582.7  
R.S. 47:1121 - 1128.1  
R.S. 47:1515.1  
R.S. 47:6001  
R.S. 51:1301  
Art. VII Sec. 27 of Louisiana Constitution  
Art. VII Sec. 2.2 of Louisiana Constitution

**Tax Base**
The tax base consists of retail sales of tangible personal property, rental or lease of movable property, and sales of selected services. The tax base also includes use tax due on the cost of tangible personal property imported into this state or purchased within this state without the proper payment of sales tax.

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sales Tax</td>
<td>2.00%</td>
<td>R.S. 47:302</td>
</tr>
<tr>
<td></td>
<td>1.00%</td>
<td>R.S. 47:321</td>
</tr>
<tr>
<td></td>
<td>1.00%</td>
<td>R.S. 47:321.1</td>
</tr>
<tr>
<td></td>
<td>.97%</td>
<td>R.S. 47:331</td>
</tr>
<tr>
<td>Tourism Prom. Dist.</td>
<td>.03%</td>
<td>R.S. 51:1286</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Types of Tax Exemptions**
Louisiana sales tax exemptions are in the form of exclusions, exemptions, alternate reporting methods, credits, and refunds. Exclusions are items that have been excluded from the tax base by definition. Exemptions are items that were included in the tax base, but have been specifically exempted. Alternate reporting methods allow taxpayers to report and remit taxes in a manner different from the normally required procedure. Statutorily prescribed methods of taxation are items that have statutory methods to calculate the tax. Credits are situations when the taxpayer can deduct the credit amount from the tax due and pay only the net tax due. Refunds are the result of taxes paid initially, but for which the taxpayer may be reimbursed. All tax exemptions that are the result of Louisiana tax statutes are included in this report.

There are several statutory tax exemptions that are also prohibited from taxation by the state constitution, federal laws, or existing reciprocal agreements. Because of these additional prohibitions, repeal of the exemption alone would not yield the fiscal effect indicated. For this reason, these exemptions have been separately grouped at the end of the section.

**Fiscal Effect**
The fiscal effect shown in this budget reflects all current statutory language and is not broken down by the various levies. Legislation to continue the suspension of most of the state sales tax exemptions through June 30, 2009, was enacted during the
Sales Tax

{ Introduction }

2004 First Extraordinary Session by Act 4. The full suspension expired on July 1, 2009 and as a result, the exemptions found under R.S. 47:305 continued to be exempt from three of the four percent general sales tax until March 31, 2016.

Act 25 of the 2016 First Extraordinary Legislative Session imposed the four percent state sales tax impositions on sales, purchases, use, leases or rental exemptions and exclusions not listed in the act for the period April 1, 2016 through June 30, 2016. Beginning July 1, 2016 through June 30, 2018, Act 25 will continue to impact sales tax exclusions and exemptions through the imposition of two percent state sales tax under R.S. 47:302. However, the manufacturing machinery and equipment exclusions (R.S. 47:301(3)(i) et. al.) and the business utilities exemptions (R.S. 47:305(D)(1) et. al.) are treated differently by Act 25.

In addition, Act 26 of the 2016 First Extraordinary Legislative Session imposed an additional state sales tax in the amount of one percent (1%). The new state sales tax is in addition to the sales taxes already levied pursuant to Louisiana R.S. 47:302, 321 and 331. Only those exclusions and exemptions listed in Act 26 are operable and in effect for the purpose of the imposition of the additional one percent sale tax. This additional state sales tax is in effect from April 1, 2016 until its expiration on June 30, 2018.

Significant Changes

Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session

Act 9 repeals provisions that would have reduced the tax rate on interstate and international telecommunications services from two percent to one percent. Effective April 1, 2016.

Act 15 limits the total vendors compensation for a dealer who operates one or more business locations within Louisiana to one thousand five hundred dollars per calendar month. Mandates that calculation of the deduction is to be based only on the taxes levied by R.S. 47:302, 321, 331, and R.S. 51:1286. Prohibits vendors compensation for taxes accounted for and remitted pursuant to R.S. 47:321.1 or any other sales tax levied by the state. Effective April 1, 2016.

Act 17 provides for relative to the definition of “Hotel” to include any establishment or person engaged in the business of furnishing sleeping rooms, cottages, or cabins to transient guests, where such establishment consists of sleeping rooms, cottages, or cabins at any of the following: (i) A single business location or (ii) A residential location, including but not limited to a house, apartment, condominium, camp, cabin, or other building structure used as a residence. Hotel does not include any establishment or person leasing apartments or single family dwelling on a month-to-month basis. The definition of dealer pursuant to La. R.S. 47:301(4) was also amended to include any person engaged in collecting the amount required to be paid by a transient guest as a condition of occupancy at a residential location as provided in La. R.S. 47:301(6)(a)(ii). The definition of dealer excludes persons leasing apartments or single family dwellings on a month to month basis. Effective July 1, 2016.

Act 22 defines remote dealers and requires remote dealers to file all applicable sales and use tax returns and remittances electronically. This applies to sales and use taxes levied pursuant to La. R.S. 47:302(K)(5). A vendor who qualifies as a dealer in this state as defined in La. R.S. 47:301(4) is prohibited from collecting the tax imposed under La. R.S. 47:302(K)(5) in lieu of collecting the sales and use tax imposed by a political subdivision, which is required to be remitted directly to the political subdivision. The provisions of Act 22 apply to tax periods beginning on and after April 1, 2016. Effective March 14, 2016.

Act 25 enacted R.S. 47:302(V), 321(L), and 331(S) which provide that certain state exclusions and exemptions are operative and in effect for the purposes of the imposition of state sales taxes pursuant to La. R.S. 47:301, 321, and 331. The effective date of Act 25 is April 1, 2016.

For the period beginning April 1, 2016 through July 1, 2018, certain state sales tax exemptions and exclusions will continue to be in effect with regard to the state sales tax levied pursuant to La. R.S. 47:302. For the period April 1, 2016 through July 1, 2016, only those sales tax exemptions and exclusions provided for in La. R.S. 47:321(L) will be operative and in effect purposes for the one percent (1%) tax levied pursuant to La. R.S. 47:321. For the period April 1, 2016 through July 1, 2016, only those sales tax exemptions and exclusions provided for in La. R.S. 47:331(S) will be operative and in effect purposes for the ninety-seven one hundredths of one percent (.97%) tax levied pursuant to La. R.S. 47:331 and the Louisiana Tourism Promotion District tax in the amount of three one hundredths of one percent (.03%) levied pursuant to La. R.S. 51:1286. State sales, purchases, use, leases or rental tax exemptions and exclusions not listed in Act 25 for the sale, use, consumption, lease or rental of tangible personal property and the sales of services will be subject to tax. Louisiana Revised Statute 47:331(P) provides that the exemptions for sales of steam, water, electric power, or energy, and natural gas for business utilities will be inapplicable, inoperable and of no effect for the period beginning April 1, 2016 through April 1, 2019, as it applies to the taxes levied by La. R.S. 47:331.

Louisiana Revised Statute 47:331(Q) provides that the exemption in La. R.S. 47:305,51 for utilities used by steelworks and blast


Sales Tax

{ Introduction }

furnaces shall be applicable, operable and effective for all taxable periods beginning on or after July 1, 2007 through March 31, 2016 and for all taxable periods on or after April 1, 2019. These utilities shall be subject to state sales tax levied in La. R.S. 47:331 for the period April 1, 2016 through March 31, 2019.

Act 26 enacted La. R.S. 47:321.1, which imposes an additional state sales tax in the amount of one percent (1%). This additional state sales tax is levied upon the sale at retail, the use, the consumption, the distribution and lease or rental of an item of tangible personal property and upon sale of services. The new state sales tax is in addition to the sales taxes already levied pursuant to La. R.S. 47:302, 321 and 331. This tax is to be collected by the dealer and wholesaler as provided by Chapter 2 of Title 47. The provisions of Act 26 shall become effective on April 1, 2016 and shall be inapplicable, inoperative and of no effect after June 30, 2018.

For the period April 1, 2016, sixty-five state sales, purchase, use, lease or rental tax exemptions and exclusions will continue to be operative and in effect with regard to the additional state sales tax levied pursuant to La. R.S. 47:321.1. The sales tax exclusion for the purchases, use and lease of manufacturing machinery and equipment as provided in La. R.S. 47:301(3)(j), (13)(k), and (28) (a) shall not be operative and in effect until July 1, 2016.

2016 Regular Legislative Session

Act 25 provides an extended period of time for a person separating from active military service in the U.S. armed forces to secure a Louisiana motor vehicle license registration and remit the registration tax on a vehicle with a foreign registration. The military person or their spouse will have ninety days from the date of separation from the armed services in which to obtain the Louisiana registration and pay the sales tax. Further provides that interest and penalties will not accrue during this ninety day period.

Provides that neither the extension, nor the waiver of interest and penalties shall apply when the foreign license plate or registration on the vehicle expired prior to or during the 90 day period following the service person’s separation from active service. Effective May 9, 2016.

Act 443 provides that the secretary of the Department of Revenue shall promulgate rules and regulations in accordance with the Administrative Procedures Act to provide for registration with the department by dealers as defined in R.S. 47:301(4)(f)(ii), when the transactions giving rise to the dealer’s obligation to collect state sales and use tax for occupancy at a residential location is facilitated through an online forum. Louisiana Revised Statute 47:301(4)(f)(ii) defines dealer to include a person engaged in collecting the amount required to be paid by a transient guest as a condition of occupancy at a residential location as provided in La. R.S. 47:301(6)(a)(ii), which is the definition of “hotel”. This Act is effective July 1, 2016.

Act 569 requires certain notifications regarding use tax to be provided to purchasers of property and services sold by remote retailers. Revised Statute 47:309.1(B)(2) provides that a remote retailer means a retailer which has purposefully availed itself of the benefits of the economic markets in Louisiana, or who has any other minimum contacts with the state, and is not required to register as a dealer in Louisiana and thus is not required to collect Louisiana sales and use taxes. The remote retailer must make retail sales of tangible personal property or taxable services where the property is delivered into Louisiana or the beneficial use of the service occurs in Louisiana. The cumulative annual gross receipts for the remote retailer and its affiliates from sales of tangible personal property and services must exceed $50,000 per calendar year.

At the time of sale, the remote retailer must notify the Louisiana purchaser that the purchase is subject to Louisiana use tax, unless specifically exempt and that the item is not exempt because it was purchased over the internet, by catalog or other remote means. The sales notice must include a statement that Louisiana law requires that the use tax liability be paid annually on the individual income tax return or through other means as may be required by administrative rule promulgated in accordance with the Administrative Procedure Act.

By January 31st of each year, a remote retailer is required to send each Louisiana purchaser who has purchased property or services from the retailer in the immediately preceding calendar year an annual notice containing the total amount paid by the purchaser for purchases in the preceding calendar year. If available, the notice shall include a listing of dates and amount of purchases and whether the property itself is exempt or not, if the retailers has this information. The annual notice shall disclose the name of the retailer and shall state that Louisiana use tax may be due upon the purchases made from the retailers and that the use tax must be paid either on the individual’s income tax return or through other means. This notice must be sent via first class mail, certified mail, or electronically at the purchaser’s choice. The notice cannot be included with any other shipment or mailing from the retailer. The envelope in which the notice is sent shall include the words “IMPORTANT TAX DOCUMENT ENCLOSED”.

By March 1st of each year, a remote retailer who has made retail sales of tangible personal property or taxable services to Louisiana purchasers in the preceding calendar year shall file an annual statement for each purchaser with the department. The annual statement must include the total amount paid by the purchaser to that retailer in the preceding calendar year. The statement shall not contain detail as to the specific property or services purchased but it will include the total amount paid. The statement shall
be submitted on forms to be developed and provided by the secretary. The secretary is authorized to require the electronic filing of statements by a remote retailer who had sales in Louisiana in excess of $100,000 in the immediately preceding calendar year.

The Secretary may by subpoena, compel witnesses and the production of documents for purposes of enforcement of the requirements relative to the required notices and annual statements concerning taxable transactions occurring in Louisiana involving a remote retailer. The Secretary may request that the subpoena be enforced by court order. Any dealer or remote retailer selling property or services to a Louisiana resident is considered to have consented to the jurisdiction of the courts of Louisiana and the Board of Tax Appeals. This Act shall become effective July 1, 2017.

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Act 3 provides that sale at retail does not include the sale of materials for further processing into articles of tangible personal property when all of the following criteria are met:

1. The raw materials become a recognizable and identifiable component of the end product.
2. The raw materials are beneficial to the end product.
3. The raw materials are materials or further processing and as such, are purchased for the purpose of inclusion into the end product.

The term “sale at retail” shall not include the purchase of raw materials for the production of raw or processed agricultural, silvicultural, or aquacultural products. If the materials are further processed into a byproduct for sale, such purchases shall not be deemed to be sales for further processing and shall be taxable. The term “byproduct” shall mean any incidental product that is sold for a sales price less than the cost of the materials. In the event, a byproduct is sold at retail in Louisiana for which a sales and use tax has been paid by the seller on the cost of the materials, which materials are used partially or fully in the manufacturing of the byproduct, a credit against the tax paid by the seller shall be allowed in an amount equal to the sales tax collected and remitted by the seller on the taxable retail sale of the by the byproduct. The Act is intended to clarify and be interpretative of the original intent of R.S. 47:301(10)(c)(i)(aa). The provisions of the Act are retroactive and applicable to all refund claims submitted or assessments of additional taxes due which are filed on or after the effective date of this Act. The Act is not applicable to any existing claim for refund filed or assessment of additional taxes due issued prior to the effective date of this Act for any tax period prior to July 1, 2016, which is not barred by prescription. Effective date is June 23, 2016.

Act 6 requires dealers to provide an annual reporting of the annual gross sales of tangible personal property and services, which are subject to a state sales tax exclusion or exemption for the sales of rooms rentals under R.S. 47:301(6)(b), room rentals by a homeless shelter under R.S 47:301(6)(c); sales by a nonprofit entity which sells donated goods under R.S.47:301(8)(f); sales by a youth organization charted under R.S. 47:301(10)(h); sales by parochial or private elementary and secondary schools complying with the Dodd Brumfield court order and IRC Section 501(c)(3) under R.S. 47:301(18)(e); sales of admissions to athletic and entertainment events by elementary and secondary schools under R.S. 47:301(14)(b)(i); sales of meals by an educational or medical organization under R.S. 47:301(D)(2); sales of admissions to entertainment events by little theater organizations under R.S. 47:305.6; sales of admissions to musical performances by nonprofit organizations under R.S. 47:305.7; sales of admissions to entertainment events sponsored by a domestic nonprofit charitable or educational organization under R.S. 47:305.13; sales to admissions, parking fees charged at and tangible personal property sold at events sponsored by a nonprofit organization under R.S. 47:305.14(A)(1); and sales of admissions to and parking fees charged at fairs and festivals sponsored by a nonprofit organization under R.S. 47:305.18. This annual statement must be submitted electronically to the Department by September 30th. These annual reporting requirements do not apply to nonprofit entities and their affiliates which have been granted an exemption from federal income tax pursuant to R.S. 47:301(c)(3) of the Internal Revenue Code. Effective July 1, 2016.

Act 12 provides for sales tax exemptions and exclusions to be operable and in effect for purposes of R.S. 47:302 and 321.1 beginning July 1, 2016. Under the provisions of R.S. 47:302(AA), the following sales tax exclusions and exemptions are now also effective:

1. Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).
2. Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).
3. Sales, leases, and rentals of tangible personal property and sales of services necessary to operate free hospitals as provided in R.S. 47:301(7)(e), (10)(p), and (18)(e).
4. Sales, leases, or rentals of tangible personal property to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g) and (10)(e).
(5) Sales by nonprofit entities that sell donated goods as provided in R.S. 47:301(8)(f).

(6) Isolated or occasional sales of tangible personal property by a person not engaged in such business as provided in R.S. 47:301(10)(c)(ii)(bb).

(7) Sales of human tissue transplants as provided in R.S. 47:301(10)(d).

(8) Sales of food items by a youth-serving organization chartered by the United States Congress as provided in R.S. 47:301(10)(h).

(9) Sales and donations of tangible personal property by food banks as provided in R.S. 47:301(10)(j) and (18)(a)(i).

(10) Sales or purchases of fire-fighting equipment by volunteer fire departments as provided in R.S. 47:301(10)(o).

(11) Sales to, and leases, rentals, and use of educational materials and equipment used for classroom instruction by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S.47:301(7)(f), (10)(q)(ii), and (18)(c)(ii).

(12) Sales by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(10)(q)(i) and (18)(c)(i).

(13) Sales, as provided in R.S. 47:301(14)(b)(i), but only of admissions to athletic and entertainment events held for or by an elementary or secondary school and membership fees or dues of nonprofit, civic associations.

(14) Sales or use of materials used directly in the collection of blood as provided in R.S. 47:301(16)(j).

(15) Sales or use of apheresis kits and leuko reduction filters as provided in R.S. 47:301(16)(k).

(16) Sales or use of orthotic devices, prosthetic devices, hearing aids, eyeglasses, contact lenses, and wheelchairs prescribed by physicians, optometrists, or licensed chiropractors used exclusively by the patient for personal use as provided in R.S. 47:305(D)(1)(k).

(17) Sales or use of ostomy, colostomy, and ileostomy devices and equipment as provided in R.S. 47:305(D)(1)(i).

(18) Sales or use of adaptive driving equipment and motor vehicle modifications prescribed for personal use as provided in R.S. 47:305(D)(1)(u).

(19) Sales of meals by educational institutions, medical facilities, mental institutions, and occasional meals furnished by educational, religious, or medical organizations as provided in R.S. 47:305(D)(2).

(20) Purchase or rental of kidney dialysis machines, parts, materials, and supplies for home use under a physician’s prescription as provided in R.S. 47:305(G).

(21) Sales of admissions to entertainment events by Little Theater organizations as provided in R.S. 47:305.6.

(22) Sales of admissions to musical performances sponsored by nonprofit organizations as provided in R.S. 47:305.7.

(23) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations as provided in R.S. 47:305.13.

(24) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations as provided in R.S. 47:305.14(A)(1).

(25) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations as provided in R.S. 47:305.18.

(26) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the vessels of licensed commercial fishermen as provided in R.S. 47:305.20.

(27) Sales of butane, propane, or other liquefied petroleum gases for private, residential consumption as provided in R.S. 47:305.39.

(28) Sales and purchases by certain organizations that provide training for blind persons as provided in R.S. 47:305.15.

Beginning July 1, 2016, the provisions of R.S. 47:321.1(F)(66) state that the following exclusions and exemptions are applicable.
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to the tax levied.

(1) Sales of room rentals by a camp or retreat facility owned by a nonprofit organization as provided in R.S. 47:301(6)(b).

(2) Sales of room rentals by a homeless shelter as provided in R.S. 47:301(6)(c).

(3) Sales, leases, or rentals of tangible personal property to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as provided in R.S. 47:301(7)(g) and (10)(c).

(4) Sales or purchases of fire-fighting equipment by volunteer fire departments as provided in R.S. 47:301(10)(o).

(5) Sales to, and leases, rentals, and use of educational materials and equipment used for classroom instruction by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S.47:301(7)(f), (10)(q)(ii), and (18)(c)(ii).

(6) Sales by parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code as provided in R.S. 47:301(10)(q)(i) and (18)(c)(i).

(7) Sales, as provided in R.S. 47:301(14)(b)(i), but only of admissions to athletic and entertainment events held for or by an elementary or secondary school and membership fees or dues of nonprofit, civic associations.

(8) Sales or use of orthotic devices, prosthetic devices, hearing aids, eyeglasses, contact lenses, and wheelchairs prescribed by physicians, optometrists, or licensed chiropractors used exclusively by the patient for personal use as provided in R.S. 47:305(D)(1)(k).

(9) Sales or use of ostomy, colostomy, and ileostomy devices and equipment as provided in R.S. 47:305(D)(1)(l).

(10) Sales or use of adaptive driving equipment and motor vehicle modifications prescribed for personal use as provided in R.S. 47:305(D)(1)(u).

(11) Sales of meals by educational institutions, medical facilities, mental institutions, and occasional meals furnished by educational, religious, or medical organizations as provided in R.S. 47:305(D)(2).

(12) Purchase or rental of kidney dialysis machines, parts, materials, and supplies for home use under a physician’s prescription as provided in R.S. 47:305(G).

(13) Sales of admissions to entertainment events by Little Theater organizations as provided in R.S. 47:305.6.

(14) Sales of admissions to musical performances sponsored by nonprofit organizations as provided in R.S. 47:305.7.

(15) Sales of admissions to entertainment events sponsored by domestic nonprofit charitable, religious, and educational organizations as provided in R.S. 47:305.13.

(16) Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations as provided in R.S. 47:305.14(A)(1).

(17) Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizations as provided in R.S. 47:305.18.

(18) Purchases of fishing vessels, supplies, fuels, lubricants, and repairs for the vessels of licensed commercial fishermen as provided in R.S. 47:305.20

(19) Sales of butane, propane, or other liquefied petroleum gases for private, residential consumption as provided in R.S. 47:305.39.

(20) Sales and purchases by certain organizations that provide training for blind persons as provided in R.S. 47:305.15.

Act 12 is effective June 28, 2016.

Act 13 exempts sales of certain items of tangible personal property and services at publicly owned domed stadium facilities or baseball facilities from sales tax. R.S. 39:468 has been amended to exempt sales of tangible personal property and certain services at certain publicly owned facilities from sales tax. This Act is effective September 1, 2016.
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{ Exclusions }

1. **Purchases by Pari-Mutuel Horse Racetracks**

   This exclusion allows racetracks licensed by the Racing Commission to make purchases of tangible personal property, services, and leases and rentals without the payment of sales or use tax. The state imposes certain license fees, commissions, and taxes on racetracks and horse racing. The purpose of this exclusion is to remove the liability for sales tax in lieu of the special taxes imposed on licensed racetracks.

   **Legal Citation**
   R.S. 4:168

   **Origin**
   Acts 1968, No. 554

   **Effective Date**
   July 19, 1968

   **Beneficiaries**
   Horse-racing tracks licensed by the Louisiana State Racing Commission

   **Estimated Fiscal Effect**
   This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
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<th>Estimated Fiscal Effect</th>
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<tr>
<td>FYE 6-17</td>
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<td>FYE 6-18</td>
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<tr>
<td>$64,000</td>
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<tr>
<td>$65,000</td>
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2. **Purchases by Off-Track Wagering Facilities**

   This exclusion allows off-track wagering facilities licensed by the Racing Commission to make purchases of tangible personal property, services, leases, and rentals without the payment of sales or use tax. The state imposes certain license fees, commissions, and taxes on the racetracks and horse racing. The purpose of this exclusion is to remove the liability for sales tax in lieu of the special taxes imposed on the licensed off-track wagering facilities and to extend the exclusion enjoyed by pari-mutuel racetracks to these off-track wagering facilities.

   **Legal Citation**
   R.S. 4:227

   **Origin**
   Acts 1990, No. 1013

   **Effective Date**
   July 26, 1990

   **Beneficiaries**
   Off-track wagering facilities licensed by the Louisiana State Racing Commission

   **Estimated Fiscal Effect**
   This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
3. **Purchases by Louisiana Insurance Guaranty Association**

This exclusion allows the tax-free purchase of tangible personal property and the tax-free lease/rental of tangible personal property by the Louisiana Insurance Guaranty Association. The purpose of this exclusion is to provide relief from the payment of state sales tax to the Louisiana Insurance Guaranty Association.

**Legal Citation**
R.S. 22: 2065

**Beneficiaries**
Louisiana Insurance Guaranty Association

**Estimated Fiscal Effect**

This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

4. **Purchases, Services and Rentals by a Private Company Working for Local Authority on Construction or Operation of Sewerage or Wastewater Treatment Facilities**

The provision allows a private company with a contract to construct or operate a sewerage or wastewater treatment facility for a local governmental authority to be entitled to the same exclusions and exemptions as the governmental authority. The governmental entity has an exclusion for the purchase of tangible personal property and services and the rental/lease of tangible personal property under R.S. 47:301(8)(c). The purpose of this exclusion is to provide financial assistance to local governments through lower contract cost.

**Legal Citation**
R.S. 33:4169(D)

**Origin**
Acts 1982, No. 795

**Effective Date**
September 10, 1982

**Related Exclusion**
R.S. 47:301(8)(c)

**Beneficiaries**
Private companies and local governments

**Estimated Fiscal Effect**

This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$100,000</td>
</tr>
<tr>
<td>$102,000</td>
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</tbody>
</table>
Sales Tax

{ Exclusions }

5. Isolated or Occasional Sales of Tangible Personal Property

This exclusion allows isolated or occasional sales, other than motor vehicles, that are not sold as a part of regular business activity to be sold tax free. This exclusion can be claimed by both businesses and individuals. The purpose of this exclusion is to allow tax-free sales between individuals who are not in the retail business and by businesses for sales outside their normal course of business.

Legal Citations
R.S. 47:301(1), R.S. 47:301(10)(c)(ii)(bb)

Origin
Acts 1948, No. 9

Effective Date
June 7, 1948

Beneficiaries
Individuals not in the business of selling and businesses that sell items outside of their normal business activities

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
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<tbody>
<tr>
<td>$6,999,000</td>
<td>$7,139,000</td>
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</table>
Sales Tax

{ Exclusions }

7. Separately Stated Labor Charges on Property Repaired Out-Of-State

This exclusion allows labor charges that are separately stated on invoices of repairs performed outside of Louisiana to be excluded from the cost price basis subject to sales/use tax. Only the cost price of any parts and/or materials used in the performance of the repair will be subject to sales/use tax. However, if the labor charges are not separately stated on the invoice, the entire charge for the out-of-state repair becomes subject to state sales/use tax. The purpose of this exclusion is to reduce the amount of out-of-state repair labor costs subject to state sales/use tax.

Legal Citation
R.S. 47:301(3)(b)

Beneficiaries
Individuals and businesses who have property repaired out of state

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$80,000</td>
<td>$81,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Installation of Board Roads to Oilfield Operators

This exclusion allows installers of board roads, when dealing with oilfield operators, to separately itemize the installation charges associated with the board road and to exclude these charges from sales tax. The purpose of this exclusion is to eliminate the sales tax imposed on installation charges paid by oilfield contractors.

Legal Citation
R.S. 47:301(3)(c)

Origin
Acts 1983, No. 446

Effective Date
July 3, 1983

Beneficiaries
Oilfield contractors

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$69,000</td>
<td>$71,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

9. Manufacturers Rebates on New Motor Vehicles

This exclusion allows the taxable amount of a new vehicle to be reduced by the amount of a manufacturer’s rebate allocated directly to the consumer. The purpose of this exclusion is to relieve the new-car buyer of the tax on the rebate, which represent reductions in the sales price.

Legal Citations
R.S. 47:301(3)(e), R.S. 47:301(13)(b)

Origin
Acts 1991, No. 350

Effective Date
September 6, 1991

Beneficiaries
The general public purchasing new motor vehicles where manufacturers’ discounts or rebates are transferred directly to the consumer

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$11,227,000</td>
<td>$11,451,000</td>
</tr>
</tbody>
</table>

10. Manufacturers Rebates Paid Directly to a Dealer

This exclusion allows any payments made directly between the manufacturer and a third-party dealer (not the manufacturer’s customer) for the manufacturer’s product for the specific purpose of reducing the sales price and which actually reduces the price as stated to the consumer for the tangible personal property to be free of sales tax. The actual sales price to be paid directly by the consumer will be subject to sales tax. Manufacturers coupons used by the consumer as part payment of the “sales price” at the time of purchase and redeemed by the dealer will remain taxable. This exclusion excludes this payment from the definition of “cost price” and “sales price.” The purpose of this exclusion is to clearly identify the taxable sales price being paid for tangible personal property by the consumer at the time the property is purchased.

Legal Citations
R.S. 47:301(3)(g), R.S. 47:301(13)(e)

Origin
Acts 1996, No. 33

Effective Date
July 2, 1996

Beneficiaries
Dealers in cigarettes and their consumers of cigarettes

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$60,000</td>
<td>$62,000</td>
</tr>
</tbody>
</table>
11. Purchases of Consumables by Paper and Wood Manufacturers and Loggers

This provision creates an exclusion for tangible personal property consumed in the manufacturing process such as fuses, belts, wires, conveyer belts, lubricants, and motor oils and repairs and maintenance of manufacturing machinery and equipment. The exemption is available to manufacturers with an industry group designation of 3211 through 3222 or 11310 pursuant to the North American Industry Classification Code.

Legal Citation
R.S. 47:301(3)(k)

Origin
Acts 2009, No. 466

Effective Date
August 15, 2009

Beneficiaries
Paper and wood manufacturers and loggers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$328,000</td>
<td>$335,000</td>
<td></td>
</tr>
</tbody>
</table>

12. Purchases of Manufacturing Machinery and Equipment

This exclusion allows manufacturing machinery and equipment to be purchased free from the state sales, use, lease, and rental tax by eligible manufacturers. The term “manufacturer” is defined as a person whose principal activity is manufacturing, and who is assigned by the Louisiana Workforce Commission a North American Industry Classification code within the agricultural, forestry, fishing, and hunting Sector 11 or manufacturing Sectors 31-33, as they existed in 2002. Acts 2005, No. 471 expanded the definition of manufacturer to include those who would be assigned a NAICS code within Sector 11 or 31-33 but are not required to register with the Louisiana Workforce Commission for unemployment insurance and therefore do not receive such assignment. This same act also enacted a provision that allows machinery and equipment used by an industrial manufacturing plant to generate electric power for self consumption or cogeneration to be included in the definition of “machinery and equipment” for purposes of the sales tax exclusions for manufacturing and agricultural machinery and equipment. To qualify for the exclusion, the machinery and equipment must be used by the manufacturer in a plant facility and be used predominantly and directly in the actual manufacturing process. Acts 2007, No. 429 further expanded the definition of manufacturer to include certain recyclable material merchant wholesalers.

Legal Citation
R.S. 47:301(3)(i)(i), (13)(k)(i) and (28)(a), R.S. 47:337.10(I).

Origin
Acts 2004, 1st Ex. Sess., No. 1

Effective Date
July 1, 2004
12. Purchases of Manufacturing Machinery and Equipment (continued)

**Beneficiaries**
Manufacturers that have a NAICS Sector code of 31-33 or Sector 11 and certain recyclable material merchant wholesalers.

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 2% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$89,920,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$91,718,000</td>
</tr>
</tbody>
</table>

13. Purchases of Certain Machinery and Equipment Used to Produce a News Publication

This exclusion, phased in over seven years, allows certain machinery and equipment used primarily to produce a news publication to be purchased free from state sales, use and lease tax. Effective July 1, 2007, 54 percent of the price of eligible machinery and equipment was excluded from the state sales tax, increasing to 68 percent effective July 1, 2008, then 100 percent effective July 1, 2009.

**Legal Citation**

**Origin**

**Effective Date**
July 1, 2007

**Beneficiaries**
Producers of news publications

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 2% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. See number 12, sales tax section.
14. **Purchases of Electric Power and Natural Gas by Paper or Wood Products Manufacturing Facilities**

This provision originally provided a state sales tax exclusion for purchases of electric power by paper or wood products manufacturing facilities for the period July 1, 2006 through December 31, 2008 and allowed these facilities to pay 3.3 percent tax on natural gas purchased for energy purposes only up to the purchase price of $6.20 per MMBtu and fully excluded any amounts in excess of the $6.20 per MMBtu price.

Acts 2007, No. 471 amends R.S. 47:301(3)(j) and 13(m) and repeals R.S. 47:302(T), 321(J) and 331(R) to provide a full state sales tax exclusion for purchases of electric power and natural gas by paper or wood products manufacturing facilities effective July 1, 2007.

**Legal Citation**
R.S. 47:301(3)(j) and 13(m), R.S. 47:302(T), 321(J) and 331(R) – repealed by Acts 2007, No. 471

**Origin**

**Effective Date**
July 1, 2006

**Beneficiaries**
Paper or wood products manufacturers

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Fiscal Effect</td>
<td>$1,986,000</td>
<td>$2,025,000</td>
</tr>
</tbody>
</table>

15. **Room Rentals at Camp and Retreat Facilities**

This provision excludes from sales tax certain room rentals at camp and retreat facilities owned and operated by nonprofit organizations exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. The qualifying room rentals must be associated with the attendance of a function devoted to the nonprofit organization’s purposes. Room rentals to persons merely purchasing lodging at the facility do not qualify for the exclusion.

Qualifying nonprofit organizations have a similar exclusion for places of amusement under R.S. 47:301(14)(b)(iv).

**Legal Citation**
R.S. 47:301(6)(b)

**Origin**

**Effective Date**
August 15, 1998

**Related Exclusion**
R.S. 47:301(14)(b)(iv)

**Beneficiaries**
Qualifying camp and retreat facilities

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$23,000</td>
<td>$23,000</td>
</tr>
</tbody>
</table>

16. **Room Rentals at Certain Homeless Shelters**

This provision removes certain homeless shelters from the definition of hotel, thereby creating an exclusion from state and local sales tax on lodging charges at these facilities. Qualifying facilities must be operated by a nonprofit organization exempt under Section 501(C)(3) of the Internal Revenue Code and devoted exclusively to temporary housing of homeless transient persons, for periods no longer than 30 days duration. Lodging charges can be no greater than $20.00 per day.

**Legal Citation**
R.S. 47:301(6)(c)

**Origin**
Acts 2009, No. 456

**Effective Date**
July 1, 2009

**Beneficiaries**
Individual taxpayers who are homeless and transient

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

17. **Rentals or Leases of Certain Oilfield Property to be Re-leased or Re-rented**

This exclusion allows oilfield equipment rental dealers to rent/lease certain oilfield equipment from other dealers for re-rent or re-rental, without paying a tax on the rental for re-rent or lease for re-rent. The tax is collected on the rental to the final consumer. The purpose of this exclusion is to relieve dealers from having to maintain a large inventory of rental equipment.

**Legal Citation**
R.S. 47:301(7)(b)

**Origin**
Acts 1966, No. 124

**Effective Date**
July 27, 1966

**Beneficiaries**
Oilfield equipment rental dealers

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$243,000</td>
<td>$248,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

18. Certain Transactions Involving the Construction or Overhaul of U.S. Navy Vessels

This exclusion allows all rentals/leases and sales of services involved in the construction or overhaul of U.S. Navy vessels to be free of sales tax and applies to contractors involved with the construction or overhaul of the vessel. The purpose of this exclusion is to make Louisiana shipyards competitive with other states.

Legal Citations
R.S. 47:301(7)(c), R.S. 301(14)(h)

Origin
Acts 1989, No. 833

Effective Date
September 3, 1989

Beneficiaries
Shipyards and providers of repair services to U.S. Navy vessels

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$747,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$762,000</td>
</tr>
</tbody>
</table>

19. Rental or Purchase of Airplanes or Airplane Equipment and Parts by Louisiana Domiciled Commuter Airlines

This exclusion allows Louisiana domiciled commuter airlines to rent/lease or purchase airplanes or airplane equipment free of general sales tax. The purpose of this exclusion is to remove the tax due on Louisiana domiciled commuter airlines.

Legal Citations
R.S. 47:301(7)(d), R.S. 47:301(10)(k)

Origin
Acts 1991, No. 772

Effective Date
July 1, 1991

Beneficiaries
Any Louisiana-based commuter airline

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exclusion was not reported by taxpayers on the sales tax return. We are not aware of any taxpayers eligible for this exclusion. The estimated fiscal effect of this exclusion is $0.
Sales Tax

{ Exclusions }

20. Purchases Leases, and Sales of Services by Free Hospitals

This exclusion allows hospitals that provide free care to all patients to purchase, lease, or rent tangible personal property, or receive sales of services without paying sales tax. The purpose of this exclusion is to provide financial relief to hospitals providing free services.

Legal Citations
R.S. 47:301(7)(c), R.S. 47:301(10)(p), R.S. 47:301(18)(c)

Origin

Effective Date
July 1, 1994

Beneficiaries
Hospitals that provide free care to all patients

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$220,000</td>
<td>$225,000</td>
<td></td>
</tr>
</tbody>
</table>

21. Certain Educational Materials and Equipment Used for Classroom Instruction

This exclusion allows approved parochial and private elementary and secondary schools that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code to rent/lease or purchase specific materials and equipment for classroom instruction free of sales tax. The materials and equipment are limited to books, workbooks, computers, computer software, films, videos, and audio tapes. These items must be used for classroom instruction only. This statute also excludes the sales of tangible personal property by the approved school from the sales tax, when the proceeds of such sales are used solely and exclusively to support the school. This exclusion for sales does not allow tax-free sales to students or their families by promoters or regular dealers through the use of the school name or facilities. The purpose of this exclusion is to allow financial relief to qualifying schools for classroom materials and equipment and to assist in fundraising.

Legal Citations
R.S. 47:301(7)(f), R.S. 47:301(10)(q), R.S. 47:301(18)(c)

Origin

Effective Date
July 1, 1997

Beneficiaries
Qualifying parochial and private elementary and secondary schools

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$121,000</td>
<td>$123,000</td>
<td></td>
</tr>
</tbody>
</table>

[ 269 ]

This exclusion allows Boys State of Louisiana, Inc., and Girls State of Louisiana, Inc., to purchase and lease or rent tangible personal property without the payment of sales tax when the property is used by their educational and public service programs for youth. The purpose of this exclusion is to provide financial relief to these two organizations.

**Legal Citations**
R.S. 47:301(7)(g), R.S. 47:301(10)(r), R.S. 47:301(18)(f)

**Origin**
Acts 1996, No. 20

**Effective Date**
July 1, 1996

**Beneficiaries**
Boys State of Louisiana, Inc., and Girls State of Louisiana, Inc.

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

23. *Vehicle Rentals for Re-Rent to Warranty Customers*

This provision allows licensed motor vehicle dealers to lease or rent motor vehicles without the payment of the tax when the vehicles will be provided at no charge to their customers under the terms of the warranty agreement associated with the purchase of a motor vehicle. The provision also extends to work associated with an applicable warranty that has lapsed and the rental is provided at no charge. The purpose of this exclusion is to provide financial assistance to motor vehicle dealers.

**Legal Citation**
R.S. 47:301(7)(h)

**Origin**
Acts 1998, No. 49

**Effective Date**
August 1, 1998

**Beneficiaries**
Motor vehicle dealers

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,552,000</td>
<td>$2,603,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

24. Property Used in the Manufacture, Production, or Extraction of Unblended Diesel

This provision excludes from the definitions of the terms “lease or rental,” “sale at retail,” and “use” manufacturing machinery and equipment that is used to manufacture, produce, or extract unblended biodiesel. “Unblended biodiesel” means a fuel comprised of mono-alkylesters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of the definition provided for in D 6751 of the American Society of Testing and Materials, before such fuel is blended with a petroleum-based diesel fuel.

Legal Citation
R.S. 47:301(7)(j), R.S. 47:301(10)(y), R.S. 47:301(18)(k)

Origin

Effective Date
July 1, 2005

Beneficiaries
Taxpayers that manufacture, produce or extract unblended biodiesel

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$28,000</td>
</tr>
</tbody>
</table>

25. Leases or Rentals of Pallets Used in Packaging Products Produced by a Manufacturer

This exclusion allows a manufacturer who is assigned by the Louisiana Workforce Commission, a North American Industrial Classification System Code within the manufacturing sectors 31-33 as they existed in 2002 to lease or rent pallets used to package products produced by the manufacturer without the payment of sales or use taxes.

Legal Citation
R.S. 47:301(7)(l)

Origin
Acts 2007, No. 419

Effective Date
July 1, 2008

Beneficiaries
Manufacturers who are assigned by the Louisiana Workforce Commission, a North American Industrial Classification System Code within the manufacturing sectors 31-33 as they existed in 2002

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/2/2016 – 6/30/2018. This exclusion was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to anticipate the fiscal effect from this exclusion is based on limited sales tax return data.
Sales Tax

(Exclusions)

26. Purchases by Regionally Accredited Independent Educational Institutions

This exclusion allows qualifying educational institutions to purchase or rent/lease tangible personal property or receive services without the payment of general sales tax. The exclusion does not extend to sales made by the institutions. The purpose of this exclusion is to provide financial assistance to qualifying institutions.

Legal Citation
R.S. 47:301(8)(b)

Origin
Acts 1990, No. 1064

Effective Date
July 1, 1990

Beneficiaries
Independent educational institutions

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Fiscal Period</th>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$771,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$786,000</td>
</tr>
</tbody>
</table>

27. Purchases by State and Local Governments

This exclusion allows all boards, agencies, or commissions of the state of Louisiana or any local authority within Louisiana to purchase or rent/lease tangible personal property, or receive services without being subject to general sales tax by excluding Louisiana state and local governments from the definition of person. The purpose of this exclusion is to remove governmental authorities from taxation.

Legal Citation
R.S. 47:301(8)(c)

Origin

Effective Date
September 1, 1991

Beneficiaries
All Louisiana state and local governmental authorities

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax.

<table>
<thead>
<tr>
<th>Fiscal Period</th>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$247,531,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$252,481,000</td>
</tr>
</tbody>
</table>

Note: This amount includes the total revenue loss for purchases by state and local government and sales to the U.S. Government. (See number 36, sales tax section).
Sales Tax

{ Exclusions }

28. Purchases of Certain Bibles, Songbooks or Literature by Certain Religious Institutions for Instructional Purposes

This exclusion removes “churches” and “synagogues” granted exemption by the United States Internal Revenue Service under Section 501(c)(3) of the United States Internal Revenue Code from the definition of “dealer” when they purchase bibles, songbooks, or literature used for religious instruction classes. The purpose of this exclusion is to allow financial relief to qualifying churches and synagogues.

Legal Citation
R.S. 47:301(8)(d)

Origin
Acts 1996, No. 28

Effective Date
July 1, 1996

Beneficiaries
Qualifying churches and synagogues

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute is taxable at the 5% state sales tax rate.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prohibited</td>
<td>Prohibited</td>
<td></td>
</tr>
</tbody>
</table>

29. Purchases by the Society of the Little Sisters of the Poor

This provision excludes the Society of the Little Sisters of the Poor from the definition of “person.” This allows the Society to purchase tangible personal property and services and rent/lease tangible personal property without paying general sales tax. This exclusion is limited to the Society as a whole and does not extend to individual members. This exclusion does not apply to sales made by the Society. The purpose of this exclusion is to provide financial assistance to the Society of the Little Sisters of the Poor.

Legal Citation
R.S. 47:301(8)(c)

Origin
Acts 1998, No. 40

Effective Date
August 15, 1998

Beneficiaries
Society of the Little Sisters of the Poor

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains taxable at the 5% state sales tax rate.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prohibited</td>
<td>Prohibited</td>
<td></td>
</tr>
</tbody>
</table>

Prohibited
Sales Tax

\{ Exclusions \}

### 30. Purchases by Nonprofit Entities that Sell Donated Goods

This provision allows an exclusion from sales and use taxes for purchases by nonprofit entities that sell donated goods and spend 75 percent or more of revenues on directly employing or training persons with disabilities or workplace disadvantages. Nonprofit entities must apply for an exclusion certificate annually with each exclusion certificate effective for a one-year period.

**Legal Citation**
R.S. 47:301(8)(f)

**Origin**
Acts 2005, No. 393

**Effective Date**
July 1, 2005

**Beneficiaries**
Qualifying nonprofit entities

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$414,000</td>
<td>$422,000</td>
<td></td>
</tr>
</tbody>
</table>

### 31. Purchases of Tangible Personal Property for Lease or Rental

This exclusion allows rental companies to purchase tangible personal property without paying the general sales tax if the property is to be used solely as rental property. The exclusion’s effective dates varied based on the type of property being purchased. The purpose of this exclusion is to give dealers financial relief and to make them more competitive with dealers in neighboring states that exempt the same transactions.

**Legal Citations**
R.S. 47:301(10)(a)(iii), R.S. 47:301(18)(a)(iii)

**Origin**
Acts 1990, No. 140 and No. 1030

**Effective Date**
July 1, 1990

**Duplicate Provision**
R.S. 47:305.36 (limited to motor vehicles, trailers, and semi-trailers)

**Beneficiaries**
Louisiana rental dealers

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,850,000</td>
<td>$5,967,000</td>
<td></td>
</tr>
</tbody>
</table>
32. Natural Gas Used in the Production of Iron

This exclusion allows purchases of natural gas to be free of sales tax when the natural gas is used to manufacture iron using the “direct reduced iron process.” The exclusion considers the natural gas to be a material for further processing into an article of tangible personal property. The purpose of this exclusion is to provide a company or an industry an incentive to locate in Louisiana.

Legal Citation
R.S. 47:301(10)(c)(i)(bb)

Origin
Acts 1995, No. 284

Effective Date
July 1, 1995

Beneficiaries
Iron manufacturers using the “direct reduced iron process”

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. This exclusion was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to anticipate the fiscal effect from this exclusion is based on limited sales tax return data.

33. Electricity for Chlor-Alkali Manufacturing Process

This exclusion allows tax-free purchases of electricity when the electricity is used in the chlor-alkali manufacturing process. The chlor-alkali manufacturers are responsible for reporting the amount of electricity used to the utility company. The purpose of this exclusion is to remove chlor-alkali manufacturers from taxation on their purchases of electricity.

Legal Citation
R.S. 47:301(10)(c)(ii)(aa)

Origin
Acts 1987, No. 199

Effective Date
July 1, 1987

Beneficiaries
Chlor-alkali manufacturers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,039,000</td>
<td>$5,140,000</td>
</tr>
</tbody>
</table>
### Sales Tax

#### Exclusions

**34. Sales of Human-tissue Transplants**

This exclusion allows the tax-free sale of human tissue that is to be transplanted from one individual into another recipient individual. Human-tissue transplants are defined to include all human organs, bones, skin, cornea, blood, or blood products. The purpose of this exclusion is to allow human tissue used in transplants to be excluded from sales tax.

**Legal Citation**
R.S. 47:301(10)(d)

**Origin**
Acts 1987, No. 435

**Effective Date**
July 9, 1987

**Beneficiaries**
Transplant recipients

**Estimated Fiscal Effect**

This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,321,000</td>
<td>$2,367,000</td>
</tr>
</tbody>
</table>

**35. Sales of Raw Agricultural Commodities**

This exclusion allows the sale of raw agricultural products sold for further production of crops or animals for market to be free of general sales tax. This exclusion includes feed, seed, and fertilizer. Raw agricultural products are exempt as a resale item under R.S. 47:301(10)(c). The sales tax is collected on the sale of the finished product. The purpose of this exclusion is to clarify that raw agricultural commodities are not subject to sales tax.

**Legal Citation**
R.S. 47:301(10)(c), R.S. 47:305(A)(4)(b)(i) and (iii)

**Origin**
Acts 1988, No. 307

**Effective Date**
July 7, 1988

**Duplicate Provision**
R.S. 47:305(A)(3)

**Beneficiaries**
Producers of crops and livestock

**Estimated Fiscal Effect**

This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$40,197,000</td>
<td>$41,001,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

36. **Sales to the United States Government and its Agencies**

This exclusion allows sales made directly to the government of the United States or its agencies to be excluded from tax. The Constitution of the United States forbids the same taxation. This exclusion also applies to those companies with an agency status, where title to the tangible personal property purchased transfers immediately to the government. The purpose of this exclusion is to meet the requirements of the Constitution of the United States.

**Legal Citation**
R.S. 47:301(10)(g)

**Origin**
Acts 1989, No. 833

**Effective Date**
September 3, 1989

**Beneficiaries**
United States government and its agencies

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. See number 27, sales tax section.

37. **Sales of Food Items by Youth Organizations**

This exclusion allows youth organizations chartered by Congress, such as the Boy Scouts and Girl Scouts, to sell food free of sales tax. The purpose of this exclusion was to remove these sales from taxation.

**Legal Citation**
R.S. 47:301(10)(h)

**Origin**
Acts 1989 2nd Ex. Sess., No. 10

**Effective Date**
September 8, 1989

**Duplicate Provision**
R.S. 47:305.14

**Beneficiaries**
Qualifying youth groups

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
Sales Tax

{ Exclusions }

38. Purchases of School Buses by Independent Operators

This exclusion allows independent school bus operators to purchase school buses that are either new or less than five years old, if the buses are used exclusively in the public school system, free of general sales tax. The purpose of this exclusion is to give relief to the independent operators who must purchase their own school buses.

Legal Citation
R.S. 47:301(10)(i)

Origin
Acts 1990, No. 724

Effective Date
July 1, 1990

Beneficiaries
Independent operators who purchase their own school buses

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect as no data on these transactions could be provided by the Office of Motor Vehicles.

39. Tangible Personal Property Sold or Donated to Food Banks

This exclusion allows food banks, as defined under R.S. 9:2799, to purchase any tangible personal property, including food, free of sales tax. The purpose of this exclusion is to give qualifying food banks greater purchasing power.

Legal Citation
R.S. 47:301(10)(j), R.S. 47:301(18)(a)(i)

Origin
Acts 1990, No. 817; Amended by Acts 1992, No. 514

Effective Date
September 7, 1990

Beneficiaries
Qualifying food banks

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exclusion based on limited sales tax return data.
Sales Tax

40. Pollution Control Devices and Systems

This exclusion allows industry to purchase pollution-control equipment free of general sales tax. The purpose of this exclusion is to encourage companies to purchase and install necessary equipment to cut industrial air, noise, groundwater, and other pollution.

Legal Citation
R.S. 47:301(10)(l)

Origin
Acts 1991, No. 1019

Effective Date
September 6, 1991

Beneficiaries
Industrial facilities that purchase pollution-control equipment

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,859,000</td>
<td>$4,957,000</td>
</tr>
</tbody>
</table>

41. Certain Aircraft Assembled in Louisiana

This exclusion allows aircraft manufactured or assembled in Louisiana meeting certain criteria to be sold free of general sales tax. For sales prior to June 19, 2015, the exemption applied to aircraft with a capacity in excess of fifty persons. For sales on or after June 19, 2015, the exemption applies to aircraft with a maximum capacity of eight persons. The purpose of this exclusion is to encourage aircraft companies to locate an assembly plant or manufacturing facility within this state.

Legal Citation
R.S. 47:301(10)(m)

Origin

Effective Date
August 21, 1992

Beneficiaries
Aircraft manufacturing companies located in Louisiana

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exclusion was not reported by taxpayers on the sales tax return. We are not aware of any taxpayers eligible for this exclusion. The estimated fiscal effect of this exclusion is $0.
42. **Pelletized Paper Waste Used in a Permitted Boiler**

This exclusion allows purchases of pelletized paper waste for the exclusive use as combustible fuel by an electric utility or in an industrial manufacturing, processing, compounding, reuse, or production process, including the generation of electricity or process steam to be made free of the general sales tax. The purpose of this exclusion is to encourage the use of pelletized paper waste in boilers.

**Legal Citation**
R.S. 47:301(10)(n)

**Origin**
Acts 1992, No. 926

**Effective Date**
July 1, 1993

**Beneficiaries**
Industries that convert boiler equipment to use pelletized paper waste as fuel

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. This exclusion was not reported by taxpayers on the sales tax return data available at the time of publication.

43. **Purchases of Equipment by Bona Fide Volunteer and Public Fire Departments**

This exclusion allows bona fide volunteer and public fire departments to purchase equipment used in fire fighting without the payment of general sales tax. Public fire departments are currently excluded from taxation under the governmental exclusion on all purchases, including non firefighting equipment. In addition, many fire departments named “volunteer” are actually fire protection districts and excluded from taxation under the governmental exclusions.

**Legal Citation**
R.S. 47:301(10)(o)

**Origin**

**Effective Date**
July 1, 1992

**Beneficiaries**
Bona fide volunteer and public fire departments

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
Sales Tax

{ Exclusions }

44. Sales of Telephone Directories by Advertising Companies

This exclusion allows advertising companies that are not affiliated with telephone service providers to transfer title or possession of telephone directories free from the state sales or use tax if the telephone directories will be distributed free of charge to the recipients.

Legal Citation
R.S. 47:301(10)(r), R.S. 47:301(18)(h)

Origin
Acts 2002, No. 58

Effective Date
June 25, 2002

Beneficiaries
Advertising companies distributing telephone directories

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

45. Sales of Cellular Telephones and Electronic Accessories

This exclusion from state and local sales and use tax applies to the withdrawal, use, distribution, consumption, storage, donation, or disposition of cellular, PCS, or wireless telephones when provided in conjunction with the sale of a cellular service contract. The term "sales price" means and includes the greater of the amount of money actually received by the dealer from the purchaser for each such telephone, or 25 percent of the cost of the telephone to the dealer, but does not include any amount received by the dealer from the purchaser for providing mobile telecommunications services or any commissions, fees, rebates, or other amounts received by the dealer from any source other than the purchaser as a result of or in connection with the sale of the telephone.

Legal Citation
R.S. 47:301(10)(v), R.S. 47:301(13)(g) and (h), R.S. 47:301(18)(i)

Origin
Acts 2002, No. 85; Amended by Acts 2007, No. 358

Effective Date
June 28, 2002

Beneficiaries
Cellular, PCS, or wireless telephone service providers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to the 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute continues to be taxed at the 5% state sales tax rate for the period 7/1/2016 – 6/30/2018. The Louisiana Department of Revenue has no data on this exclusion and is unable to determine its estimated fiscal effect.
Sales Tax

{ Exclusions }

46. Purchases of any Fuel or Gas for Residential Use and Purchases of Butane and Propane by any Person

This exclusion allows the tax-free purchase of any fuel or gas, including butane and propane, by the consumer for residential use. The purpose of this exclusion is to provide financial assistance to consumers.

Legal Citation
R.S. 47:301(10)(x)

Origin
Acts 2004, 1st Extraordinary Session, No. 8

Effective Date
July 1, 2004

Beneficiaries
Residential consumers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$34,000</td>
</tr>
</tbody>
</table>

47. Alternate Substance Used as a Fuel

This provision allows sales tax exclusions from the definitions of “sale at retail” and “use” for alternative substances used as fuels by certain manufacturers. Alternative substances are defined as any substance other than oil and natural gas and any product of oil or natural gas, specifically including petroleum coke, landfill gas, reclaimed or waste oil, unblended biodiesel, and tire-derived fuel, and specifically excluding coal, lignite, refinery gas, nuclear fuel, and electricity. Manufacturers who are eligible to claim these exclusions are those who are assigned by the Louisiana Workforce Commission codes within the North American Industrial Classification System (NAICS) in the agricultural, forestry, fishing, or hunting sector 11 or manufacturing sectors 31 to 33, as they existed in 2002.

Legal Citation

Origin
Acts 2005, No. 345

Effective Date
July 1, 2006

Sunset Date
June 30, 2015

Beneficiaries
Manufacturers that use an alternate substance as fuel

Estimated Fiscal Effect
Exclusion sunsetted.
48. Donation of Toys

This exclusion from state and local sales and use tax applies to nonprofit organizations that are exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code if the sole purpose of the purchasing organization is to donate toys to children and the toys are in fact, donated. The organizations are required to obtain exemption certificates from the Department of Revenue or the tax collector of the political subdivision.

Legal Citation
R.S. 47:301(10)(aa)(i), R.S. 47:301(18)(m)

Origin
Acts 2005, No. 293

Effective Date
July 1, 2005

Beneficiaries
Nonprofit organizations that purchase toys to donate to children

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exclusion was not reported by taxpayers on the sales tax return. However, taxpayers usually report these transactions on a seasonal basis. At the time of publication, we have no data on this exclusion and we are unable to estimate the fiscal effect from this exclusion.

49. Natural Gas Held, Used, or Consumed in Providing Natural Gas Storage Services or Operating Natural Gas Storage Facilities

This provision allows a state sales and use tax exclusion for purchases of natural gas to be held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Legal Citation
R.S. 47:301(10)(bb)

Origin
Acts 2005, No. 364

Effective Date
June 30, 2005

Beneficiaries
Taxpayers that provide natural gas storage services or operate natural gas storage facilities

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. For the period 7/1/2015 - 3/31/2016, this exclusion was taxed at 1% state sales tax due to the suspension of tax under HCR 8 of the 2015 Legislative Session. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$95,000</td>
<td>$97,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

50. **Purchases by a Private Postsecondary Academic Degree-granting Institution**

This provision excludes from the terms “retail sale” or “sale at retail” and “use” the purchase, importation, storage, distribution, or exportation of, or exercise of any right or power over, textbooks and course-related software by a private postsecondary academic degree granting institution, accredited by a national or regional commission that is recognized by the United States Department of Education, is licensed by the Board of Regents, has its main location within this state, and offers only online instruction. These exclusions apply if the textbooks and course-related software are physically outside of this state when purchased from a vendor outside of this state and then imported into this state, the first student use of the textbooks and course-related software occurs outside of this state, and the textbooks and course-related software are provided to the student free of charge.

**Legal Citation**
R.S. 47:301(10)(cc), R.S. 47:301(18)(n)

**Origin**
Acts 2005, No. 457

**Effective Date**
July 11, 2005

**Beneficiaries**
Students attending a private postsecondary academic institution which offers only online instruction

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

51. **Purchases of Food Items for School Lunch or Breakfast Programs by Nonpublic Elementary or Secondary Schools**

This exclusion allows nonpublic elementary or secondary schools that participate in the National School Lunch and School Breakfast Programs or nonprofit corporations that serve students and participate in the national program, to purchase food items for these programs without the payment of sales or use tax.

**Legal Citation**
R.S. 47:301(10)(dd)

**Origin**
Acts 2007, No. 430

**Effective Date**
October 1, 2007

**Beneficiaries**
Nonpublic elementary or secondary schools that participate in the National School Lunch and School Breakfast Programs and nonprofit corporations that participate in the national program

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$55,000</td>
<td>$56,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

52. Purchases of Storm Shutter Devices
This provision allows for the purchase of storm shutter devices, defined as materials and products manufactured, rated, and marketed specifically for the purpose of preventing window damage from storms, without any sales or use tax.

Legal Citation
R.S. 47:301(10)(ee), R.S. 47:301(18)(o)

Origin
Acts 2007, No. 462

Effective Date
July 1, 2007

Beneficiaries
Purchasers of storm shutter devices

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

53. Sales of Tangible Personal Property by the Louisiana Military Department
This provision creates an exclusion for the sales of tangible personal property by the Louisiana Military Department which occur on an installation or other property owned or operated by the Military Department.

Legal Citation
R.S. 47:301(10)(ff)

Origin
Acts 2009, No. 443

Effective Date
July 1, 2009

Beneficiaries
Taxpayers who purchase tangible personal property from the Louisiana Military Department.

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exclusion was not reported by taxpayers on the sales tax return. The estimated fiscal effect of this exclusion is $0.
54. Sales of Anthropogenic Carbon Dioxide use in Qualified Tertiary Recovery Projects

This provision creates an exclusion from sales and use tax for anthropogenic carbon dioxide used in qualified tertiary recovery projects approved by the Department of Natural Resources.

Legal Citation
R.S. 47:301(10)(gg), R.S. 47:301(18)(p)

Origin
Acts 2009, No. 450

Effective Date
July 1, 2009

Beneficiaries
Taxpayers who use anthropogenic carbon dioxide in qualified tertiary recovery projects approved by the Department of Natural Resources

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exclusion was not reported by taxpayers on the sales tax return. The estimated fiscal effective of this exclusion is $0.

55. Qualifying Events Providing Louisiana Heritage, Culture, Crafts, Art, Food and Music Sponsored by a Domestic Nonprofit Organization

This exclusion exempts the sales of tangible personal property at, admissions to, and parking fees for an event providing Louisiana heritage, culture, crafts, art, food and music which is sponsored by a nonprofit organization. Qualifying events must transpire over a minimum of seven days but not more than twelve days and have a Five-Year annual average attendance of at least three hundred thousand over the duration of the event. The purpose of this exemption is to provide financial assistance to qualifying organizations.

Legal Citation
R.S. 47:301(10)(hh) and (14)(k), R.S. 47:305.14(A)(1)(b)

Origin
Acts 2011, No. 372

Effective Date
October 1, 2011

Beneficiaries
New Orleans Jazz and Heritage Festival

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exclusion based on limited sales tax return data.
56. **Articles Traded in on Tangible Personal Property**

This exclusion allows credits for trade-ins of like property to be free of general sales tax. The trade-in credits are excluded from the definition of sales price. The purpose of this exclusion is to effect a reduction in the taxable sales price for consumers.

**Legal Citation**
R.S. 47:301(13)(a)

**Origin**

**Effective Date**
August 1, 1989

**Beneficiaries**
Any persons or businesses that purchase tangible personal property utilizing trade-ins

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,711,000</td>
<td></td>
<td>$1,745,000</td>
</tr>
</tbody>
</table>

57. **First $50,000 of New Farm Equipment Used in Poultry Production**

This exclusion allows farmers engaged in poultry production relief from the general sales tax on the first $50,000 of equipment purchased for use in poultry production. The purpose of this exclusion is to extend to poultry farmers similar tax relief extended to other farmers under R.S. 47:305.25.

**Legal Citation**
R.S. 47:301(13)(c)

**Origin**
Acts 1991, No. 388

**Effective Date**
July 8, 1991

**Beneficiaries**
Poultry farmers

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. See number 138, sales tax section.
Sales Tax

{ Exclusions }

58. Specialty Mardi Gras Items Purchased or Sold by Certain Organizations

This exclusion allows nonprofit carnival organizations domiciled within Louisiana and participating in a parade sponsored by a carnival organization to sell specialty items to members for fund-raising purposes free from the state and local sales tax.

Legal Citation
R.S. 47:301(13)(l), R.S. 47:305.40

Origin
Acts 2005, No. 410

Effective Date
August 15, 2005

Beneficiaries
Nonprofit carnival organizations

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exclusion based on limited sales tax return data. Data indicates this exclusion was reported by taxpayers on the sales tax return. However, since this holiday is on a seasonal basis, the data is believed to be incomplete.

59. Admissions Charges to Athletic or Entertainment Events of Colleges and Universities

This exclusion allows the tax-free sale of tickets for admission to all athletic or entertainment events by colleges and universities. The purpose of this exclusion is to relieve these educational institutions from the burden of collecting and remitting state sales tax on these transactions.

Legal Citation
R.S. 47:301(14)(b)(i)(aa)

Origin
Acts 1948, No. 9; amended by Acts 1976, No. 481

Effective Date
June 7, 1948

Beneficiaries
Colleges and universities

Estimated Fiscal Effect
Colleges and universities were affected by legislation from the 2016 sessions. Prior to 4/1/2016, these transactions were exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Events at public facilities became exempt effective July 1, 2016. Events at non-public facilities are excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$553,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$565,000</td>
</tr>
</tbody>
</table>
60. Admissions Charges to Athletic or Entertainment Events of Elementary and Secondary Schools

This exclusion allows the tax-free sale of tickets for admission to all athletic or entertainment events by elementary and secondary schools. The purpose of this exclusion is to relieve these educational institutions from the burden of collecting and remitting state sales tax on these transactions.

Legal Citation
R.S. 47:301(14)(b)(i)(aa)

Origin
Acts 1948, No. 9; amended by Acts 1976, No. 481

Effective Date
June 7, 1948

Beneficiaries
Elementary and secondary schools

Estimated Fiscal Effect
Elementary and secondary schools were affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, elementary and secondary schools are excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,013,000</td>
<td>$1,034,000</td>
<td></td>
</tr>
</tbody>
</table>

61. Membership Fees or Dues of Nonprofit or Civic Organizations

This exclusion allows the tax-free sale of membership dues for access to the facilities of nonprofit civic organizations, such as the Young Men’s Christian Association (YMCA), Young Women’s Christian Association (YWCA), Catholic Youth Organization (CYO), etc. The purpose of this exclusion is to provide financial assistance to qualifying organizations.

Legal Citation
R.S. 47:301(14)(b)(i)(aa)

Origin
Acts 1948, No. 9; amended by Acts 1976, No. 481

Effective Date
June 7, 1948

Beneficiaries
Certain nonprofit organizations

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$234,000</td>
</tr>
<tr>
<td>$238,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

62. Admissions to Museums

This exclusion allows tax-free admissions to museums by defining a place of amusement to not include museums. The purpose of this exclusion is to provide financial assistance to museums.

Legal Citation
R.S. 47:301(14)(b)(ii)

Origin

Effective Date
September 3, 1989

Beneficiaries
Museums, which include planetariums, aquariums, and natural history and art museums

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$974,000</td>
<td>$993,000</td>
<td></td>
</tr>
</tbody>
</table>

63. Admission to Places of Amusement at Camp and Retreat Facilities

This provision excludes from the tax certain room rentals at camp and retreat facilities owned and operated by nonprofit organizations exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. The qualifying room rentals must be associated with the attendance of a function devoted to the nonprofit organization’s purposes. Room rentals to persons merely purchasing lodging at the facility do not qualify for the exclusion.

Qualifying nonprofit organizations have a similar exclusion for places of amusement under R.S. 47:301(6)(b).

Legal Citation
R.S. 47:301(14)(b)(iv)

Origin

Effective Date
August 15, 1998

Related Exclusion
R.S. 47:301(6)(b)

Beneficiaries
Qualifying camp and retreat facilities

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$60,000</td>
<td>$62,000</td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

64. Repair Services Performed in Louisiana When the Repaired Property is Exported

This exclusion allows Louisiana dealers to repair tangible personal property from other states tax-free, if the property is delivered back to the other state by the Louisiana dealer or by common carrier. The purpose of this exclusion is to allow Louisiana dealers to be competitive with dealers in neighboring states.

Legal Citation
R.S. 47:301(14)(g)(i)(bb)

Origin

Effective Date
July 1, 1978

Beneficiaries
Louisiana repair shops located near the boundaries of the neighboring states

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,822,000</td>
<td>$1,858,000</td>
<td></td>
</tr>
</tbody>
</table>

65. Repairs, Renovations or Conversions of Drilling Rigs

This exclusion allows a drilling rig used exclusively for the exploration or development of minerals outside the territorial limits of the state in the outer continental shelf waters to be repaired, renovated or converted without the owner paying sales or use taxes.

Legal Citation
R.S.47:301(14)(g)(ii)

Origin
Acts 2007, No. 173

Effective Date
June 27, 2007

Related Exemption
R.S. 47:305(I)

Beneficiaries
Oilfield companies using drilling rigs exclusively for the exploration or development of minerals outside the territorial limits of the state in the outer continental shelf waters

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$438,000</td>
<td>$446,000</td>
<td></td>
</tr>
</tbody>
</table>
66. Interstate Telecommunications Services Purchased by Defined Call Centers

This exemption allows defined call centers to purchase interstate telecommunication services free from the general sales tax for the period April 1, 2001, through June 30, 2003. Effective July 1, 2003 call centers will be subject to the telecommunications tax for interstate communication services, with a limitation of $25,000 per year for “direct pay” holders. This exemption will not apply to call centers purchasing mobile telecommunication services.

The purpose of this exclusion is to prohibit the taxation of interstate telecommunication services when purchased by a defined call center.

Legal Citation
R.S. 47:301.1(D)

Origin

Effective Date
April 1, 2001

Beneficiaries
Defined call centers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was taxed at the 2% state sales tax rate. It was taxed at 3% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/2/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exclusion based on limited sales tax return data.

67. Telecommunication Services Through Coin-Operated Telephones

This exclusion allows communication through coin-operated telephones to be excluded from the telecommunications tax under general sales tax. The charges for the use of coin-operated telephones are excluded from the definition of telecommunication services. The telecommunication tax is only assessed at a general sales tax rate of three percent. The purpose of this exclusion is to prohibit the taxation of coin-operated telephone calls.

Legal Citation
R.S. 47:301.1(B)(2)(d)

Origin
Acts 1990, No. 388

Effective Date
August 1, 1990

Beneficiaries
People who use coin-operated telephones

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. Available data indicates this exclusion was not reported by taxpayers on the sales tax return. We are unable to estimate the fiscal effect of this exclusion based on limited sales tax return data.
Sales Tax

{ Exclusions }

68. **Miscellaneous Telecommunications Services**

This exclusion provides that services for resale, ancillary charges separately stated, taxes collect by the seller from the purchaser, telecommunication services among an affiliated group as provided by 26 U.S.C. 1504 and non-telecommunication property or services separately states are not subject to the sales tax imposed upon telecommunications under R.S. 47:301.1.

**Legal Citation**
R.S. 47:301.1(B)(2)(a), (b), (c), (e) and (f)

**Origin**

**Effective Date**
August 1, 1990

**Beneficiaries**
All persons or companies using telecommunication services

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. Available data indicates this exclusion was not reported by taxpayers on the sales tax return. We are unable to estimate the fiscal effect of this exclusion based on limited sales tax return data.

69. **Gold, Silver, or Numismatic Coins, or Platinum, Gold, or Silver Bullion**

This exclusion allows transactions involving gold, silver, or numismatic coin with a total value over $1,000 to be free of general sales tax. The purpose of this exclusion is to provide for tax-free sales of monetized bullion.

Beginning August 1, 2013, the exclusion was modified to specifically include platinum and to remove the dollar value limitation.

**Legal Citation**
R.S. 47:301(16)(b)(ii)

**Origin**

**Effective Date**
July 1, 1991

**Beneficiaries**
Dealers and purchasers of numismatic coins and bullion

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$208,000</td>
<td>$212,000</td>
</tr>
</tbody>
</table>
70. **Certain Geophysical Survey Information and Data Analyses**

This exclusion allows geophysical information and data provided under a restricted-use agreement to be free of sales tax. This exclusion excludes these transactions from the definition of tangible personal property. These transactions do not constitute an exchange of tangible personal property and are not subject to tax. The purpose of this exclusion is to clarify that tax is not due on geophysical surveys.

**Legal Citation**
R.S. 47:301(16)(b)(iii)

**Origin**
Acts 1988, No. 355

**Effective Date**
July 7, 1988

**Beneficiaries**
Oil exploration and geophysical survey companies

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
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<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$78,000</td>
</tr>
</tbody>
</table>

71. **Vehicle Repairs Subsequent to Warranty Lapse**

This exclusion allows the tax-free sale of a repair of a vehicle that is performed by a licensed motor vehicle dealer which is performed subsequent to the lapse of the applicable warranty on that vehicle and at no charge to the owner. The purpose of this exclusion is to provide financial relief to owners of motor vehicles.

**Legal Citation**
R.S. 47:301(16)(c)

**Beneficiaries**
Owners of motor vehicles

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
Sales Tax

{ Exclusions }

72. Work Product of Certain Professionals

This provision excludes the work product of licensed or regulated professionals under Title 37. The work products of these professionals that are written on paper, stored on magnetic or optical media, or transmitted by electronic device, such as tax returns and wills, that is created in the normal course of business is excluded from the definition of tangible personal property. This exclusion specifically does not apply to work products that consist of the creation, modification, updating, or licensing of computer software. The taxing authorities of the state and local governments have not attempted to tax the work product addressed in this exclusion. The purpose of this exclusion is to ensure that governmental entities do not attempt to tax the work product of Title 37 professionals.

Legal Citation
R.S. 47:301(16)(e)

Origin
Acts 1998, No. 46

Effective Date
June 24, 1998

Beneficiaries
Professionals licensed or regulated under Title 37

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
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<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$543,000</td>
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<tr>
<td>$554,000</td>
</tr>
</tbody>
</table>

73. Pharmaceuticals Administered to Livestock for Agricultural Purposes

This exclusion allows pharmaceuticals to be sold or purchased free from sales tax when administered to livestock that are used for agricultural purposes. Pharmaceuticals must be registered with the Louisiana Department of Agriculture and Forestry to qualify. This exclusion duplicates provisions of other exclusions and exemptions.

Legal Citation
R.S. 47:301(16)(f)

Origin
Acts 2000, No. 33; Amended by Acts 2006, No. 41

Effective Date
July 1, 2000

Beneficiaries
Livestock farmers

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
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<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$234,000</td>
</tr>
<tr>
<td>$239,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

74. **Used Manufactured Homes and 54 Percent of Cost of New Manufactured Homes**

This exclusion provides that used manufactured homes and 54 percent of the cost of new factory built homes can be purchased free from sales tax. A factory built home includes a manufactured home, modular home, mobile home, or residential mobile home with or without a permanent foundation, which includes plumbing, heating, and electrical systems.

**Legal Citation**
R.S. 47:301(16)(g)

**Origin**

**Effective Date**
July 1, 2001

**Beneficiaries**
Individuals that purchase new and used manufactured homes

**Estimated Fiscal Effect**
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$9,317,000</td>
</tr>
</tbody>
</table>

75. **Purchases of Certain Custom Computer Software**

This exclusion, phased in over four-years, excludes custom computer software from the definition of tangible personal property. The percentage excluded from the cost price of custom software is 25 percent in the first year, increasing by 25 percent each fiscal year until fully exempt on June 30, 2005. In order to be considered “custom computer software,” the computer software must require preparation, creation, adaptation, or modification by the vendor in order to be used in a specific work environment or to perform a specific function for the user.

**Legal Citation**
R.S. 47:301(16)(h), (22) and (23)

**Origin**

**Effective Date**
July 1, 2002

**Beneficiaries**
Dealers and consumers of custom computer software

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$163,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

76. Materials Used Directly in the Collection of Blood

This exclusion allows nonprofit blood banks and blood collection centers to purchase materials used directly in the collection, separation, treatment, testing, and storage of blood free from the general sales tax.

Legal Citation
R.S. 47:301(16)(j)

Origin
Acts 2002, No. 70

Effective Date
July 1, 2002

Beneficiaries
Nonprofit blood banks and blood collection centers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
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</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$393,000</td>
</tr>
</tbody>
</table>

77. Apheresis Kits and Leuko Reduction Filters

This exclusion allows nonprofit blood banks and blood collection centers to purchase apheresis kits and leuko reduction filters free from the general sales tax.

Legal Citation
R.S. 47:301(16)(k)

Origin
Acts 2002, No. 71

Effective Date
July 1, 2002

Beneficiaries
Nonprofit blood banks and blood collection centers

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$152,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$155,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

78. Other Constructions Permanently Attached to the Ground

This exclusion alters for state and local sales and use tax administration purposes only, the Louisiana Civil Code classification of “other constructions” as movable property when there is no unity of ownership between the other constructions and the lands on which they are located. Effective March 25, 2004, “other constructions” will be treated as immovable property when permanently attached to the land, regardless of the ownership of the land for sales and use tax administration purposes only. Persons constructing, selling, leasing, renting, or repairing “other constructions” that are permanently attached to the ground must treat those constructions as any other immovable property. Sales or use tax will be owed on their acquisition prices of materials that they acquire for the construction of or for providing repairs to property.

Legal Citation
R.S. 47:301(16)(l)

Origin
Acts 2004, 1st Ex. Sess., No. 6

Effective Date
March 25, 2004

Beneficiaries
Persons owning other constructions and not the land on which they are located.

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 2% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. See number 12, sales tax section.

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Fiscal Effect</td>
<td>$3,533,000</td>
<td>$3,603,000</td>
</tr>
</tbody>
</table>

79. Purchases by Motor Vehicle Manufacturer

This exclusion allows motor vehicles manufacturers to make purchases of machinery and equipment without the payment of sales or use taxes.

Legal Citation
R.S.47:301(16)(m)

Origin
Acts 2007, No. 1

Effective Date
May 31, 2007

Beneficiaries
Motor vehicle manufacturers with a North American Industry Classification System (NAICS) code beginning with 3361

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 2% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. See number 12, sales tax section.
Sales Tax

{ Exclusions }

80. Purchases by Glass Manufacturers
This exclusion allows glass manufacturers to make purchases of qualifying machinery and equipment without the payment of sales or use taxes.

Legal Citation
R.S. 47:301(16)(m)(i)

Origin
Acts 2009, No. 459

Effective Date
July 1, 2009

Beneficiaries
Glass manufacturers with a North American Industry Classification System (NAICS) code of 327213

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 2% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. See number 12, sales tax section.

81. Purchases of Machinery and Equipment by Owners of Certain Radio Stations
This exclusion allows the owners of certain radio stations to make purchases of machinery and equipment without the payment of sales or use taxes.

Legal Citation
R.S. 47:301(16)(n)

Origin

Effective Date
July 1, 2007

Beneficiaries
Owners of certain radio stations

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
Sales Tax

{ Exclusions }

82. Purchases of Machinery and Equipment by Certain Utilities

This exclusion allows certain utilities assigned North American Industry Classification Systems (NAICS) Sector 22111, electric power generation, to purchase machinery and equipment without the payment of sales or use tax.

Legal Citation
R.S. 47:301(16)(o)(i) and (ii)

Origin
Acts 2007, No. 427

Effective Date
July 1, 2008

Beneficiaries
Certain utilities assigned NAICS Sector 22111

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,435,000</td>
<td>$1,463,000</td>
<td></td>
</tr>
</tbody>
</table>

83. Sales of Newspapers

This exclusion allows the tax-free sale of newspapers. As a result of the court case Arkansas vs. Arkansas Writers 481 U.S. 221 (U.S. Ark. Apr. 22, 1987) (No. 85-1370), the definition of newspapers has been expanded to include general information publications with second-class mailing privileges, which includes various magazines.

Legal Citation
R.S. 47:301(16)(p)

Origin
Acts 2007, No. 480

Effective Date
July 1, 2008

Beneficiaries
Consumers who purchase newspapers and magazines

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$378,000</td>
<td>$385,000</td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exclusions }

84. Donations to Certain Schools

This exclusion allows a retailer to donate resale inventory to certain schools without having to pay use tax on the donated property. The schools must meet the definition in R.S. 17:326 or be a school of higher education. The purpose of this exclusion is to encourage the donation of resale inventory to certain schools.

Legal Citation
R.S. 47:301(18)(a)(i)

Origin

Effective Date
July 1, 1987

Beneficiaries
Retailers that donate to schools and the schools that receive the donations

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/2/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.

85. Use Tax on Residue or Byproducts Consumed by the Producer

This exclusion excludes from the definition of “use” any residue or by-product created as part of a manufacturing/refining process, except refinery gas, which is used by the producer of the property. Sales of refinery gas are subject to tax under R.S. 47:301(13)(d).

Legal Citation
R.S. 47:301(18)(d)(ii)

Origin

Effective Date
July 2, 1996

Beneficiaries
Manufacturers or refineries of residue and byproducts that are produced as part of their process

Estimated Fiscal Effect
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
Sales Tax

{ Exclusions }

86. Advertising Services
This exclusion allows advertising services by an advertising agency to be free from state and local sales or use tax. This exclusion applies to advertising services and to tangible personal property sold if advertising services constitute a major part of the tangible personal property produced. It does not apply to the transfer of mass-produced advertising items by an advertising business that involves furnishing minimal services by the advertising business. Pure advertising services were never considered to be taxable. The purpose of this exclusion was to clarify the taxability of advertising services and the property transferred to clients.

Legal Citation
R.S. 47:302(D)

Origin
Acts 1987, No. 869

Effective Date
January 1, 1982

Beneficiaries
Advertising agencies and their customers

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,257,000</td>
<td>$3,322,000</td>
<td></td>
</tr>
</tbody>
</table>

{ Exemptions }

87. Purchases by Nonprofit Electric Cooperatives
This exemption allows nonprofit electric cooperatives to purchase tangible property without the payment of sales tax. The purpose of this exemption is to assist in providing electrical-utility service to rural areas, since investor-owned utility companies are not allowed a comparable exemption.

Legal Citation
R.S. 12:425

Origin
Acts 1940, No. 266; amended by Acts 1968, No. 105

Effective Date
July 21, 1940

Beneficiaries
Rural electric cooperatives

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 1% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,006,000</td>
<td>$1,026,000</td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

88. Purchases by a Public Trust

This exemption allows bulk purchases of materials, supplies, vehicles, and equipment by a public trust free of general sales tax. The purchases must be made on behalf of the public trust. The purpose of this exemption is to provide assistance to public entities.

Legal Citation
R.S. 38:2212.4

Origin
Acts 1989, No. 780 (Redesignated from R.S. 38:2212.3 to R.S. 38:2212.4 pursuant to Acts 1999 No. 768.)

Effective Date
July 9, 1989

Beneficiaries
Public trusts

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exemption was not reported by taxpayers on the sales tax return. The estimated fiscal effect of this exemption is $0.

89. Sales by State-Owned Domed Stadiums and Baseball Facilities

This exemption allows tax-free sales to be made within state-owned domed stadiums with a seating capacity of at least 70,000 or has a seating capacity of at least 12,500 located in a parish with population of between 185,000 and 250,000, or any open baseball site that has a seating capacity of at least 10,000 and has a professional sports franchise that participates in Class Triple A professional baseball. This exemption covers sales of souvenirs and refreshments, parking fees, and guided tours. This exemption does not extend to sales of tangible personal property through trade shows or similar events. The purpose of this exemption is to provide financial assistance to qualifying stadiums.

Legal Citation
R.S. 39:467

Origin

Effective Date
May 23, 1985

Beneficiaries
Certain state-owned domed stadiums and baseball sites and the vendors operating within them

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is subject to the provisions of Act 13 of the 2016 Second Extraordinary Session. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

90. **Sales by Certain Publicly-Owned Facilities**
This exemption allows tax-free sales by certain publicly-owned facilities. This exemption applies to any qualified facility owned by any state or local subdivision. In order to qualify, the local taxing authorities must provide a similar exemption from all local sales taxes. The exemption covers sales of souvenirs and refreshments, parking fees, and guided tours. The exemption does not extend to sales of tangible personal property through trade shows or similar events. The purpose of this exemption is to provide financial assistance to qualifying facilities.

**Legal Citation**
R.S. 39:468

**Origin**

**Effective Date**
May 23, 1985

**Beneficiaries**
Certain publicly-owned facilities and the vendors operating within them

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is subject to the provisions of Act 13 of the Second Extraordinary Session. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

91. **Boats, Vessels and Other Water Craft as Demonstrators**
This exemption adds new boats, vessels, and other water craft to the sales tax exemption for demonstrators. It allows new and used boat dealers to remove boats, vessels, and other water craft from inventory for demonstration purposes without being subject to the general sales tax. To qualify for the exemption, the boat, vessel, or watercraft must be registered in the dealer’s name and must not be used on more than 6 consecutive days or more than 12 days in any calendar month.

**Legal Citation**
R.S. 47:303(D)(1), R.S. 47:305(D)(1)(i) & (H)

**Origin**
Acts 2009, No. 442

**Effective Date**
July 1, 2009

**Beneficiaries**
Boat and other water craft dealers

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$12,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$12,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

92. Purchases of Off-Road Vehicles by Certain Buyers Domiciled in Another State
This exemption allows purchasers who submit proof that they are domiciled in another state and provide a signed affidavit that tax has been paid or will be paid on the off-road vehicle in the state in which they are domiciled within 60 days after the date of purchase or deliver, whichever is later, to purchase off-road vehicles without paying sales or use tax. This exemption only applies if the state in which the buyer is domiciled also provides a similar exemption.

Legal Citation
R.S.47:303(E)(1), R.S. 47:304(A), R.S. 47:305.56

Origin
Acts 2007, No. 291

Effective Date
October 7, 2007

Beneficiaries
Purchasers of off-road vehicles who are domiciled in another state that provides a similar exemption

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$36,000</td>
</tr>
</tbody>
</table>

93. Sales of Farm Products Directly from the Farm
This exemption allows the tax-free sale of livestock, poultry, and other farm products if sold directly by the producer. This exemption includes sales by farmers, livestock producers, nurserymen, and other producers of farm products. Most sales by qualified producers are to wholesalers, but some producers sell their products directly to the consumer. The purpose of this exemption is to relieve the producer of the burden for charging and remitting sales tax.

Legal Citation
R.S. 47:305(A)(1)

Origin
Acts 1948, No. 9

Effective Date
June 7, 1948

Beneficiaries
Producers of farm products

Estimated Fiscal Effect
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$11,382,000</td>
</tr>
</tbody>
</table>
94. **Livestock Sales Sold at Market and Racehorses Claimed at Races in Louisiana**

This exemption allows the tax-free sale of racehorses entered in races and claimed (sold) at any meet in Louisiana, or sold through any public sale sponsored by any breeders, registry association, or livestock auction market. The purpose of this exemption is to provide financial assistance to the breeders association, registry associations, racetracks, and public sales of livestock.

**Legal Citation**
R.S. 47:305(A)(2)

**Origin**
Acts 1979, No. 796

**Effective Date**
September 7, 1979

**Beneficiaries**
Racetracks and breeding and registry associations

**Estimated Fiscal Effect**
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. We are unable to estimate the fiscal effect of this exemption based on limited sales return data.

95. **Feed and Feed Additives for Animals Held for Business Purposes**

This exemption allows tax-free sales of feed and feed additives for the purpose of sustaining animals primarily for business use. The exemption does not apply to food for pets or hunting dogs. The purpose of this exemption is to provide financial relief from the use tax imposed on feed for animals held for business purposes.

**Legal Citation**
R.S. 47:305(A)(4)(a)

**Origin**
Acts 1986, No. 677

**Effective Date**
August 30, 1986

**Beneficiaries**
Persons or companies that feed animals for business use

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 0% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$169,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$172,000</td>
</tr>
</tbody>
</table>
96. **Materials Used in the Production or Harvesting of Crawfish**

The sales of materials, supplies, equipment, fuel, and related items, other than vessels, when used in the production or harvesting of crawfish are subject to the imposition of tax under R.S. 47:321 (1% tax). This exemption is not limited to commercial farmers. The exemption includes a good faith clause that requires the vendor to use due care when accepting this exemption certificate. The purpose of this exemption is to provide financial assistance to crawfish farmers.

**Legal Citation**
R.S. 47:305(A)(5)(a)

**Origin**
Acts 1987, No. 364; Acts 2009, No. 455

**Effective Date**
September 1, 1987

**Beneficiaries**
Producers and harvesters of crawfish

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 0% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55,000</td>
<td>$56,000</td>
<td></td>
</tr>
</tbody>
</table>

97. **Bait and Feed Used in the Production or Harvesting of Crawfish**

This exemption allows tax-free sales of bait and feed when used in the production or harvesting of crawfish. This exemption is not limited to commercial farmers. The exemption includes a good faith clause that requires the vendor to use due care when accepting this exemption certificate. The purpose of this exemption is to provide financial assistance to crawfish farmers.

**Legal Citation**
R.S. 47:305(A)(5)(b)

**Origin**
Acts 1987, No. 364; Acts 2009, No. 455

**Effective Date**
September 1, 1987

**Beneficiaries**
Producers and harvesters of crawfish

**Estimated Fiscal Effect**
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$298,000</td>
<td>$304,000</td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

98. Materials Used in the Production or Harvesting of Catfish

This exemption allows tax-free sales of materials, supplies, equipment, fuel, bait, and related items, other than vessels, when used in the production or harvesting of catfish. This exemption is not limited to commercial farmers. The exemption includes a good faith clause that requires the vendor to use due care when accepting this exemption certificate. The purpose of this exemption is to provide financial assistance to catfish farmers.

Legal Citation
R.S. 47:305(A)(6)

Origin
Acts 1988, No. 948

Effective Date
September 1, 1988

Beneficiaries
Producers and harvesters of catfish

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 0% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication.

99. Farm Products Produced and Used by Farmers

This exemption allows farmers and their families to consume the products, grown primarily to be sold, without paying a use tax. The exemption applies to livestock, poultry, and agricultural products. The purpose of this exemption is to provide financial assistance to farmers.

Legal Citation
R.S. 47:305(B)

Origin
Acts 1948, No. 9

Effective Date
June 7, 1948

Beneficiaries
Farmers and their families

Estimated Fiscal Effect
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$6,607,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

100. Sales of Gasoline (not subject to motor fuels tax)

This exemption allows the sale of gasoline to be exempt when sold in Louisiana. La. Const. Art. VII §27 extends an exclusion for gasoline sold that has been subject to a Louisiana road use tax [See Number 195, Sales Tax Section]. This exemption exempts gasoline sold when the road use tax has not been levied. The purpose of this exemption is to reduce the tax due by consumers.

**Legal Citation**
R.S. 47:305(D)(1)(a)

**Origin**
Acts 1948, No. 9

**Effective Date**
June 7, 1948

**Beneficiaries**
Consumers of gasoline for off-road use

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exemption based on limited sales return data.

101. Sales of Steam - Nonresidential

This exemption allows the tax-free sale of steam. The purpose of this exemption is to provide tax relief to industrial users of steam.

**Legal Citation**
R.S. 47:305(D)(1)(b)

**Origin**
Acts 1948, No. 9

**Effective Date**
June 7, 1948

**Beneficiaries**
Industrial users of steam

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. For the period 7/1/2015 - 3/31/2016, this statute was subject to 1% state sales tax as provided for under HCR 8 of the 2015 Legislative Session. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. See number 102, sales tax section.
Sales Tax

{ Exemptions }

102. Sales of Water - Nonresidential
This exemption allows the tax-free sale of water sold other than in containers. The purpose of this exemption is to benefit the non-residential users of water utility services.

Legal Citation
R.S. 47:305(D)(1)(c)

Origin
Acts 1948, No. 9

Effective Date
June 7, 1948

Beneficiaries
Nonresidential users of water utility services

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. For the period 7/1/2015 - 3/31/2016, this statute was subject to 1% state sales tax as provided for under HCR 8 of the 2015 Legislative Session. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,059,000</td>
<td>$2,100,000</td>
<td></td>
</tr>
</tbody>
</table>

103. Sales of Electric Power or Energy - Nonresidential
This exemption allows the tax free sale of electric power or energy and any materials or energy sources used to fuel the generation of electric power for resale or used by an industrial manufacturing plant for self-consumption or cogeneration. As the sale of electricity for residential use is constitutionally protected, this exemption benefits the non-residential users of electrical utility services.

Legal Citation
R.S. 47:305(D)(1)(d)

Origin

Effective Date
June 7, 1948

Beneficiaries
Industrial users of electric power or energy

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. For the period 7/1/2015 - 3/31/2016, this statute was subject to 1% state sales tax as provided for under HCR 8 of the 2015 Legislative Session. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/2/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$48,303,000</td>
<td>$49,269,000</td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

104. Sales of Fertilizers and Containers to Farmers

This exemption allows tax-free sales of fertilizers and containers for farm products if sold directly to the commercial farmer. Fertilizers and containers are exempt as a resale item under R.S. 47:301(10)(a). The purpose of this exemption is to clarify that fertilizers and containers are not taxable as a raw material.

**Legal Citation**
R.S. 47:305(D)(1)(f)

**Origin**
Acts 1948, No. 9

**Effective Date**
June 7, 1948

**Beneficiaries**
Commercial farmers

**Estimated Fiscal Effect**
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data. See number 118, sales tax section.

105. Sales of Natural Gas - Nonresidential

This exemption allows tax-free sales of natural gas. The purpose of this exemption is to provide financial assistance to nonresidential consumers of natural gas.

**Legal Citation**
R.S. 47:305(D)(1)(g)

**Origin**

**Effective Date**
June 7, 1948

**Beneficiaries**
Nonresidential consumers of natural gas

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. For the period 7/1/2015 - 3/31/2016, this statute was subject to 1% state sales tax as provided for under HCR 8 of the 2015 Legislative Session. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/2/2016 – 6/30/2018. See number 103, sales tax section.
Sales Tax

{ Exemptions }

106. Energy Sources Used as Boiler Fuel, Except Refinery Gas

This provision allows an exemption for all energy sources to be used as boiler fuel, except refinery gas. The use of residual or byproducts created or derived from the processing of a raw material would be excluded from the sales tax only when used by the producer. The purpose of this exemption is to provide a benefit to industries utilizing boilers in their operations.

Legal Citation
R.S. 47:305(D)(1)(h)

Origin

Effective Date
January 1, 1974

Comparable Provision
R.S.47:301(18)(d)(ii)

Beneficiaries
Any business that uses an energy source in a boiler fuel, except residual or byproducts or refinery gas

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. For the period 7/1/2015 - 3/31/2016, this statute was subject to 1% state sales tax as provided for under HCR 8 of the 2015 Legislative Session and the imposition of tax under R.S. 47:321 for a total tax rate of 2%. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. This exemption is subject to the full 5% tax rate during FYE 2017 and FYE 2018, therefore the estimated fiscal loss is $0.

107. Trucks, Automobiles and New Aircraft Removed from Inventory for Use as Demonstrators

This exemption allows new and used automobile and new aircraft dealers to remove trucks, automobiles or aircraft from inventory for demonstration purposes without being subject to the general sales tax. Demonstrator units are required to be on the dealers’ premises during regular business hours to qualify for the exemption. The purpose of this exemption is to provide financial assistance to truck, automobile, and aircraft dealers.

Legal Citation
R. S. 47:305(D)(1)(i)

Origin

Effective Date
August 1, 1962

Beneficiaries
Truck, automobile, and aircraft dealers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. We are unaware of any airplane dealers in the state. We are unable to estimate the fiscal effect as no data on these transactions could be provided by the Office of Motor Vehicles.
Sales Tax

{ Exemptions }

108. Orthotic and Prosthetic Devices
This exemption allows tax-free sales of orthotic devices, including prescription eyeglasses, contact lenses, hearing aids, prosthetic, wheelchairs and wheelchair lifts when prescribed by physicians, optometrists or licensed chiropractors for personal consumption or use. The purpose of this exemption is to provide financial assistance to persons requiring these types of devices.

**Legal Citation**
R.S. 47:305(D)(1)(k)(i)

**Origin**

**Effective Date**
January 1, 1974

**Beneficiaries**
Persons requiring orthotic and prosthetic devices, eyeglasses, contact lenses and wheelchairs

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,719,000</td>
<td>$1,753,000</td>
</tr>
</tbody>
</table>

109. Ostomy, Colostomy, Ileostomy and Other Appliance Devices
This exemption allows tax-free sales of ostomy, ileostomy, colostomy devices and any other appliance including catheters or any related items which is required as the result of any surgical procedure by which an artificial opening is created in the human body for the elimination of natural waste. The purpose of this exemption is to provide financial assistance to persons requiring these types of devices.

**Legal Citation**
R.S. 47:305(D)(1)(l)

**Origin**
Acts 1979, No. 145

**Effective Date**
January 1, 1986

**Beneficiaries**
Persons requiring ostomy, colostomy, ileostomy and other such devices

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

110. Patient Aids for Home Use When Prescribed by a Physician

This exemption allows tax-free sales of patient aids prescribed by a physician or a licensed chiropractor for home use. The purpose of this exemption is to provide financial assistance to persons requiring these types of devices.

Legal Citation
R.S. 47:305(D)(1)(m)

Origin

Effective Date
January 1, 1975

Beneficiaries
Persons requiring patient aids that are prescribed by a physician or licensed chiropractor

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$356,000</td>
</tr>
</tbody>
</table>

111. Medical Devices Used by Patients Under the Supervision of a Physician

This exemption allows tax-free sales of medical devices used exclusively by the patient in the medical treatment of various diseases. It also includes medical devices administered exclusively to the patient by a physician, nurse, or other health care professional or health care facility in the medical treatment of various diseases under the supervision of and prescribed by a licensed physician. The purpose of this exemption is to provide financial relief to persons requiring medical treatment of various diseases.

Legal Citation
R.S. 47:305(D)(1)(s)

Origin
Acts 1998, No. 38

Effective Date
June 24, 1998

Beneficiaries
Persons requiring medical treatment of various diseases

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$10,921,000</td>
</tr>
</tbody>
</table>
Sales Tax

\{ Exemptions \}

112. Restorative Materials Used by Dentists
This exemption allows tax-free sales of restorative materials utilized by or prescribed by dentists in the treatment of dental or health care diseases. It includes all orthotic devices, prosthetic devices, protheses and all dental devices used exclusively by the patient or administered exclusively to the patient by a dentist or dental hygienist in connection with dental or health care treatment. The purpose of this exemption is to provide financial relief to persons requiring dental treatment of various diseases.

Legal Citation
R.S. 47:305(D)(1)(t)

Origin

Effective Date
January 1, 1992

Beneficiaries
Persons requiring dental treatment

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$245,000</td>
</tr>
<tr>
<td>$250,000</td>
</tr>
</tbody>
</table>

113. Adaptive Driving Equipment and Motor Vehicle Modification
This provision allows for the tax-free purchase of adaptive driving equipment and modifications to motor vehicles when prescribed by a physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the state. The purpose of this exemption is to provide financial assistance to persons requiring special driving equipment.

Legal Citation
R.S. 47:305(D)(1)(u)

Origin
Acts 1998, No. 37

Effective Date
June 24, 1998

Beneficiaries
Persons requiring specialized driving equipment

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exclusion was reported by taxpayers on the sales tax return data available at the time of publication.
114. Sales of Food by Certain Institutions

This exemption allows tax-free sales of food to staff and students of educational institutions, the staff and patients of hospitals and mental institutions and boarders in rooming houses, and similar institutions if the facility does not serve food to the general public and the meals are consumed on the premises. The purpose of this exemption is to provide financial relief to the staff and patients/boarders of certain institutions. In 2013, the statute was amended to exempt the sales of meals to the staff and residents of nursing homes, adult residential care providers, and continuing care retirement communities.

Legal Citations
R.S. 47:305(D)(2)

Origin

Effective Date
January 1, 1974

Beneficiaries
Certain institutions

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$4,340,000</td>
<td>$4,426,000</td>
</tr>
</tbody>
</table>

115. Fees Paid by Radio and Television Broadcasters for the Rights to Broadcast Film, Video, and Tapes

This exemption allows the tax-free sale of the rights to broadcast copyrighted material. The purpose of this exemption is to provide financial assistance to broadcasters.

Legal Citation
R.S. 47:305(F)

Origin
Acts 1972, No. 234

Effective Date
July 26, 1972

Beneficiaries
Radio and television broadcasters

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
116. **Sales of 50-ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce**

This exemption allows the purchase of materials, equipment, and machinery that become component parts of ships, vessels, and barges with a 50-ton and over load displacement and the sale of qualifying ships, vessels, and barges to be exempt from sales tax. Drilling ships and barges are also exempt. This exemption also allows ships or vessels operating exclusively in foreign or interstate coastwise commerce to purchase materials and supplies, repair services, and laundry services tax free. The purpose of this exemption is to make Louisiana boat builders and boat-service businesses competitive with similar companies in other states.

**Legal Citation**
R.S. 47:305.1

**Origin**
Acts 1959, No. 51; amended by Acts 2002, No. 40 and 41; Acts 2006 1st ext. sess., No. 34

**Effective Date**
June 29, 1959

**Beneficiaries**
Builders of 50 ton and over ships, vessels, and barges and owners of ships, vessels and barges that operate in foreign or interstate commerce

**Estimated Fiscal Effect**
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23,778,000</td>
<td>$24,254,000</td>
<td></td>
</tr>
</tbody>
</table>

117. **Sales of Insulin**

This exemption allows tax-free sales of nonprescription insulin when used by consumers. Insulin when prescribed by a physician is excluded from tax under the Art. VII, Sec. 2.2 of the Louisiana Constitution. The purpose of this exemption is to provide financial assistance to persons requiring insulin.

**Legal Citation**
R.S. 47:305.2

**Origin**
Acts 1974, No. 183

**Effective Date**
January 1, 1975

**Beneficiaries**
Persons requiring insulin

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication.
## Sales Tax

### Exemptions

#### 118. Sales of Seeds for Planting Crops

This exemption allows the tax-free sales of seeds to commercial farmers. Commercial farmers include those who grow crops for sale, as well as those who grow crops for livestock, poultry, fish, and dairy animals. Seeds purchased by commercial farmers were already exempt as a raw material under R.S. 47:301(10)(a). The purpose of this exemption is to clarify that seeds are not taxable.

**Legal Citation**
R.S. 47:305.3

**Origin**
Acts 1960, No. 427

**Effective Date**
July 27, 1960

**Duplicate Provision**
R.S. 47:301(10)(e)

**Beneficiaries**
Commercial farmers

**Estimated Fiscal Effect**
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>$13,719,000</td>
</tr>
<tr>
<td>FYE 6-18</td>
<td>$13,993,000</td>
</tr>
</tbody>
</table>

#### 119. Sales of Admission Tickets by Little Theater Organizations

This exemption allows the tax-free sale of Little Theater organization tickets. The purpose of this exemption is to provide financial assistance to qualifying theater organizations.

**Legal Citation**
R.S. 47:305.6

**Origin**
Acts 1962, No. 226

**Effective Date**
August 1, 1962

**Beneficiaries**
Little Theater organizations

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
120. **Tickets to Musical Performances by Nonprofit Musical Organizations**

This exemption allows the tax-free sales of tickets from Louisiana-domiciled symphony organizations for the presentation of a musical performance. This exemption does not include performances given by symphony organizations domiciled in any other state or any performance intended to yield a profit to the promoter. The purpose of this exemption is to provide financial assistance to nonprofit symphony organizations.

**Legal Citation**
R.S. 47:305.7

**Origin**
Acts 1963, No. 124

**Effective Date**
July 1, 1963

**Beneficiaries**
Louisiana nonprofit symphony organizations

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

121. **Sales of Pesticides for Agricultural Purposes**

This exemption allows the tax-free sale of pesticides for agricultural purposes. This exemption covers any preparation used in the control of insects, plant life, fungus, or any pest detrimental to agricultural crops, including the control of animal pests or diseases. The purpose of this exemption is to provide financial assistance to producers of agricultural products.

**Legal Citation**
R.S. 47:305.8

**Origin**
Acts 1964, No. 79

**Effective Date**
July 29, 1964

**Beneficiaries**
Producers of agricultural products

**Estimated Fiscal Effect**
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td><strong>FYE 6-17</strong></td>
</tr>
<tr>
<td>$1,197,000</td>
</tr>
</tbody>
</table>
122. **Rentals of Motion Picture Film to Commercial Theaters**

This exemption allows commercial theaters to rent motion picture films exempt from sales tax. Most commercial theaters have changed their operations by obtaining films through joint ventures, which would not qualify for this exemption. The purpose of this exemption is to provide financial assistance to commercial theaters.

**Legal Citation**
R.S. 47:305.9

**Origin**
Acts 1964, No. 27

**Effective Date**
July 29, 1964

**Beneficiaries**
Commercial theaters

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

123. **Property Purchased for Exclusive Use Outside the State**

This exemption allows tangible personal property purchased within or imported into Louisiana for first use exclusively beyond the territorial limits of Louisiana to be free from the sales tax. Tangible personal property that is purchased or imported tax free and later returned to Louisiana for use for a taxable purpose will be subject to the Louisiana use tax at the time it is returned. “Use for a taxable purpose” with regards to this exemption, does not include transportation beyond the territorial limit or back, repairs, modifications or fabrications and storing for first use offshore beyond the territorial limits of any state. Charges for repairs in Louisiana to tangible personal property for use in offshore areas are taxable except those described in R.S. 47:305(1).

**Legal Citation**
R.S. 47:305.10

**Origin**

**Effective Date**
July 29, 1964

**Beneficiaries**
Businesses who purchase tangible personal property within Louisiana and use the property in the offshore area

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$11,385,000</td>
</tr>
<tr>
<td>$11,612,000</td>
</tr>
</tbody>
</table>
Sales Tax

124. Additional Tax Levy on Contracts Entered into Prior to and Within 90 Days of Tax Levy

This exemption allows lump-sum contracts entered into within 90 days prior to a new tax levy to be exempt from the new tax levy. This exemption also allows contracts entered into within 90 days after a new tax levy is in effect to be exempt from that tax levy if the contracts involve contractual obligations undertaken prior to the effective date. The purpose of this exemption is to offer financial protection to contractors who enter into contracts based upon existing tax levies.

Legal Citation
R.S. 47:305.11

Origin
Acts 1970, No. 7

Effective Date
July 29, 1970

Beneficiaries
Lump-sum contractors

Estimated Fiscal Effect
This exemption was affected by Act 26 of the 2016 1st. Ex. Session. Taxpayers who were approved for this exemption are able to make purchases at the 4% state sales tax rate. The estimated fiscal effect for this statute is based on limited sales tax return data. We are unable to determine the magnitude of contracts that will remain eligible for exemption in FYE 2018, therefore the estimated fiscal effect is shown as unable to anticipate in FYE 2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$3,812,000</td>
</tr>
<tr>
<td>Unable to anticipate</td>
</tr>
</tbody>
</table>

125. Admissions to Entertainment by Domestic Nonprofit Charitable, Educational, and Religious Organizations

This exemption allows admissions to events sponsored by domestic nonprofit charitable, educational, and religious organizations to be exempt from sales tax. The funds raised, except for necessary expenses, must be used for the purposes for which the event was organized. The purpose of this exemption is to provide financial assistance to qualifying organizations.

Legal Citation
R.S. 47:305.13

Origin
Acts 1971, No. 125

Effective Date
June 28, 1971

Beneficiaries
Domestic nonprofit groups

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
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<tr>
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<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$39,000</td>
</tr>
<tr>
<td>$40,000</td>
</tr>
</tbody>
</table>
126. Sales of Tangible Personal Property at or Admissions to Events Sponsored by Certain Nonprofit Groups

This exemption allows sales of tangible personal property at or admissions, and parking fees to certain events sponsored by nonprofit domestic, civic, educational, charitable, fraternal, or religious organizations, to be exempt from sales tax. All funds from the event, except necessary expenses, must be used for educational, charitable, religious, or historical restoration purposes. The purpose of this exemption is to provide financial assistance to qualifying organizations.

Legal Citation
R.S. 47:305.14(A)(1)(a)

Origin

Effective Date
July 2, 1973

Beneficiaries
Qualifying nonprofit organizations

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$120,000</td>
</tr>
<tr>
<td>$122,000</td>
</tr>
</tbody>
</table>

127. Sales by Thrift Shops on Military Installations

This exemption allows sales by thrift shops located on military installations to be eligible for the exemption provided for sales at events sponsored by nonprofit domestic charitable organizations. For purposes of this exemption, the sales by the thrift shops constitute an event. The beneficiaries of this exemption are the customers of the thrift shops. The purpose of this exemption is to provide financial assistance to customers who shop at thrift shops on military bases.

Legal Citation
R.S. 47:305.14(A)(4)

Origin
Acts 1994, No. 22

Effective Date
June 7, 1994

Beneficiaries
Customers of thrift shops located on military installations

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

128. Sales of Newspapers by Religious Organizations

This exemption allows religious organizations to sell newspapers without the collection of the general sales tax provided the charge for the newspaper does not exceed publication costs. The purpose of this exemption is to provide financial assistance to religious organizations. These newspapers would be eligible for the exclusion under R.S. 47:301(16)(p).

Legal Citation
R.S. 47:305.14(A)(1)(a)

Origin
Acts 1994, No. 39

Effective Date

Beneficiaries
Qualifying religious organizations

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

129. Sales to Nonprofit Literacy Organizations

This exemption allows nonprofit literacy organizations that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code to purchase tangible personal property and taxable services free of the general sales tax. The exemption is limited to purchases of books, workbooks, computer software, films, videos, and audio tapes. The purpose of this exemption is to provide financial assistance to qualifying organizations.

Legal Citation
R.S. 47:305.14(A)(5)

Origin
Acts 2002, No. 27

Effective Date
July 1, 2002

Beneficiaries
Qualifying nonprofit literacy organizations

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

130. Sales or Purchases by Blind Persons Operating Small Businesses

This exemption allows blind persons who sell or purchase tangible personal property in the operation of a small business to be exempt from sales tax. The purpose of this exemption is to relieve blind persons of the burden of collecting and reporting sales tax collections.

Legal Citation
R.S. 47:305.15(A)

Origin
Acts 1973, No. 61

Effective Date
July 2, 1973

Beneficiaries
Blind persons operating a business

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We have no data on this exemption and we are unable to determine its estimated fiscal effect.

131. Purchases by Certain Organizations that Promote Training for the Blind

This exemption allows organizations that provide training for the blind and receive at least 75 percent of the organizations’ funding from public funds to purchase goods and services free of the general sales tax. The purpose of this exemption is to provide financial assistance to blind organizations.

Legal Citation
R.S. 47:305.15(B)

Origin
Acts 1994, No. 26

Effective Date
August 15, 1994

Beneficiaries
Qualifying organizations for the blind

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
## Sales Tax

### 132. Cable Television Installation and Repair Services

This exemption allows installation charges and repairs to hardware to be exempt from sales tax. This exemption was not necessary, as cable installation charges are a nontaxable service and repair services are performed on immovable equipment and are not subject to taxation. The purpose of this exemption is to clarify that cable television installation and repair services are not subject to the tax.

**Legal Citation**
R.S. 47:305.16

**Origin**
Acts 1974, No. 593

**Effective Date**
July 31, 1974

**Beneficiaries**
Television cable companies and their subscribers, if these charges were subject to tax

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exemption was not reported by taxpayers on the sales tax return.

Installation charges and charges for repairs to immovable property are not taxable. The estimated fiscal effect from this exemption is $0.

### 133. Receipts from Coin-Operated Washing and Drying Machines in Commercial Laundromats

This exemption allows receipts from coin-operated washing and drying machines to be exempt from sales tax if the machines are located in a commercial laundromat. The purpose of this exemption was to provide financial relief to commercial laundromats who were unable to collect sales tax rate increases from their customers. In 1996, the courts ruled that the revenue from coin-operated washing and drying machines were not subject to sales tax as a taxable service of cleaning.

**Legal Citation**
R.S. 47:305.17

**Origin**
Acts 1975, No. 423

**Effective Date**
September 12, 1975

**Beneficiaries**
Commercial coin-operated laundromats

**Estimated Fiscal Effect**
Courts have ruled that these receipts are not taxable. This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$237,000</td>
<td>$242,000</td>
<td></td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

134. Outside Gate Admissions & Parking Fees at Fairs, Festivals, & Expositions Sponsored by Nonprofit Organizations

This exemption allows certain gate admissions and parking fees to fairs, festivals, and expositions sponsored by Louisiana chartered nonprofit organizations to be exempt from sales tax. This exemption does not apply to any event intended to yield a profit to the promoter or any individual contracted to provide services or equipment for the event. The purpose of this exemption is to provide financial assistance to qualifying nonprofit organizations.

Legal Citation
R.S. 47:305.18

Origin
Acts 1975, No. 824

Effective Date
September 12, 1975

Beneficiaries
Nonprofit organizations

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

135. Lease or Rental of Certain Vessels in Mineral Production

This exemption allows the vessels leased or rented for use offshore beyond the territorial limits of Louisiana for the production of oil, gas, sulphur, and other minerals to be exempt from sales tax. This exemption applies to production companies and their service companies. The purpose of this exemption is to provide financial assistance to the mineral-production industry.

Legal Citation
R.S. 47:305.19

Origin
Acts 1975, No. 818

Effective Date
September 12, 1975

Beneficiaries
Production companies and the company providing services to them

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$328,000</td>
<td>$334,000</td>
</tr>
</tbody>
</table>
136. Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fishermen

This exemption allows commercial fishermen to purchase tax-free materials, supplies, repair services, and fuel for the maintenance or operation of boats. Fishermen must apply for a license with the Department of Revenue. The purpose of this exemption is to provide financial assistance to commercial fishermen.

Legal Citation
R.S. 47:305.20(A)

Origin
Acts 1975, No. 811; Acts 2009, No. 446

Effective Date
September 12, 1975

Beneficiaries
Licensed commercial fishermen

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$556,000</td>
<td>$567,000</td>
<td></td>
</tr>
</tbody>
</table>

137. Certain Seafood-Processing Facilities

This exemption allows qualifying processors to purchase materials, supplies, and repair services exempt from the general sales tax. This exemption applies only to processing facilities that process seafood from vessels owned, leased, or contracted exclusively to the facility. The purpose of this exemption is to provide financial assistance to qualifying facilities.

Legal Citation
R.S. 47:305.20(C)

Origin
Acts 1991, No. 896

Effective Date
September 6, 1991

Beneficiaries
Qualifying seafood processing facilities

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$122,000</td>
<td>$124,000</td>
<td></td>
</tr>
</tbody>
</table>
138. First $50,000 of the Sales Price of Certain Farm Equipment and Attachments

This provision exempts the first $50,000 of the sales price on qualifying farm equipment. Those items included under the original act have been protected from the suspension of exemptions. Such items include: rubber-tired farm tractors, cane harvesters, combines and cane loaders. Items later added to the exemption through amendments are subject to one percent tax. The purpose of this exemption is to provide financial assistance to agricultural producers.

Legal Citation
R.S. 47:305.25

Origin

Effective Date
September 8, 1978

Beneficiaries
Producers of agricultural products

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. R.S. 47:305.25 (A)(1), (2), and (3) were unaffected by legislation from the 2016 legislative sessions and was taxed at 0% for the period 4/1/2016 - 6/30/2016. It continues to be taxed at 0% for the period 7/1/2016 - 6/30/2018.

R.S. 47:305.25(A)(4) and (5) was taxed at 0% for the period 4/1/2016 – 6/30/2016. Currently, this particular statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect as no data on these transactions could be provided by the Office of Motor Vehicles.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$6,562,000</td>
</tr>
</tbody>
</table>

139. New Vehicles Furnished by a Dealer for Driver-Education Programs

This exemption allows new-car dealers to withdraw new vehicles from inventory for use by secondary schools, colleges, or public school boards in accredited driver-education programs without payment of the sales tax. The purpose of this exemption is to encourage new-car dealers to donate the use of vehicles to schools for driver-education programs.

Legal Citation
R.S. 47:305.26

Origin
Acts 1978, No. 507

Effective Date
January 1, 1979

Beneficiaries
Schools using the vehicles and the new-car dealers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect as no data on these transactions could be provided by the Office of Motor Vehicles.
Sales Tax

{ Exemptions }

140. **Sales of Gasohol** (not subject to motor fuels tax)

This exemption allows the sale of gasohol to be exempt when sold in Louisiana. The alcohol used in the gasohol must be produced, fermented, and distilled in Louisiana. La. Const. art. VII, §27 provides a sales tax exclusion for gasoline sold that has been subject to a Louisiana road use tax (See number 195, Sales Tax Section). This exemption exempts only gasohol sold where the road use tax has not been levied. The purpose of this exemption is to reduce the tax paid by consumers.

**Legal Citation**
R.S. 47:305.28

**Origin**
Acts 1979, No. 793

**Effective Date**
September 7, 1979

**Beneficiaries**
Consumers of gasohol for off-road use

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. We have no data on this exemption and we are unable to determine its estimated fiscal effect.

141. **Construction Materials and Operating Supplies for Certain Nonprofit Retirement Centers**

This exemption allows for the tax-free purchase of construction materials and operating supplies for certain nonprofit retirement centers owned or operated by any public trust authority or incorporated not-for-profit organization. The retirement center must serve as a multipurpose facility that offers unsupervised living units, supervised nursing-home facilities, and intermediate health care. The purpose of this exemption is to encourage a new concept in the care of the elderly.

**Legal Citation**
R.S. 47:305.33

**Origin**
Acts 1981, No. 876

**Effective Date**
September 11, 1981

**Beneficiaries**
Nonprofit multipurpose retirement centers

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. We have no data on this exemption and we are unable to determine its estimated fiscal effect.
142. Sales of Motor Vehicles to be Leased or Rented by Qualified Lessors

This exemption allows the tax-free purchase of motor vehicles, trailers, and semi-trailers used exclusively for leases or rentals. This exemption is superseded by the exclusion provided under R.S. 47:301(10)(a)(iii) [See number 30] enacted October 1, 1996.

Legal Citation
R.S. 47:305.36

Origin

Effective Date
September 10, 1982

Beneficiaries
Louisiana rental dealers

Duplicate Provision
R.S. 47:301(10)(a)(iii)

Estimated Fiscal Effect
Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. This statute remains completely exempt from the 5% state sales tax.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$72,233,000</td>
<td>$73,677,000</td>
</tr>
</tbody>
</table>

143. Sales of Certain Fuels Used for Farm Purposes

This exemption allows the tax-free purchase of diesel fuel, butane, propane, and other liquefied petroleum gases for farm use. The purpose of this exemption is to provide financial assistance to commercial farmers.

Legal Citation
R.S. 47:305.37

Origin

Effective Date
January 1, 1983

Beneficiaries
Commercial farmers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 1% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,246,000</td>
<td>$3,311,000</td>
</tr>
</tbody>
</table>
144. **Sales or Purchases by Certain Sheltered Workshops**

This exemption allows certain sheltered workshops for the mentally incapacitated to sell and purchase tax free. The workshop must be used as a day developmental training center and licensed by the Department of Children and Family Services. The purpose of this exemption is to provide financial assistance to sheltered workshops.

**Legal Citation**
R.S. 47:305.38

**Origin**
Acts 1982, No. 242

**Effective Date**
September 10, 1982

**Beneficiaries**
Qualifying sheltered workshops

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$146,000</td>
<td>$149,000</td>
</tr>
</tbody>
</table>

145. **Purchases of Certain Fuels for Private Residential Consumption**

This exemption allows the tax-free purchase of butane, propane, and other liquefied petroleum goods used for private residential cooking and cleaning purposes. The purpose of this exemption is to provide financial assistance to consumers.

**Legal Citation**
R.S. 47:305.39

**Origin**

**Effective Date**
July 1, 1984

**Beneficiaries**
Residential consumers

**Estimated Fiscal Effect**
Superseded by R.S. 47:301(10)(x). This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from the 5% state sales tax and is subject to a 0% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$96,000</td>
<td>$98,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

146. Specialty Mardi Gras Items Purchased or Sold by Certain Organizations

This exemption originally allowed tax-free purchases of specialty items by carnival organizations and Louisiana domiciled nonprofit organizations. Acts 2005, No. 410 amended this exemption to allow tax-free sales of specialty items for use in connection with Mardi Gras activities by qualifying organizations. The purpose of this exemption is to provide financial assistance to carnival and nonprofit organizations that sponsor Mardi Gras activities.

Legal Citation
R.S. 47:305.40

Origin

Effective Date
September 6, 1985

Beneficiaries
Carnival and nonprofit organizations

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. Data indicates this exemption was reported by taxpayers on the sales tax return. However, taxpayers usually report these transactions on a seasonal basis. At the time of publication, we do not have adequate data on this exemption and we are unable to determine its estimated fiscal effect.

147. Purchases and Sales by Ducks Unlimited and Bass Life

This exemption allows Ducks Unlimited or Bass Life and their chapters to sell, purchase or rent items free from state and local sales tax. The purpose of this exemption is to provide financial assistance to these organizations. This provision has a related exemption under R.S. 47:305.43 which exempts certain transactions with nonprofit groups whose purpose is to conserve migratory waterfowl and fish.

Legal Citation
R.S. 47:305.41

Origin

Effective Date
July 12, 1985

Beneficiaries
Ducks Unlimited and Bass Life

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

148. Tickets to Dance, Drama, or Performing Arts Presentations by Certain Nonprofit Organizations

This exemption allows domestic nonprofit organizations that present dance, drama, or performing arts to sell tickets to performances exempt from sales tax. The purpose of this exemption is to provide financial assistance to these nonprofit organizations.

Legal Citation
R.S. 47:305.42

Origin
Acts 1985, No. 513

Effective Date
July 12, 1985

Beneficiaries
Nonprofit organizations engaged in promoting dance, drama, or performing arts

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

149. Nonprofit Organizations Dedicated to the Conservation of Fish and Migratory Waterfowl

This exemption allows nonprofit organizations dedicated exclusively to the conservation of fish or the migratory waterfowl of the North American Continent and to the preservation and conservation of wetland habitat of such waterfowl to sell items free from the state and local sales tax if the proceeds are used in furtherance of the organization’s exempt purpose. Qualifying organizations will also be allowed to purchase items free from the state and local sales tax. The exemption will not apply to any event intended to yield a profit to the promoter or to any individual contracted to provide services or equipment for the event. The purpose of this exemption is to provide financial assistance to qualifying conservation groups. This provision has a related exemption under R.S. 47:305.41 which exempts certain transactions with Ducks Unlimited and Bass Life.

Legal Citation
R.S. 47:305.43

Origin

Effective Date
September 6, 1985

Beneficiaries
Qualifying organizations dedicated to fish and migratory North American waterfowl

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

150. Raw Materials Used in the Printing Process

This exemption allows the tax-free purchase or sale of raw materials and certain other tangible personal property used to produce printed matter. This exemption applies to qualifying items manufactured by the printer or purchased from a contractor. The purpose of this exemption is to offer financial assistance to commercial printers.

Legal Citation
R.S. 47:305.44

Origin
Acts 1985, No. 847

Effective Date
July 23, 1985

Beneficiaries
Commercial printers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

151. Piggy-back Trailers or Containers and Rolling Stock

This exemption allows the tax-free sale or lease of piggy-back trailers or containers and rolling stock. Per diem or car-hire charges are also exempted. Railroad companies and other operators of qualifying equipment are eligible for the exemption. Rail-car leases are also covered by an exclusion under R.S. 47:301(4)(k) (See number 10, Sales Tax Section). The purpose of this exemption is to provide financial assistance to railroads and other rail-car operators and piggy-back trailers. A similar exemption for rail rolling stock appears under R.S. 47:305.50(B).

Legal Citation
R.S. 47:305.45

Origin
Acts 1986, No. 476

Effective Date
July 1, 1986

Beneficiaries
Railroad companies and other operators of railroad transportation equipment

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 0% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. See number 156, sales tax section.
Sales Tax

{ Exemptions }

152. Pharmaceutical Samples Distributed in Louisiana

This exemption allows pharmaceutical samples to be exempt from sales and use tax when they are distributed without charge to physicians, dentists, clinics, and hospitals. The purpose of this exemption is to provide financial assistance to drug manufacturers.

Legal Citation
R.S. 47:305.47

Origin
Acts 1989, No. 383

Effective Date
June 30, 1989

Beneficiaries
Drug manufacturers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

153. Catalogs Distributed in Louisiana

This exemption allows free catalogs distributed in Louisiana to be exempt from sales and use tax. Prior to the exemption, the tax was due on mail-order catalogs, but only enforceable on companies with a business situs in Louisiana. This exemption puts in-state and out-of-state companies on the same basis. The purpose of this exemption was to provide financial assistance to mail-order companies, especially those with a Louisiana presence.

Legal Citation
R.S. 47:305.49

Origin
Acts 1989, No. 796

Effective Date
September 3, 1989

Beneficiaries
Mail-order companies

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
Sales Tax

{ Exemptions }

154. Certain Trucks and Trailers Used 80 Percent in Interstate Commerce

This exemption allows the tax free purchase of trucks with a gross weight of twenty-six thousand pounds or more and to trailers if the truck and trailer are to be used at least eighty percent of the time in interstate commerce and whose activities are subject to the jurisdiction of the United States Department of Transportation. For purposes of this exemption the terms “trucks” and “trailers” shall have the meanings ascribed to the terms truck, trailer, road tractor, semi-trailer, tandem truck, tractor, and truck-tractor in R.S. 47:451. The purpose of this exemption is to provide financial assistance to the owners of trucks operating in interstate commerce.

Legal Citation
R.S. 47:305.50(A)(1)(a)(i) and (b)(i)

Origin

Effective Date
July 1, 1996

Beneficiaries
Purchasers of large trucks and trailers used 80 percent in interstate commerce

Estimated Fiscal Effect
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$18,582,000</td>
<td>$18,954,000</td>
</tr>
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</table>

155. Certain Contract Carrier Buses Used 80 Percent in Interstate Commerce

This provision allows certain contract carrier buses used 80 percent of the time in interstate commerce to be exempt from sales and use tax. The bus must meet the definition in the exemption, which requires the bus to be a commercial vehicle with a minimum capacity of 35 passengers and have a minimum gross weight of 26,000 lbs. The purpose of this exclusion is to provide financial assistance to large contract carrier buses operating in interstate commerce.

Legal Citation
R.S. 47:305.50(B)

Origin

Effective Date
June 30, 1998

Beneficiaries
Purchasers of large contract carrier buses used 80 percent in interstate commerce

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 1% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 7/1/2016 – 6/30/2018. See number 154, sales tax section.
Sales Tax

{ Exemptions }

156. Rail Rolling Stock Sold or Leased in Louisiana

This provision allows a state and local sales and use tax exemption for rail rolling stock sold or leased in Louisiana.

Legal Citation
R.S. 47:305.50(E)(1) See related exemption under R.S. 47:305.45.

Origin

Effective Date
July 1, 1996

Sunset Date
June 30, 1998

Reestablished
July 1, 2005

Beneficiaries
Taxpayers who sell or lease rail rolling stock in Louisiana and their customers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

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<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$6,227,000</td>
<td>$6,632,000</td>
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</table>

157. Rail Rolling Stock Repaired or Fabricated in Louisiana

This provision allows a state sales and use tax exemption for parts or services used in the fabrication, modification, or repair of rail rolling stock. Political subdivisions are authorized to provide by ordinance that the sales or use tax exemption provided by R.S. 47:305.50(F)(2) will not apply within their jurisdictions and that their sales or use taxes will be due on parts or services used in the fabrication, modification, or repair of rail rolling stock.

Legal Citation
R.S. 47:305.50(E)(2)

Origin

Effective Date
July 1, 1996

Sunset Date
June 30, 1998

Reestablished
July 1, 2005

Beneficiaries
Taxpayers who sell or lease rail rolling stock in Louisiana and their customers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,101,000</td>
<td>$1,123,000</td>
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</table>
Sales Tax

{ Exemptions }

158. Sales of Railroad Ties to Railroads for Use in Other States

This provision creates a sales tax exemption for railroad ties purchased by a railroad prior to long-term preservative treatment and installed into the railroad’s track system outside the jurisdiction.

Legal Citation
R.S. 47:305.50(F)

Origin
Acts 2009, No. 442

Effective Date
July 1, 2009

Beneficiaries
Railroads

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 4% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 3% of the 5% state sales tax and is subject to a 2% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

159. Utilities Used by Steelworks and Blast Furnaces

This provision allows utilities, including electricity, used by steelworks and blast furnaces to be exempt from sales tax. The facility must employ more than 125 full-time workers and is classified as code 331111 of the North American Industry Classification System to qualify. The purpose of this exemption is to provide an economic incentive for a steel mill to locate in Louisiana.

Legal Citation
R.S. 47:305.51

Origin

Effective Date
March 27, 2001

Beneficiaries
Any steel mill meeting the minimum requirements

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. See number 103, sales tax section.
160. Sickle Cell Disease Organizations

This exclusion provides a state and local sales tax exemption for nonprofit organizations that were established prior to 1975 conducting comprehensive programs on sickle cell disease which includes but is not limited to free education, free testing, free counseling, and free prescriptions, transportation, and food packages for sickle cell patients. The organizations are required to obtain exemption certificates from the Department of Revenue.

**Legal Citation**
R.S. 47:305.53

**Origin**
Acts 2005, No. 278

**Effective Date**
July 1, 2005

**Beneficiaries**
Sickle Cell disease organizations and their customers

**Estimated Fiscal Effect**
This exclusion was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td></td>
<td>$26,000</td>
<td>$27,000</td>
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</tbody>
</table>

161. Annual Louisiana Sales Tax Holiday

This exclusion provides for an exemption from the state sales tax on the first consecutive Friday and Saturday of August each year, on the first $2,500 of the purchase price of most individual items of tangible personal property. The exemption applies statewide to all consumer purchases of tangible personal property, other than vehicles subject to license and title and meals furnished for consumption on the premises, provided that the property is not for use in a business, trade, or profession.

**Legal Citation**
R.S. 47:305.54

**Origin**
Acts 2005, 1st Ex. Session No. 9; amended by Acts 2007, No. 244

**Effective Date**
First consecutive Friday and Saturday of August each year

**Beneficiaries**
Individual consumers

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. This statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,307,000</td>
<td>$2,353,000</td>
</tr>
</tbody>
</table>
162. Sales of Original One-of-a-Kind Works of Art from Certain Locations

This exemption allows the sale of original one-of-a-kind works of art from an established location within the boundaries of a cultural product district without any sales tax.

Legal Citation
R.S.47:305.57

Origin
Acts 2007, No. 298

Effective Date
January 1, 2008

Beneficiaries
Purchasers of original one-of-a-kind works of art

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$148,000</td>
<td>$151,000</td>
</tr>
</tbody>
</table>

163. Hurricane Preparedness Louisiana Sales Tax Holiday

This provision allows an exemption from the state sales and use tax from 12:01 a.m. on Saturday until 11:59 p.m. on Sunday during the last weekend in May of each year, on the first $1500 of the purchase price of certain hurricane preparedness items or supplies.

Legal Citation
R.S. 47:305.58

Origin
Acts 2007, No. 429

Effective Date
The last weekend of May each year beginning at 12:01 a.m. on Saturday and ending at 11:59 p.m. on Sunday

Beneficiaries
Individuals purchasing hurricane preparedness items or supplies

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$27,000</td>
<td>$28,000</td>
</tr>
</tbody>
</table>
Sales Tax

{ Exemptions }

164. Sale of Construction Materials to Habitat for Humanity, Fuller Center for Housing and Make it Right Foundation

This exemption allows Habitat for Humanity affiliates, Fuller Center for Housing covenant partners and the Make it Right Foundation to purchase construction supplies without the payment of sales or use tax when the materials are intended for use in constructing new residential dwellings in this state.

Legal Citation
R.S. 47:305.59

Origin

Effective Date
October 1, 2007 on purchases by Habitat for Humanity; July 1, 2009 on purchases by Fuller Center for Housing; and July 1, 2012 for purchases by Make it Right Foundation

Beneficiaries
Habitat for Humanity, Fuller Center for Housing and Make it Right Foundation

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

165. Purchase of Certain Water Conservation Equipment for Use in the Sparta Groundwater Conservation District

This provision allows for the purchase of certain water conservation equipment for use within the Sparta Groundwater Conservation District without the payment of sales or use tax. Prior to application for an exemption certificate, the applicant must receive certification from the Commissioner of Conservation that the equipment qualifies as water conservation equipment.

Legal Citation
R.S. 47:305.61

Origin
Acts 2007, No. 471

Effective Date
July 1, 2007

Beneficiaries
Purchasers of equipment, certified by the Commissioner of Conservation as water conservation equipment and used in the Sparta Groundwater District

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
166. Second Amendment Sales Tax Holiday

This provision creates a three day sales tax holiday on consumer purchases of firearms, ammunition and hunting supplies for the first consecutive Friday through Sunday of September. The sales tax holiday is applicable to both state and local sales tax.

Legal Citation
R.S. 47:305.62

Origin
Acts 2009, No. 453

Effective Date
July 9, 2009

Beneficiaries
Individuals purchasing firearms, ammunition and hunting supplies

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. This statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$458,000</td>
<td>$467,000</td>
</tr>
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167. Sales of Polyroll Tubing

This provision creates a state sales tax exemption for polyroll tubing used for commercial farm irrigation.

Legal Citation
R.S. 47:305.63

Origin
Acts 2009, No. 450

Effective Date
July 8, 2009

Beneficiaries
Commercial farmers

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
168. Purchase, Lease or Repair of Certain Capital Equipment and Computer Software by Qualifying Radiation Therapy Treatment Centers

This provision creates a state sales tax exemption for the purchase, lease or repair of capital equipment or software used to operate capital equipment at qualifying radiation therapy centers. Local taxing authorities may elect to grant this exemption.

**Legal Citation**
R.S. 47:305.64

**Origin**

**Effective Date**
July 1, 2009

**Beneficiaries**
Mary Bird Perkins Cancer Center, Biomedical Research Foundation, OncoLogics, Inc.

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

169. Purchases of Construction Materials by Hands on New Orleans and Rebuilding Together New Orleans

This provision creates a state and local sales tax exemption for the purchase of construction materials by Hands on New Orleans and Rebuilding Together New Orleans covenant partners. The materials purchased must be used for constructing, rehabilitating, or renovating residential dwellings in this state which were destroyed or damaged by Hurricane Katrina or Hurricane Rita. The exemption is limited to no more than $500,000 in any calendar year.

**Legal Citation**
R.S. 47:305.65

**Origin**
Acts 2009, No. 450

**Effective Date**
July 1, 2009

**Beneficiaries**
Hands on New Orleans and Rebuilding Together New Orleans Covenant Partners

**Estimated Fiscal Effect**
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excludes from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
170. Parish Councils on Aging
This provision creates a state sales and use tax exemption for the sixty-four nonprofit parish Councils on Aging located in the state which are supervised by the Office of Elderly Affairs of the Governor’s Office. These organizations are dedicated to delivering state-approved services directly to senior citizens.

Legal Citation
R.S. 47:305.66

Origin
Acts 2011, No. 53

Effective Date
October 1, 2011

Beneficiaries
Parish Councils on Aging

Estimated Fiscal Effect
This exemption was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. The estimated fiscal effect for this statute is based on limited sales tax return data.

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<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$16,000</td>
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</table>

171. Purchases of Breastfeeding Items
This provision creates a state sales and use tax exemption for purchases of breast pumps and accessories, replacement parts, storage bags and accessories, and nursing bras.

Legal Citation
R.S. 47:305.67

Origin
Acts 2011, No. 331

Effective Date
October 1, 2011

Beneficiaries
Purchasers of breast feeding items

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data.

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<tr>
<th>Estimated Fiscal Effect</th>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<tr>
<td>$10,000</td>
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</table>
172. Purchases by the Fore!Kids Foundation
This provision creates a state sales and use tax exemption for the purchase, use, or rental of materials, services, property, and supplies by the Fore!Kids Foundation whose primary purpose is to fund children’s service organizations from monies raised from golfing events.

Legal Citation
R.S. 47:305.68

Origin
Acts 2011, No. 374

Effective Date
October 1, 2011

Beneficiaries
Fore!Kids Foundation

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. This exemption was not reported by taxpayers on the sales tax return data available at the time of publication. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

173. Purchase of a Motor Vehicle Modified for Use by an Orthopedically Disabled Person
This provision creates a state sales and use tax rebate on the purchase of a motor vehicle modified for use by a person who is orthopedically disabled. The provision is applicable to motor vehicle purchases made between January 1, 2010 and June 30, 2013.

Legal Citation
R.S. 47:305.69

Origin
Acts 2011, No. 379

Effective Date
October 1, 2011

Sunset Date
June 30, 2013

Beneficiaries
Purchasers of a vehicle modified for use by an orthopedically disabled person

Estimated Fiscal Effect
$0, exclusion sunsetted.
Sales Tax

{ Exemptions }

174. Sale of Construction Materials to the Make it Right Foundation

This exemption allows the Make it Right Foundation to purchase construction supplies without the payment of sales or use tax when the materials are intended for use in constructing new residential dwellings in this state.

Legal Citation
R.S. 47:305.70

Origin
Acts 2011, No. 387

Effective Date
July 1, 2012

Beneficiaries
Make it Right Foundation

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 0% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. See number 164, sales tax section.

175. Sale of Construction Materials to the St. Bernard Project, Inc.

This provision allows the St. Bernard Project, Inc. to purchase construction supplies without the payment of sales or use tax when the materials are intended for use in rehabilitating existing residential dwellings or constructing new residential dwellings in this state.

Legal Citation
R.S. 47:305.71

Origin
Acts 2013, No. 300

Effective Date
July 1, 2013

Beneficiaries
The St. Bernard Project, Inc.

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 2% of the 5% state sales tax and is subject to a 3% tax rate for the period 7/1/2016 – 6/30/2018. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
176. Antique Airplanes Held by Private Collectors and not used for Commercial Purposes

This exemption allows the tax-free purchase of antique aircraft by collectors. Many of these sales are also exempted under the isolated or occasional sale provision of R.S. 47:301(10)(c) (See number 4, Sales Tax Section). The aircraft must be manufactured at least 25 years prior to the date of purchase. The purpose of this exemption was to provide financial assistance to antique aircraft collectors.

Legal Citation
R.S. 47:6001

Origin
Acts 1980, No. 567

Effective Date
September 12, 1980

Beneficiaries
Collectors of antique aircraft

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was subject to 1% state sales tax. It was taxed at 5% for the period 4/1/2016 – 6/30/2016. Currently, this statute is excluded from 1% of the 5% state sales tax and is subject to a 4% tax rate for the period 7/1/2016 – 6/30/2018. The estimated fiscal effect for this statute is based on limited sales tax return data. A negligible amount for this exemption was reported by taxpayers on the sales tax return data available at the time of publication.

177. Certain Interchangeable Components; Optional Method to Determine

This alternate-reporting method allows importers or users of certain measurement-while-drilling equipment to store equipment in the state without paying the use tax due upon importation. Instead, taxes would be paid on 1/60 of the total material cost of all equipment stored within Louisiana each month. The purpose of this method is to offer relief from use tax on equipment stored in Louisiana, but seldom used in this state.

Legal Citation
R.S. 47:301(3)(d)

Origin
Acts 1990, No. 719

Effective Date
July 1, 1990

Beneficiaries
Companies that use certain measurement-while-drilling equipment

Estimated Fiscal Effect
This alternate reporting method was not affected by legislation from the 2016 sessions. This is an alternate reporting method, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.
Sales Tax

{ Alternate-Reporting Methods }

178. Helicopters Leased for Use in the Extraction, Production, or Exploration for Oil, Gas, or Other Minerals

This alternate-reporting method allows the lease or rental of certain helicopters used in the extraction, production, and exploration of oil, gas, and other minerals to be considered a sale of tangible personal property with an extended period of time allowed to remit any taxes due.

Helicopters acquired through a lease, rental, lease-purchase, or similar transaction by a company involved in the extraction, production, or exploration for oil, gas, or other mineral qualify for this method. Helicopters used by companies providing service to qualifying companies also qualify for this alternate-reporting method. Qualifying companies do not pay sales tax on lease or rental payments, but remit the tax on the sales price in equal installments over the terms of the lease, rental, or lease-purchase contract.

Legal Citation
R.S. 47:302.1

Origin
Acts 1984, No. 353

Effective Date
July 2, 1984

Beneficiaries
Companies involved in the extraction, production, or exploration for oil, gas, or other minerals

Estimated Fiscal Effect
This alternate-reporting method was not affected by legislation from the 2016 sessions. This is an alternate reporting method, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.

179. Cash-Basis Sales Tax Reporting and Remitting for Health and Fitness Club Membership Contracts

This alternate-reporting method allows health clubs to report and remit sales taxes on a cash basis and to report the receipts net of any imputed interest or collection fees. The purpose of this alternate-reporting method is to relieve clubs from the taxes on unpaid membership contracts.

Legal Citation
R.S. 47:303(F)

Origin
Acts 1985, No. 661; Amended by Acts 1987, No. 379

Effective Date
September 30, 1985

Beneficiaries
Health and fitness clubs

Estimated Fiscal Effect
This alternate reporting method was not affected by legislation from the 2016 sessions. This is an alternate reporting method, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.
Sales Tax

{ Alternate-Reporting Methods }

180. Cash-Basis Reporting Procedure for Rental and Lease Transactions
This alternative method of tax payment allows lessors of tangible personal property to report and remit sales tax due after payment is collected rather than in the period that the rental or lease occurred. The purpose of this alternate-reporting method is to relieve lessors from the taxes on unpaid rental fees. This method of tax payment allows the lessors to avoid the loss of sales taxes remitted on transactions that ultimately become bad debts.

Legal Citation
R.S. 47:306(A)(2)

Origin
Acts 1985, No. 867

Effective Date
July 23, 1985

Beneficiaries
Lessors of property

Estimated Fiscal Effect
This alternate reporting method was not affected by legislation from the 2016 sessions. This is an alternate reporting method, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.

181. Collection from Interstate and Foreign Transportation Dealers
This alternative method of tax payment allows transportation companies operating in interstate and foreign transportation of passengers or property to remit taxes based upon the percentage of Louisiana miles to total miles. Per Acts, 2005 No. 126, “Louisiana mileage” shall not include mileage in Louisiana that is a segment or part of a stream of trade, traffic, transportation, or movement of passengers or property between a point in this state and a point located offshore beyond the territorial limits of any state. The Act also provides that a unit of transportation measurement other than milege may be used if appropriate based on industry custom and type of transportation. Those transportation dealers registered under R.S. 47:306.1 on June 22, 2005, and who provide transportation between points in Louisiana and points offshore outside the territorial limits of any state during the sales and use tax period immediately preceding June 22, 2005 are deemed to have elected to report under these statutes and shall begin reporting in accordance with them in lieu of R.S. 47:306.1 unless the taxpayer notifies the secretary to the contrary.

Legal Citation
R.S. 47:306.1, R.S. 47:306.2

Origin

Effective Date
August 1, 1956

Beneficiaries
Interstate and foreign transportation dealers

Estimated Fiscal Effect
This alternate reporting method was not affected by legislation from the 2016 sessions. This is an alternate reporting method, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.
182. **Extended Time to Register Mobile Homes**

This provision allows purchasers of mobile homes, as defined by R.S. 9:1149.2(3), to extend the time to apply for a certificate of title from five days after delivery to the 20th day of the month following the month of delivery of the home. This allows between 20 to 50 days to apply for a title. If a mobile home is immobilized prior to registration, the mobile home is not subject to sales tax. The purpose of this provision is to allow purchasers of mobile homes more time to immobilize the mobile home. However, beginning 1/1/2010, new legislation eliminates the ability of manufactured home purchasers to avoid paying tax through an act of immobilization.

**Legal Citation**
R.S. 32:707(A)

**Origin**

**Effective Date**
July 1, 1997

**Beneficiaries**
Purchasers of mobile homes that immobilize them at the time of purchase

**Estimated Fiscal Effect**
This statute was amended to eliminate the ability of manufactured home purchasers to avoid paying tax through an act of immobilization. This statutorily prescribed method of taxation was not affected by legislation from the 2016 sessions. This is a statutorily prescribed method of taxation, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.

183. **“Sales or Cost Price” of Refinery Gas**

These exclusions define the valuation of refinery gas, except feedstock, either sold or produced. This value is determined for each calendar year. Sales of such property are subject to tax under R.S. 47:301(13)(d) and the use of such property by the producer is subject to the tax under R.S. 47:301(3)(f). The price of refinery gas shall be the maximum of 52¢ per MCF multiplied by a fraction the numerator of which shall be the posted price for a barrel of West Texas Intermediate Crude Oil on December 1 of the preceding calendar year and the denominator of which shall be $29. This valuation applies to both state and local governments. The valuation for calendar year 2015 is $1.237 and for calendar year 2016 is $0.728. This valuation is identical to the valuation originally set under R.S. 47:305(D)(1)(h) (See Number 106, Sales Tax Section).

**Legal Citation**
R.S. 47:301(3)(f), R.S. 47:301(13)(d)

**Origin**

**Effective Date**
July 2, 1996

**Beneficiaries**
Refineries producing refinery gas

**Estimated Fiscal Effect**
This is a valuation formula only. This alternate reporting method was not affected by legislation from the 2016 sessions. The estimated fiscal effect of this statute is $0.
184. News Publications Distributed at No Cost to Readers

This provision sets the cost price of news publications that are distributed at no cost to their readers. In order for the method to apply, the publisher of the news publication must pay unrelated third parties to print the news publication. The cost price is the lesser of the following costs: (1) the printing costs paid to unrelated third parties to print such news publications, less any itemized freight charges for shipping the publication to the publisher or (2) payments to a dealer or distributor as consideration for distribution of the news publication.

Legal Citation
R.S. 47:301(3)(h)

Beneficiaries
Publishers of news publications that are distributed at no cost to their readers

Estimated Fiscal Effect
This statutorily prescribed method of taxation was not affected by legislation from the 2016 sessions. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

185. Leases or Rentals of Railroad Rolling Stock & Leases or Rentals by Railway Companies & Railroad Corporations

This alternate-reporting method removes lessors/rentors of railroad rolling stock from the requirement to charge the lease/rental tax to their lessees. This alternate-reporting method still requires lessees/rentees, with the exception of railway companies or railroad corporations, to self-assess the lease/rental tax and remit the tax directly to the state. The purposes of this method are to relieve the lessors/rentors of railroad rolling stock from the burden of collecting the rental tax on rolling stock and to provide relief to railway companies and railroad corporations from the lease/rental tax.

Legal Citation
R.S. 47:301(4)(k)

Origin
Acts 1990, No. 444

Effective Date
September 7, 1990

Beneficiaries
Louisiana lessors/rentors of rail rolling stock and railway companies

Estimated Fiscal Effect
This alternate-reporting method was not affected by 2016 legislation. This is a statutorily prescribed method of taxation, not an exemption, and will likely result in timing differences on taxes remitted. The estimated fiscal effect of this statute is $0.
186. Sales Through Coin-Operated Vending Machines

This exclusion allows sales of tangible personal property through vending machines to be free of sales tax. This exclusion defines the sale to the dealer for resale in a vending machine to be a retail sale. The vending machine company is subject to tax on the purchase price of the property. No additional sales tax is due on the subsequent sale through the vending machine. The purpose of this exclusion is to define the taxable point of sale and to simplify the collection and reporting of the tax.

Legal Citation
R.S. 47:301(10)(b)(i)

Origin
Acts 1978, No. 756

Effective Date
September 8, 1978

Beneficiaries
Dealers who sell their product through vending machines

Estimated Fiscal Effect
This exclusion was not affected by legislation from the 2016 sessions. This statute remains completely exempt from the 5% state sales tax. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.

187. Vendor’s Compensation

This credit compensates the dealer in accounting for and remitting the sales tax. Each dealer is allowed to deduct 1.1 percent from the tax due provided the reports are submitted and paid to the Department of Revenue on a timely basis. The purpose of this credit is to compensate the dealer in accounting for and remitting the sales taxes.

Effective July 1, 2013, the vendor’s compensation rate was reduced to 0.935 percent. Act 15 of the 2016 1st Ex. Sess. limited the total vendor’s compensation for a dealer who operated one or more business locations within Louisiana to $1,500 per calendar month. It also prohibits vendor’s compensation on the 1% sales tax levied under R.S. 47:321.1.

Legal Citation
R.S. 47:306(A)(3)(a)

Origin

Effective Date
June 7, 1948

Beneficiaries
Dealers who report and remit taxes on a timely basis

Estimated Fiscal Effect
This credit was affected by Act 15 of the 2016 1st Ex. Sess.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$18,770,000</td>
</tr>
</tbody>
</table>
188. Costs to Reprogram Cash Registers

This credit allowed dealers to claim up to $25 per register to recoup costs incurred to reprogram cash registers because of changes in the sales tax rate or base. The purpose of this credit was to compensate taxpayers for costs to reprogram cash registers because of tax changes.

Legal Citation

Origin
Acts 1990, No. 386

Effective Date
July 12, 1990

Beneficiaries
Dealers collecting Louisiana sales tax

Estimated Fiscal Effect
This credit was affected by legislation from the 2016 sessions. This credit is no longer in effect.

189. Sales Tax Remitted on Bad Debts from Credit Sales

This refund provision grants financial relief to vendors who remit sales taxes to the state that they are subsequently unable to collect from their customers. The sales tax bad-debt recovery provision does not include rentals and leases. The purpose of this refund was to allow taxpayers a refund of sales taxes remitted to the Department, but not collected from their customers.

Legal Citation
R.S. 47:315

Origin

Effective Date
July 20, 1976

Beneficiaries
Vendors who have remitted the tax on credit sales of tangible personal property that ultimately was uncollectible from their customers

Estimated Fiscal Effect
During fiscal year 2015-2016, $854,291 in sales tax refunds were issued for bad debts on credit sales. This refund statute was not affected by legislation from the 2016 sessions. We are unable to estimate the future fiscal effect of this refund since it fluctuates from year to year.
190. **State Sales Tax Paid on Property Destroyed in a Natural Disaster**

This refund provision gives financial assistance to persons who have suffered uninsured losses in natural disasters. The sales tax paid on destroyed property can be refunded upon the filing of a proper claim. The refund is based upon taxes paid by the owner on the destroyed property. The purpose of this refund is to provide financial relief to persons who have suffered uninsured losses in natural disasters.

**Legal Citation**
R.S. 47:315.1

**Origin**

**Effective Date**
August 17, 1969

**Beneficiaries**
Owners of property destroyed by a natural disaster in an area determined by the President of the United States to need federal assistance

**Estimated Fiscal Effect**
This refund statute was not affected by legislation from the 2016 sessions. We are unable to estimate the magnitude of natural disasters occurring in Louisiana in the future, therefore we are unable to estimate the future fiscal effects.

191. **Materials Used in the Construction, Restoration, or Renovation of Housing in Designated Areas**

This refund provision offers a financial incentive to persons who renovate, restore, or rehabilitate existing structures or who construct new housing in certain blighted areas of the state. These areas are determined by local governing authorities. The purpose of this refund provision is to encourage people to improve the conditions of the blighted areas.

**Legal Citations**
R.S. 47:315.2, R.S. 40:582.1-582.7, R.S. 47:1515.1

**Origin**
Acts 1984, No. 292

**Effective Date**
September 3, 1984

**Beneficiaries**
People engaged in construction or renovation of real property in certain blighted areas of the state

**Estimated Fiscal Effect**
No refunds issued in previous years. This refund statute was not affected by legislation from the 2016 sessions. We are unable to determine the level of future qualifying structures eligible for the refund, therefore we are unable to estimate the future fiscal effects.
Sales Tax

{ Refunds }

192. Purchases or Leases of Durable Medical Equipment Paid by or Under Provisions of Medicare

This refund provision allows a person paying tax on the purchase or rental of durable medical equipment that is paid by or under the provisions of Medicare to request a refund of the state taxes paid. Most qualifying purchases are already exempted from the state sales tax under pertinent provisions of R.S. 47:305(D). However, leases are not.

Legal Citation
R.S. 47:315.3

Origin
Acts 1994, No. 25

Effective Date
August 15, 1994

Beneficiaries
Purchasers and lessees of qualifying durable medical equipment

Estimated Fiscal Effect
No one has claimed a refund under this provision. This statute was not affected by legislation from the 2016. We are unable to estimate the future fiscal effects.

193. Sales Tax Collected by a Qualified Charitable Institution

This provision allows a restricted refund of sales tax collected by a qualified charitable institution on the sale of donated tangible personal property or items made from donated property. The refund must be used exclusively in Louisiana for land acquisition, capital construction, or equipment, or related debt service or job training, job placement, employment, or other related community services and support program costs.

Legal Citation
R.S. 47:315.5

Origin
Acts 2007, No. 464

Effective Date
January 1, 2008

Beneficiaries
Qualified charitable institutions that sell donated tangible personal property or items made from donated property

Estimated Fiscal Effect
This refund statute was affected by legislation from the 2016 sessions. No refunds were allowed for the period 4/1/2016 – 6/30/2016. Currently, a refund is allowed on 2% of the 5% state sales tax for the period 7/1/2016 – 6/30/2018. The remaining 3% state sales tax is required to be remitted for the period 7/1/2016 - 6/30/2018. No refunds issued in previous years. We are unable to estimate the future fiscal effects.
194. Louisiana Tax Free Shopping Program

This provision offers refunds of state and local sales taxes on certain purchases to international tourists to encourage increased tourism in Louisiana. By paying an annual $100 fee, merchants will be included in a listing of tax-free stores that is distributed to international tourists. The purpose of the refund provision is to encourage tourists to purchase goods in Louisiana, which in turn benefits the retail dealers.

Legal Citation
R.S. 51:1301

Origin

Effective Date
July 8, 1988

Sunset Date
July 1, 2017

Beneficiaries
International tourists who travel and make purchases in Louisiana and the merchants who participate in the program

Estimated Fiscal Effect
This exemption was affected by legislation from the 2016 sessions. Prior to 4/1/2016, this statute was exempt from the entire 4% state sales tax. Currently, this statute is excluded from 4% of the 5% state sales tax and is subject to a 1% tax rate for the period 4/1/2016 – 6/30/2018.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,388,000</td>
<td>$1,415,000</td>
<td></td>
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</table>

195. Sale of Gasoline, Gasohol, and Diesel

The Louisiana Constitution prohibits the taxation of fuel that is subject to the road-use excise tax. This excludes most fuel sales, as most gasoline, gasohol, and diesel will be subject to road use tax. Gasoline, not subject to road use excise tax, is exempt from taxation of sales tax under R.S. 47:301(D) (1)(a). Gasohol, not subject to road use excise tax, is exempt from taxation under R.S.47:305.28 for gasohol produced, fermented, and distilled in Louisiana. The fiscal effect of the constitutional exclusion is shown in this section. The purpose of this prohibition is to give a tax-break to consumers.

Legal Citation
La. Const. art. VII, § 27

Origin
Constitutional Amendment

Effective Date
January 1, 1990

Beneficiaries
Consumers of road use gasoline and gasohol

Estimated Fiscal Effect
This constitutional exclusion was not affected by legislation from the 2016 sessions.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$417,094,000</td>
<td>$425,436,000</td>
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</table>
196. Purchases Made with Food Stamps and WIC Vouchers

This exemption allows tax-free purchases of eligible food items if purchased with USDA food stamps or Women, Infants, and Children’s (WIC) vouchers. The federal government issues food stamps and WIC vouchers to qualified participants to purchase eligible food items. States are not allowed to tax these purchases as a requirement for receiving federal funding for the food stamp and WIC programs. Repeal of this exemption would cost the state federal food stamp funding. The purpose of this exemption is to comply with the federal government’s restrictions.

Legal Citation
R.S. 47:305.46

Origin
Acts 1986, No. 1028

Effective Date
October 1, 1987

Beneficiaries
Purchasers using food stamps and WIC vouchers

Estimated Fiscal Effect
Food items eligible to be purchased with food stamps or WIC vouchers would also fall under the constitutional exclusion as food for home consumption.

This constitutional exclusion was not affected by legislation from the 2016 sessions.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>FYE 6-17</td>
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<td>$28,148,000</td>
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</table>

197. Credit for Sales and Use Taxes Paid to other States on Property Imported into Louisiana

This credit allows a person or company to reduce any use tax due by the equivalent sales/use tax lawfully paid to another qualified state. In order to qualify, the other state must allow a similar credit for Louisiana taxes and the tax charged must be similar in nature. The state of Louisiana has entered into agreements with other states to allow similar credits for Louisiana residents. The purpose of this provision is to reciprocate for the credit allowed by other states.

Legal Citation
R.S. 47:303(A)(3)(a)

Origin

Effective Date
July 29, 1964

Beneficiaries
Persons and companies importing property into this state

Estimated Fiscal Effect
This credit was not affected by legislation from the 2016 sessions. We are unable to estimate the fiscal effect of this exemption based on limited sales tax return data.
198. Credit for Use Tax Paid on Automobiles Imported by Certain Members of the Armed Services

This provision allows a credit to Louisiana residents, who have served in the armed services for two years or more, for sales taxes paid on automobiles. This credit will be honored for state and local taxes paid to any other state. The purpose of this credit is to provide financial assistance to members of the armed services.

**Legal Citation**
R.S. 47:303(A)(3)(a)

**Origin**

**Effective Date**
July 28, 1965

**Beneficiaries**
Louisiana residents who serve in the armed services

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data. This credit was not affected by legislation from the 2016 sessions.

199. Use of Vehicles in Louisiana by Active Military Personnel

This exemption allows active military personnel to transfer motor vehicles into Louisiana exempt from sales tax under the following conditions:

- the personnel is on active duty in Louisiana;
- sales tax was collected in the state that the vehicle was purchased; and,
- the purchaser was a resident or stationed on military duty in the state that the vehicle was purchased.

The vehicle becomes subject to Louisiana sales tax when the person leaves active military service. A credit is allowed for taxes paid to other states under R.S. 47:303(A). This statute is similar to provisions of the Federal Soldiers and Sailors Civil Relief Act of 1940 (50 U.S.C. 574). Because of the provisions of the federal act, the credit allowed for taxes paid other states is not expected to create an additional loss of tax revenues. The purpose of this provision is to reciprocate for the credit allowed by other states.

**Legal Citation**
R.S. 47:305.48

**Origin**
Acts 1989, No. 435

**Effective Date**
September 3, 1989

**Beneficiaries**
Active military personnel

**Estimated Fiscal Effect**
We are unable to estimate the fiscal effect; there is no reporting requirement for the data. This credit exclusion was not affected by legislation from the 2016 sessions.
200. Sales of Food for Preparation and Consumption in the Home

The Louisiana Constitution prohibits the taxation of food sold for preparation and consumption in the home. The constitutional amendment was passed on November 5, 2002, with the full exclusion effective July 1, 2003. Sales of prepared foods by grocery stores, department stores, variety stores, drug stores, delicatessens, convenience stores, meat markets, seafood markets, and similar businesses do not qualify for the exclusion and are subject to the state sales tax. The purpose of this prohibition is to provide financial relief to the general public on food purchases.

Legal Citation
La. Const. art. VII, § 2.2

Origin
Constitutional Amendment

Effective Date
January 1, 2003

Beneficiaries
The general public

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$510,772,000</td>
<td>$520,987,000</td>
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</table>

201. Sales of Electric Power or Energy to the Consumer for Residential Use

The Louisiana Constitution prohibits the taxation of natural gas, electricity, and water sold directly to the consumer for residential use. The constitutional amendment was passed on November 5, 2002, with the full exclusion effective July 1, 2003. The purpose of the exclusion is to benefit the residential consumers of electrical utility services.

Legal Citation
La. Const. art. VII, § 2.2

Origin
Constitutional Amendment

Effective Date
January 1, 2003

Beneficiaries
Residential consumers of electrical utility services

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>$198,890,000</td>
<td>$202,868,000</td>
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</table>
### Sales Tax

{ State Exemptions with Prohibitions on Taxation }

#### 202. Sales of Natural Gas to the Consumer for Residential Use

The Louisiana Constitution prohibits the taxation of natural gas, electricity, and water sold directly to the consumer for residential use. The constitutional amendment was passed on November 5, 2002, with the full exclusion effective July 1, 2003. The purpose of the exclusion is to benefit the residential consumers of natural gas.

**Legal Citation**
La. Const. art. VII, § 2.2

**Origin**
Constitutional Amendment

**Effective Date**
January 1, 2003

**Beneficiaries**
Residential consumers of natural gas

**Estimated Fiscal Effect**
This constitutional exclusion was not affected by legislation from the 2016 sessions. See number 201, sales tax section.

#### 203. Sales of Water to the Consumer for Residential Use

The Louisiana Constitution prohibits the taxation of natural gas, electricity, and water sold directly to the consumer for residential use. The constitutional amendment was passed on November 5, 2002, with the full exclusion effective July 1, 2003. The purpose of the exclusion is to benefit the residential consumers of water utility services.

**Legal Citation**
La. Const. art. VII, § 2.2

**Origin**
Constitutional Amendment

**Effective Date**
January 1, 2003

**Beneficiaries**
Residential consumers of water utility services

**Estimated Fiscal Effect**
This constitutional exclusion was not affected by legislation from the 2016 sessions. See number 201, sales tax section.
204. **Drugs Prescribed by Physicians or Dentists**

This exemption allows drugs prescribed by a physician or dentist and drugs that are dispensed to patients by hospitals under orders of the physician to be purchased free from sales tax. Drugs as defined in R.S. 47:301(20) include all pharmaceuticals and medical devices which are prescribed for use in the treatment of any medical disease. On November 5, 2002, voters approved a constitutional amendment that prohibits the taxation of prescription drugs. The purpose of this prohibition is to provide financial assistance to consumers.

**Legal Citation**
La. Const. art. VII, § 2.2

**Origin**
Constitutional Amendment

**Effective Date**
January 1, 2003

**Beneficiaries**
Individuals who purchase prescription drugs and hospitals.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
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</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
<td>FYE 6-18</td>
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<td>$432,803,000</td>
<td>$441,459,000</td>
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</table>
Tax Incentives and Exemption Contracts
Tax Incentives and Exemption Contracts

{ Introduction }

The Department of Economic Development (LED) administers various tax exemptions and incentive programs for the benefit of qualifying businesses. The State Board of Commerce and Industry is responsible for reviewing and approving or disapproving applications for many of the tax incentive programs administered by the LED.

Depending on the legislative intent, businesses must meet specific criteria to be eligible for the various tax exemption and incentives and once approved, must continue to comply with the program guidelines to maintain eligibility. The purpose of these tax exemption and incentive contracts is to encourage specific economic development.

Types of Tax Exemptions
Tax exemptions can be in the form of sales and use tax rebates and exemptions, rebates and credits for income taxes, corporation franchise tax, and other taxes imposed by the state.

Significant Changes

Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 18 caps the amount of the rebate of sales and use taxes and the investment income tax credit available under the Enterprise Zone Program at $100,000 per net new job created. Each net new job can only be counted once. For projects with an advance notification form filed on or after April 1, 2016, the amount of the credit will be $1,000 per net new employee, unless either the net new employee for which the credit is claimed was receiving Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), Medicaid, unemployment benefits, or any other benefits from a similar public assistance program during the six month period prior to employment or the net new employee is hired by a participating business located in an enterprise zone. The amount of the credit will be $3,500 for each new employee meeting the above qualifications. Effective March 10, 2016.

Act 23 changes the ordering of the application of tax credits and requires that refundable credits, other than the credit provided for in R.S. 47:6006, be applied before all other credits and payments of tax except for nonrefundable credits with no carry forward which will be applied first. Further provides that credits be applied against income tax first before being applied against franchise tax. Finally, provides that transferable credits with an effective date of transfer, as reflected in the Tax Credit Registry pursuant to R.S. 47:1524, on or before the due date of the tax return, without regard to extensions, may be claimed on the return while transferable credits with an effective date of transfer after the due date of the return, without regard to extensions, may be used as a payment. Effective March 10, 2016 and applicable to taxable periods beginning on or after January 1, 2016.

Act 29 extends the sunset of reductions to certain rebate programs made in Act No. 126 of the 2015 Regular Session through the sunset date of the provisions of the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature of Louisiana. Effective April 1, 2016.

2016 Regular Legislative Session
Act 663 provides for the option of either a sales and use tax rebate for the purchases of materials used in the construction, addition or improvement of a building used to house the business or its equipment or a project facility expense rebate equal to 1.5 percent of the qualified capital expenditures for the facility when participating in the Louisiana Quality Jobs Program. Also, extends the termination date of the program to July 1, 2018. Effective July 1, 2016.

Act 664 provides for the option of a sales and use tax rebate for the purchases of materials used in the construction, addition or improvement of a building used to house the business or its equipment when participating in the Competitive Projects Payroll Incentive Program. Also, extends the termination date of the program to July 1, 2018. Effective July 1, 2016.

HCR 54 provides for the legislative intent regarding the definition of a “broker” as provided in Act No. 451 of the 2015 Regular Session relative to the public registry of motion picture investor tax credit brokers. Provides that the term “broker” shall mean those persons who facilitate the sale of a tax credit issued pursuant to R.S. 47:6007 between a transferee and transferee in exchange for consideration. Further, the HCR provides that the term “broker” shall not include a tax return preparer, or an employee of or partner affiliated with the tax return preparer, who facilitates the sale of tax credits for the benefit of his or her client.
# Tax Incentives and Exemption Contracts

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Tax Incentives and Exemption Contracts

1. Atchafalaya Trace Heritage Area Development Zone Tax Exemption

This program is directed at small businesses that make use of the natural, cultural and historic assets of the Heritage Area.

The Board of Commerce and Industry, after receiving approval from the review board consisting of the secretary of the Department of Revenue, secretary of Culture, Recreation and Tourism, chairman of the Atchafalaya Trace Heritage Area Commission, chairman of the House Committee on Ways and Means, chairman of the Senate Revenue and Fiscal Affairs Committee, the executive director of the Atchafalaya Trace Commission, and with the approval of the governor, may enter into contracts with heritage-based cottage industry concerns located in the development zone to grant tax credits to promote economic development and the creation of new jobs.

Qualifications

- The business must be located in heritage area development zone that covers the 13 parishes of Assumption, Avoyelles, Concordia, East Baton Rouge, Iberia, Iberville, Lafayette, Pointe Coupee, St. Landry, St. Martin, St. Mary, Terrebonne, and West Baton Rouge.

- The owner of the business must be a resident of the Heritage Area development zone.

- The business must make sustainable use of the cultural or natural heritage of the Heritage Area for purposes which include interpreting, accessing, developing, promoting, or reinforcing the unique character and characteristics of the heritage area.

Tax Credit

The tax credits that may be granted are:

- a $1,500 credit for the business; and

- a $1,500 credit for each net new hires of one full-time or two part-time employee for a position that did not previously exist, and new employee must have been resident of the Heritage Area for at least 30 days prior to employment.

- Both credits were reduced by Act 125 of the 2015 Legislative Session to $1,200.

The credits can be claimed against individual income tax or corporation income or franchise taxes and the tax credit contracts are for five years.

Legal Citation
R.S. 25:1226 et seq.

Regulations
LAC 25:X1.101 et seq.

Origin

Effective Date
January 1, 2003

Sunset Date
No new applications to receive tax exemptions or credits will be accepted on or after January 1, 2014.

Beneficiaries
Heritage-based cottage industry located in the development zone

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16, no tax credits were claimed.
2. Brownfields Investor Tax Credit

The purpose of the brownfields investor tax credit is to stimulate environmental economic development in Louisiana by encouraging the cleanup, redevelopment, and productive reuse of brownfields sites in the state. A brownfields site is an identified area in the state for which the expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Application and Approval
- Applications for the brownfields investor tax credits for remedial investigations and remediation actions must be jointly submitted to LED and the Department of Environmental Quality (DEQ).
- Upon receipt of the application, DEQ will issue a site specific identification number, which will be forwarded to LED and the Board of Commerce and Industry.
- Within 30 days of receipt of the application, DEQ will file any objections with the LED.
- The Board of Commerce and Industry will then make its recommendations to the governor for a final determination of the request for the tax credit.
- After approval by the governor, the applicant may proceed with the voluntary remedial investigation with DEQ’s oversight.
- After a satisfactory demonstration that the voluntary remedial investigation is complete, DEQ will approve the remedial investigation report and issue a certificate of completion to the taxpayer-applicant and forward it to the LED secretary, the Board of Commerce and Industry, and the secretary of the Department of Revenue.
- The certificate of completion will entitle the taxpayer to the 15 percent investigation tax credit.
- After approval by the governor of a voluntary remediation tax credit application, the applicant may proceed with his voluntary remediation action.

2. Brownfields Investor Tax Credit (continued)

- After satisfactory demonstration that the voluntary remedial action has been accomplished and DEQ approves the voluntary remediation action report, DEQ will issue a certificate of completion to the taxpayer-applicant and shall forward a copy to the LED secretary and the secretary of the Department of Revenue.

Investor Tax Credit

Taxpayers are allowed a credit against state income tax for the investment in a voluntary remediation action or a voluntary remedial investigation as follows:

- 15 percent of the total investment on the certified completion date of a voluntary remedial investigation at a state-certified site.
- 25 percent of the total investment on the certified completion date of a voluntary remediation action at a state-certified site.
- Tax credits may never exceed the total investment in the site.

Provisions effective for all taxable periods beginning on or after January 1, 2008.

Acts 2007, No. 392 amends 47:6021 as follows:

- 15 percent of the total investment made in a voluntary remedial investigation at a state-certified site.
- 50 percent of the total investment made in a voluntary remediation action at a state-certified site.

The Act also makes the brownfields tax credit transferable and provides that no credit will be allowed for any expenditures for which a taxpayer receives a credit, rebate, or other tax incentive granted by the state under any other provision of law.

Application of Tax Credits

- All entities taxed as corporations for state tax purposes must claim credit on their corporation income and franchise tax return.
- Individuals must claim credit on their individual income tax return.
- Estates or trusts must claim credit on their fiduciary income tax returns.
2. Brownfields Investor Tax Credit (continued)

- Entities not taxed as corporations must claim credit on the partner’s tax returns

Credit may be taken against the income tax for the taxable period in which the credit is earned and if the tax credit exceeds the amount of taxes due, any unused credit may be carried forward for ten years.

Recapture of Credits
- If the secretaries of DEQ or the Department of Revenue find that funds for which a taxpayer received credits are not invested in and expended with respect to a state-certified assessment or remediation then the investor’s state income tax for the taxable period will be increased by the amount necessary for the recapture of credit.
- Taxpayer applying for the credit will be required to reimburse DEQ for audits or recapture of credits.
- Credits previously granted to a taxpayer may be recovered by the secretary of the Department of Revenue through any collection remedy authorized by R.S. 47:1561.
- The only interest that may be assessed and collected on recovered credits is interest at a rate three percentage points above the rate provided in R.S. 9:3500(B)(1), which shall be computed from the original due date of the return on which the credit was taken.

Ineligible Participants
No corporation or partnership including any company owned, affiliated, or controlled, in whole or in part, by any company or person that is a responsible person or is in default on a loan made by the state or a loan guaranteed by the state, or any company or person who has ever declared bankruptcy under which an obligation of the company or person to pay or repay public funds or monies was discharged as a part of such bankruptcy will be eligible to receive this tax incentive.

Legal Citation
R.S. 47:6021

Origin

Effective Date
July 1, 2005

Sunset Date
No new credits can be granted after December 31, 2009

Beneficiaries
Taxpayers that invest in a qualifying voluntary remediation action or a voluntary remedial investigation as well as citizens of the state who benefit from the cleanup, re-development and re-use of these sites

Fiscal Effect
An analysis of the income tax credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Income Tax</td>
<td>$22,756</td>
<td>65.64%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$11,914</td>
<td>34.36%</td>
</tr>
<tr>
<td>Total</td>
<td>$34,670</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>$25,000</td>
<td></td>
</tr>
</tbody>
</table>
3. Cane River Heritage Tax Credit

This program is directed at small businesses that make use of the natural, cultural and historic assets of the Cane River Heritage Area.

The Department of Culture, Recreation and Tourism may enter into contracts for periods not exceeding five years with a heritage-based cottage industry in order to facilitate the tax credits authorized by this Section. No contract shall be granted for any exemptions or credits which are not directly related to the concern located within the development zone, and no tax exemption or credit shall be granted for any tax or portion of a tax applicable to operations or activities of a concern located outside of the development zone.

Qualifications
- The business must be located in a Heritage Area development zone
- The business must make sustainable use of the cultural or natural heritage of the Heritage Area for purposes which include interpreting, accessing, developing, promoting, or reinforcing the unique character and characteristics of the heritage area.

Tax Credit
The credits that may be granted are:
- a $1,500 credit for the business, and
- a $1,500 credit for each net new hires of one full-time or two part-time employee for a position that did not previously exist, and new employee must have been resident of the Heritage Area for at least 30 days prior to employment.
- Both credits were reduced by Act 125 of the 2015 Legislative Session to $1,080.

Legal Citation
R.S. 47:6026

Origin

Effective Date
August 15, 2007

Sunset Date
No new applications to receive tax exemptions or credits will be accepted on or after January 1, 2018.

Beneficiaries
Individuals and businesses engaged in heritage-based commercial activities in the Cane River Heritage area

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16 no tax credits were claimed.
4. **LA Community Economic Development**

LED may approve a tax credit against income and corporation franchise tax for 25 percent of the money donated, contributed, or represented by a sale below cost by the taxpayer to a certified community development corporation or a certified community development financial institution.

The credit is limited to:

- $500,000 per year per individual or
- $1 million per year per business and
- $1 million total per individual and $2 million total per business.

The tax credit for businesses will be divided in equal portions for five years.

Any donation or contribution of cash to a certified community development corporation or to a certified community development financial institution will not qualify for this tax credit unless approved and accepted by the governing board of the certified community development corporation or the certified community development financial institution, and certified by LED.

**Legal Citation**

R.S. 47:6031

**Origin**

Acts 2007, No. 374

**Effective Date**

July 10, 2007

**Sunset Date**

August 15, 2010

**Beneficiaries**

The certified community development corporation or certified community development financial institution receiving the donation and the individual or business making the donation

**Estimated Fiscal Effect**

We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16 no tax credits were claimed.

5. **Ports of Louisiana Tax Credits**

The purpose of these credits is to encourage private investment in and the use of state port facilities in Louisiana. Because public funding sources for ports and port infrastructure facilities have not kept pace with the need to expand our ports and port facilities, it is determined that private investment and public-private partnerships should be encouraged as a means to assist the state in financing improvements to our state ports and port infrastructure facilities. The credits are as follows:

1. **Ports of Louisiana Investor tax credit for the total capital costs of a qualifying project**

   - LED will issue a credit for a qualifying project if the commissioner of administration, after approval of the Joint Legislative Committee on the Budget, and the state bond commission certifies to LED securing the project will result in a significant positive economic benefit to the state.

   - After certification from the commission, LED may grant a tax credit up to the total capital costs of a qualifying project to be taken at up to five percent per tax year or shall grant such other amount of tax credit to be taken at such other percentage which is warranted by the significant positive economic benefit determined by the commissioner, but no tax credit granted for a qualifying project shall exceed $2.5 million per tax year; however, the total amount of credits granted on a qualifying project cannot exceed the total cost of the project. In addition, the Investor Tax Credits granted by the department to any recipient pursuant to this Section shall be limited to an amount which shall not result in a reduction of tax liability by all recipients of such credits to exceed $6.25 million in any fiscal year.

   - Investors earn the credit at the time expenditures are made, but no credits can be applied against a tax liability until July 1, 2014 and not until the project is approved by and LED certifies cost expenditures. LED will certify capital cost expenditures no less than twice during the duration of the qualifying project unless the investing company agrees, in writing, to reimburse the LED for the costs of any additional certifications.

   - Prior to issuance of any tax credit, a cooperative endeavor agreement shall be fully executed between the investing company or entity proposing the qualifying project and the public port in whose geographic jurisdiction the proposed qualifying project is to be located indicating cooperation and support among all of the parties.
5. **Ports of Louisiana Tax Credits**  
*(continued)*

- Unused credits may be carried forward as a credit against subsequent tax liability for a period not to exceed ten years.

2. **Ports of Louisiana Import Export Cargo credit**

- Taxpayers must apply to and receive certification from LED
- Taxpayers eligible for certification include those international business entities which provide to the department a verified statement of cargo volume data for the calendar year prior to the year of the application, specifically including the total annual volume and tons of breakbulk or containerized cargo imported and exported from or to, manufacturing, fabrication, assembly, distribution, processing, or warehousing facilities located in Louisiana.
- An applicant whose exports and imports are limited to bulk commodities does not qualify.
- LED will provide a statement of certification to each taxpayer that is certified for the credit after approval of the Joint Legislative Committee on the Budget and the state bond commission. The certification, which is also sent to LDR, will contain the taxable year or years for which the taxpayer is allowed the credit and the amount of tax credit allocated for such taxable year or years.
- The credit is equal to the product of multiplying five dollars by the taxpayer’s number of tons of qualified cargo for the taxable year which exceeds the pre-certification tonnage or the product of multiplying the number of dollars by the taxpayer’s number of tons of qualified cargo for the taxable year or portion of a taxable year which exceeds the pre-certification tonnage which is warranted by the significant positive economic benefit determined by the commissioner, whichever is less. In addition, the Import-Export Cargo Credits granted by the department to any recipient shall be limited to an amount which shall not result in a reduction of tax liability by all recipients of such credits to exceed six million two hundred fifty thousand dollars in any fiscal year.
- Credits will be allowed if the commissioner of administration certifies to LED that the increased utilization of public port facilities and other activity in Louisiana associated with the import or export of the international business entities qualified cargo will result in a positive economic benefit to the state and such certification is approved by the Joint Legislative Committee on the Budget, which approval shall not be granted earlier than July 1, 2014, and the state bond commission.

### Application of Credits

- Individuals must claim credit on their individual income tax return.
- Estates or trusts must claim credit on their fiduciary income tax returns.
- Entities taxed as corporations will claim credit on their corporation income and franchise tax return.
- Entities not taxed as corporations will claim the credit on the returns of the partners or members.

### Legal Citation

R.S. 47:6036

### Origin


### Effective Date

August 15, 2009, for taxable periods beginning on or after January 1, 2009.

### Sunset Date

January 1, 2020

### Beneficiaries

Port facilities in the state

### Estimated Fiscal Effect

We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16 no tax credits were claimed.
6. Motion Picture Investor Tax Credit

The purpose of the tax credit is to encourage development in Louisiana of a strong capital base for motion picture production in order to achieve an independent, self-supporting industry.

Louisiana’s Motion Picture Investor Tax Credit provides motion picture productions up to a 30% transferable tax credit on total qualified in-state production expenditures, including resident and non-resident labor. The program offers additional credits for productions using in-state labor, Louisiana music and productions based upon a Louisiana screenplay.

- Provides up to a 40% transferable tax credit.
- $50,000 threshold for local Louisiana productions meeting certain qualifications.
- $300,000 minimum in-state expenditure requirement.
- For fiscal years 2016-2018 the maximum amount of credits that can be claimed per fiscal year is $180 million.
- Tax credits may be used to offset personal or corporate income tax liability in Louisiana.
- Tax credits may be transferred to Louisiana taxpayers.
- Tax credits may be transferred back to the State for 85% of face value; however, the state did not accept transfers between July 1, 2015 and June 30, 2016.

Application of the Credit
- Individuals, estates, and trusts will claim the credit on their individual income tax return.
- Entities taxed as corporations will claim the credit on their corporation income tax return.
- Entities not taxed as corporations will claim the credit on the returns of the partners or members.

Transferability of the Credit
- Any motion picture tax credits not previously claimed by any taxpayer against its income tax may be transferred or sold to another Louisiana taxpayer or to the state.
- For projects receiving initial certification on and after July 1, 2009, the investor who earned the motion picture investor tax credits may transfer the credits to the state for 85 percent of the face value of the credits.
- The transferee will apply the credits in the same manner and against the same taxes as the taxpayer originally awarded the credit.

Legal Citation
R.S. 47:6007

Origin

Effective Date
Taxable Periods beginning on or after January 1, 1993

Beneficiaries
Investors in state-certified motion picture productions

Fiscal Effect
An analysis of the type of credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Income Tax</td>
<td>$83,506,096</td>
<td>54.17%</td>
</tr>
<tr>
<td>Corp. Income Tax</td>
<td>$69,449,096</td>
<td>45.05%</td>
</tr>
<tr>
<td>Used as Payments</td>
<td>$1,211,351</td>
<td>0.79%</td>
</tr>
<tr>
<td>Total</td>
<td>$154,166,543</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Investor Credits sold to the state under the buy back provisions of R.S. 47:6007 are accounted for in this publication based on when the check was issued and not the effective date of the transfer to the state, which was in Fiscal Year 2014-2015. Revenue loss in the amount of $57,068,973 for buybacks were issued under the cap on the credit for FYE 6-15.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$205,833,000</td>
<td>$180,000,000</td>
<td></td>
</tr>
</tbody>
</table>

The estimated fiscal effect of this credit is limited by the cap placed on the credit by Acts 2015, No. 134. The estimated fiscal effect for FYE 6-17 includes the unused cap carry forward of $25,833,457 from FY-16.
7. Research and Development Tax Credit

The purpose of the research and development tax credit is to encourage new and continuing efforts to conduct research and development activities within this state.

The Louisiana Research and Development Program provides up to a 40% tax credit on qualified research expenditures incurred in Louisiana. The Tax Credit Incentive is open to companies who have incurred research and development expenditures in Louisiana and who meet certain requirements. The program is open to companies who have incurred research and development expenditures in Louisiana and who meet certain requirements.

Louisiana has three different types of research and development applicants who earn credits at different rates and have different filing requirements:

- Increase in Louisiana Research and Development (50+ employees)
- Small Business Innovation Research Grant (SBIR/STTR)
- Less than 50 Employees

The following types of businesses that do not have a pending or issued United States patent directly related to the qualified research expenditures for which a credit is being claimed pursuant to La. R.S. 47:6015 are ineligible to apply for or receive benefits unless specifically invited by the secretary of the department to do so:

a. professional services firms as defined by departmental rule,

b. businesses primarily engaged in custom manufacturing and custom fabricating as defined by departmental rule.

Sale of Unused Tax Credits

For expenditures made in 2003 through 2008, taxpayers who are awarded tax credits in excess of their tax liabilities for a given year may elect to sell their unused tax credits to taxpayers with a Louisiana tax liability provided all of the following criteria are met:

Application of Tax Credits

1. The unused credits are sold for a minimum of 75 percent of the value of the tax benefits.
2. The taxpayer seeking to sell the unused credits belongs to one of the traditional or seed clusters as defined by LED.
3. The taxpayer seeking to sell the unused credit employs no more than 225 employees, of which 75 percent must be Louisiana citizens.

4. The sale of the tax credit must be approved by LED.
5. The purchaser of unused credits must apply the credits in the same manner and against the same taxes as the taxpayer originally awarded the credit.
   - All entities taxed as corporations for state tax purposes must claim credit on their corporation income and franchise tax return.
   - Individuals must claim credit on their individual income tax return.
   - Estates or trusts must claim credit on their fiduciary income tax returns.
   - Entities not taxed as corporations must claim credit on the partner’s tax returns.

Legal Citation
R.S. 47:6015

Regulations
LAC 13:I.2901 et seq.

Origin

Effective Date

Sunset Date
No credit shall be allowed for research expenditures or Small Business Innovation Research Grant funds received after December 31, 2019.

Beneficiaries
Qualifying taxpayers increasing research activities in Louisiana
7. **Research and Development Tax Credit**

(continued)

**Fiscal Effect**

An analysis of the income and corporation franchise tax credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income and Franchise Tax</td>
<td>$3,744,898</td>
<td>79.67%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$955,397</td>
<td>20.33%</td>
</tr>
<tr>
<td>Total</td>
<td>$4,700,295</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Estimated Fiscal Effect**

<table>
<thead>
<tr>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26,658,000</td>
<td>$27,191,000</td>
</tr>
</tbody>
</table>

8. **Digital Interactive Media and Software Tax Credit**

The purpose of the tax credit is to encourage development of a strong capital base for the production of digital interactive media in order to achieve a more independent, self-supporting industry.

Louisiana’s Digital Media and Software Tax Credit provides up to a 35 percent refundable tax credit for in-state labor, coupled with up to a 25 percent refundable credit for eligible production expenses.

- No cap and no minimum requirement.
- The tax credit is available for a refund of 100% of its value claimed on Louisiana state tax return OR certified applicants can receive 85% of the value earned as a rebate any time during the year.

**Application of Tax Credits**

- All entities taxed as corporations for state tax purposes must claim credit on their corporation income and franchise tax return.
- Individuals must claim credit on their individual income tax return.
- Entities not taxed as corporations must claim credit on the partner’s tax returns.

The tax credit will be allowed against the taxpayer’s income tax due for the taxable period in which the credit is earned and the immediately preceding period.

If the tax credit exceeds the amount of taxes due, any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed ten years.

The amount of the tax credit may not exceed the amount of taxes due for the taxable period.

**Transferability of the Credit**

For tax credits earned for expenditures made on or before December 31, 2011, any tax credits allocated to a person and not previously claimed by any taxpayer against his income tax may be transferred or sold to another person, subject to the following conditions:

- A single transfer or sale may involve one or more transferees.
- Transferrers and transferees must submit notification of any transfer or sale of tax credits to LED and LDR within 30 days after the transfer or sale of the tax credits.
- Failure to comply with the transfer requirements will result in the disallowance of the tax credit until the taxpayers are in full compliance.
8. Digital Interactive Media and Software Tax Credit (continued)

- The credit transfer or sale does not extend the time in which the credit can be used.
- The transferee must apply the credits in the same manner and against the same taxes as the taxpayer originally awarded the credit.

Legal Citation
R.S. 47:6022

Origin

Effective Date
June 30, 2005

Beneficiaries
Taxpayers that invest in a state-certified digital interactive media production in Louisiana as well as citizens who benefit from a more independent, self-supporting digital interactive media industry.

Fiscal Effect
An analysis of the income and corporation franchise tax credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income and Franchise Tax</td>
<td>$6,541,872</td>
<td>59.76%</td>
</tr>
<tr>
<td>Corporate Income Rebate</td>
<td>$3,313,127</td>
<td>30.27%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$1,091,340</td>
<td>9.97%</td>
</tr>
<tr>
<td>Total</td>
<td>$10,946,339</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$11,749,000</td>
<td>$11,984,000</td>
</tr>
</tbody>
</table>

9. Louisiana Motion Picture Incentive Program

The purpose of the tax credit is to encourage development in Louisiana of a strong capital base for motion picture production in order to achieve an independent, self-supporting industry.

State certified motion picture production companies meeting certain criteria and certified prior to December 31, 2005 may be exempt from payment of sale and use tax and eligible for an employment tax credit in an amount issued by the Department of Economic Development.

This program sunset January 1, 2006, and is distinct from the Louisiana Motion Picture Production Tax Credit Program provided for under La. R.S. 47:6007. (See #6 above.)

Legal Citation
R.S. 47:1121 et seq., R.S. 47:301(10)(a)(vi)

Origin

Effective date
July 18, 1990

Sunset date
Sales tax exclusion expires January 1, 2006. Productions must be certified before December 31, 2005, to be eligible for the employment tax credit.

Beneficiaries
Qualified production companies and Louisiana residents employed by such companies as well as state and local economies.

Estimated Fiscal Effect
$0; no future activity is anticipated. An analysis of the income and corporation franchise tax credits, all of which are employment credits, for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income &amp; Fran. Tax</td>
<td>$12,462</td>
<td>16.98%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$60,919</td>
<td>83.02%</td>
</tr>
<tr>
<td>Total</td>
<td>$73,381</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
10. Louisiana Capital Companies Tax Credit Program

The purpose of the Louisiana Capital Companies Tax Credit Program is to provide assistance in the formation and expansion of new businesses that create jobs in the state by providing for the availability of venture capital financing to entrepreneurs, managers, inventors, and other individuals for the development and operation of qualified Louisiana businesses.

Program Administration
- LED is responsible for maintaining and interpreting program policy.
- The Office of Financial Institutions (OFI) is responsible for performing the program’s regulatory and examination functions.

Certification of a Capital Company
- Companies desiring certification as a Louisiana Capital Company must apply to the OFI Commissioner.
- The capitalization must be at least $200,000.
- Within 60 days of application, the OFI commissioner will issue the certification and notify the Department of Revenue and the commissioner of insurance of the certification or refuse the certification and notify the applicant the grounds for the refusal.
- The OFI commissioner must furnish a list of persons or businesses who may claim the tax credit to the Department of Revenue and the commissioner of insurance quarterly.

Income Tax Credit or Premium Tax Reduction
- Any person who invests in the certified capital of a certified Louisiana capital company may claim either an insurance premium tax reduction or an income tax credit in the taxable year in which the investment is made.
- The income tax credit is 35 percent of the capital investment.

1. The total income tax credits granted to all taxpayers are limited to $2 million per calendar year.

2. If the total credits requested exceed $2 million during any calendar year, the tax credits will be allocated among certified Louisiana capital company groups.

- Insurance premium tax reductions are allowed as follows:

1. For tax reduction credits granted to investors prior to January 1, 2001, the tax reduction will be applied to the premium tax liability not to exceed ten percent of the premium tax reduction in any one year until one hundred percent of the premium tax reduction has been claimed by the insurer; or

2. For tax reduction credits granted to investors after January 1, 2001, the tax reduction will not be applied to any premium tax liability generated within two years from the date of investment and will be applied to the premium tax liability not to exceed 12 percent of the premium tax reduction in any one year until one hundred percent of the premium tax reduction has been claimed by the insurer;

3. The tax reduction credits may not exceed the premium tax liability in any taxable year.

4. If a holder of premium tax reduction credits does not use credits that are generated after December 31, 1999, and which are eligible to be used in a given calendar year, those premium tax reduction credits may be carried forward and used in any subsequent year until such credits are exhausted; provided, the reduction in any taxable year shall not exceed the premium tax liability for the taxable year.

5. Tax reduction credits are not allowed for investments made after December 31, 2003.

6. The total insurance premium tax credits granted in any calendar year may not result in an additional reduction of total premium tax revenues greater than $5 million.

7. If the total requests for premium tax credits exceed the $5 million maximum amount, the premium tax credits will be allocated to the certified Louisiana capital company groups.
Tax Incentives and Exemption Contracts

10. Louisiana Capital Companies Tax Credit Program (continued)

Transfer of Tax Credits

- LED will provide for the transfer or sale of premium and income tax credits.
- The transfer or sale of income or premium tax credits will be restricted to transfers or sales between affiliates and sophisticated investors.
- No acquirer of tax credits will be able to use any premium tax credit earned after July 1, 2002, until at least the second anniversary of the investment date of the investment pool from which the premium tax credits were earned.
- Even though a transfer or sale of credits may involve several entities, only one election may be made during any calendar quarter.
- An investor in a certified Louisiana capital company may only transfer or sell credits once during a calendar quarter and the entity that purchases the credit may not transfer credits obtained during the quarter in which the credits are transferred or purchased.
- In any subsequent calendar year, the purchaser of the credits may make one transfer election per calendar quarter.

Corporation Income and Franchise Tax Exemption

- Any corporation that is a certified Louisiana capital company will be exempt from the corporation income tax and the corporation franchise tax for five consecutive taxable periods.
- The corporation income tax exemption begins with the taxable period in which the capital company is certified. If the corporation is certified before the beginning of its first taxable period, the exemption will begin with the corporation’s first taxable period.
- The corporation franchise tax exemption begins with the next taxable period following the taxable period in which capital company is certified. If the corporation is certified before the beginning of its first taxable period, the exemptions will begin with the corporation’s second taxable period.

Legal Citation
R.S. 51:1921 et seq.

Regulations
LAC 10:XV.301 et seq.
11. New Markets Tax Credit

The purpose of the new markets tax credit is to encourage and attract private sector qualified equity investment in a qualified community development entity in the state.

- A tax credit is allowed for investments in qualified low-income community development entities (CDEs).
- Before claiming the tax credit, investors must make application to the Department of Revenue and the credits will be allocated on a first-come, first-served basis. All requests received on the same business day will be treated as received at the same time, and if the aggregate amount of the tax credit requests received on a single business day exceed the total amount of available tax credits, tax credits will be approved on a pro rata basis.
- Investors are eligible for the tax credit if the Community Development Entity (CDE) has made qualified low-income community investments and no more than 25 percent of their investments in low-income communities are in the form of loans.
- Qualified low-income community investments cannot consist of investments secured by any state or federal governmental entity.
- Unused credits can be carried over to succeeding years until used.

Limitations on Tax Credit

- The $50 dollar million cap on the credit for initial investments made after July 1, 2007 has been reached.
- The $25 million dollar cap for investments made in 2008 authorized by Act 4 of the 2008 Second Extraordinary Session has been reached.
- The $12.5 million dollar cap for investments made in 2009 authorized by Act 4 of the 2008 Second Extraordinary Session has been reached.
- The $12.5 million dollar cap for investments made in 2010 authorized by Act 463 of the 2009 Regular Legislative Session has been reached.

Legal Citation
R.S. 47:6016

Origin

Effective Date
For purposes of R.S. 47:6016, tax years beginning on or after September 1, 2002.

11. New Markets Tax Credit (continued)

Sunset Date
For purposes of R.S. 47:6016, no tax credits will be allowed for qualified equity investments made after August 31, 2013.

Related Provision
R.S. 47:6016.1

Beneficiaries
Private sector capital investors investing in certain low-income community investments

Fiscal Effect
An analysis of the types of credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Income &amp; Fran. Tax</td>
<td>$1,309,486</td>
<td>65.81%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$680,283</td>
<td>34.19%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,989,769</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The estimated fiscal effect for this statute is based on no new credits being issued and the use of credits being carried forward. At the time of publication, we have no data on the carry forward credits and we are unable to estimate the fiscal effect for FY 6-18.
12. University Research and Development Parks

The purpose of these tax exemption contracts is to encourage the development of university biomedical research and development parks. The Board of Commerce and Industry, with the approval of the governor and the Joint Legislative Committee, can grant tax exemption contracts for university research and development parks as follows:

- Corporation franchise tax exemptions;
- Corporation income tax exemptions;
- Exemptions from any other taxes imposed by the state;
- Rebates of sales and use taxes on machinery, equipment, materials, and building supplies; and
- Rebates of sales and use taxes on any other goods and services.

The total annual amount of the state exemptions may not exceed 30 percent of the liability for corporate franchise, income, and state sales and use taxes of the business for the previous fiscal year. The total annual sales tax rebate amount for any fiscal year may not exceed the sales tax liability for the previous fiscal year.

This exemption contract may be granted for a period not to exceed five years and renewed for periods of up to five additional years, provided that the total number of years of the exemption does not exceed ten years.

Legal Citation
R.S. 17:3389

Regulations
LAC 13:I.1501 et seq.

Origin
Acts 1991, No. 1023

Effective Date
September 6, 1991

Beneficiaries
University-related research and development parks that qualify as well as Louisiana citizens who benefit from improved health care, job creation and improved economic conditions.

12. University Research and Development Parks (continued)

Fiscal Effect
During Fiscal Year 2015-2016 no tax credits were claimed.

Estimated Fiscal Effect
A negligible amount for this exemption was reported by taxpayers on the corporation income and franchise tax and individual income tax returns data available at the time of publication. The estimated fiscal effect of this credit does not take into consideration the changes to the priority of credits made by Acts 2016, 1st Ex. Sess., No. 23 or the end of the reductions made by Acts 2015, No. 125 on June 30, 2018.
13. **Industrial Tax Equalization Program**

This program’s purpose is to encourage the establishment and retention of manufacturing establishments, headquarters, or warehousing and distribution establishments in Louisiana by providing a procedure whereby the total state and local taxes imposed upon these establishments may be reduced, after all other tax incentives for specific sites are applied, to the levels imposed by other competing states.

**Requirements for Exemption**

The Board of Commerce and Industry may enter into a tax equalization contract only if each of the following requirements are met by the manufacturing establishment, headquarters, or warehousing and distribution establishments:

- The establishment must either be located in another state or be located in Louisiana and contemplating locating in another state that has equivalent or comparable advantages as the area in Louisiana in which the establishment is or seeks to be located.
- The state in which the establishment is located or is contemplating locating must have a total state, parish, and local tax structure that offers a greater tax advantage to the establishment than does the taxing structure of Louisiana.
- The applicant for tax equalization may be any form of business entity.
- The sites under consideration in Louisiana and the competing state must be valid and viable for the proposed operations.
- The secretary of the Department of Economic Development must make a recommendation to the governor to extend an invitation to apply for tax equalization.
- The applicant must receive an invitation to apply from the governor.

**Tax Exemptions**

Tax exemptions will be granted to entities in the following priority:

- New or retained manufacturing establishment
  1. Corporation franchise tax.
  2. Corporation income tax.
- New or retained headquarters
  1. Corporation franchise tax.
  2. Corporation income tax.
  3. Sales and use tax on purchases and leases of, and repairs to, machinery and equipment that is used in the on-site operation of the new headquarters facility.
  4. Sales and use tax on purchases of tangible personal property used in the construction of the new headquarters facility.
  5. Any other taxes imposed by the state to which like businesses are subject.
- New or retained warehousing and distribution establishment
  1. Corporation franchise tax.
  2. Corporation income tax.
  3. Sales and use tax on purchases and leases of, and repairs to, machinery and equipment that is used in the on-site operation of the warehousing and distribution establishment.
  4. Sales and use tax on purchases of materials and supplies necessary for the on-site operation of the warehousing and distribution establishment.
  5. Sales and use tax on purchases of tangible personal property used in the construction of the warehousing and distribution establishment.
  6. Any other taxes imposed by the state to which like businesses are subject.

**Commuter Airline Sales Tax Exclusion**

R.S. 47:3204(L) provides a state sales tax exclusion for purchases or leases of airplane equipment, airplane parts, and airplanes by any commuter airline domiciled in the state as defined in R.S. 47:305.21.
13. Industrial Tax Equalization Program (continued)

Legal Citation
R.S. 47:3201-3205

Regulations

Origin

Effective Date
September 3, 1989

Beneficiaries
Companies that locate new manufacturing establishments, new headquarters, and new warehouse and distribution establishments in the state as well as Louisiana citizens who benefit from new employment, production and income opportunities

Fiscal Effect
An analysis of the types of credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Income Exemptions</td>
<td>$23,474</td>
<td>1.78%</td>
</tr>
<tr>
<td>CIFT Exemptions</td>
<td>$1,294,725</td>
<td>98.22%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,318,199</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,833,000</td>
<td>$1,870,000</td>
<td></td>
</tr>
</tbody>
</table>

14. Exemptions for Manufacturing Establishments

The purpose of the manufacturing establishments exemption program is to induce industrial development in the state, encourage the establishment of new business enterprises and the retention and expansion of existing businesses that fit the Vision 2020 profile.

Applications must be submitted to LED and, at the same time, notices of the application and amount and type of exemption must be sent to each member of the legislature and to the assessor and governing authority of each political subdivision where the manufacturing establishment is located or is to be located.

LED will review the application to determine whether the requirements for an exemption contract have been satisfied and will determine whether exemptions should be provided in a contract to be recommended to the Board of Commerce and Industry.

The Board of Commerce and Industry will review any recommendations for exemptions made by the governor and LED and conduct public hearings on any application for exemption. The board will forward its recommendations and the proposed tax exemption contract and all other supporting documents to LED, the governor, the Legislative Budget Committee, the assessor, each member of the legislature, and the governing authority of the political subdivision before the governor takes action. Upon receipt of the recommendations and proposed contract the governor and the Legislative Budget Committee will each have 30 days to approve or reject the contract and, if approved, to return the contract to the board, LED and Revenue for implementation.

The Board of Commerce and Industry with approval of the governor may enter into contracts for periods not exceeding five years and the contracts may be renewed for periods of up to five years, provided that the total number of years of exemption shall not exceed 15 years unless provided in R.S. 47:3204(B)(1)(b).

Requirements for Exemption

The secretary of economic development and the Board of Commerce and Industry may consider any of the following factors in determining whether to award manufacturing establishment exemptions:

1. The benefits to the state in terms of continued employment opportunities, investments in, and modernization of, facilities, expenditures for goods and services, and contributions to the revenue base of the state and local governments and the creation of new and additional permanent jobs.
14. Exemptions for Manufacturing Establishments (continued)

2. Competitive conditions existing in other states or in foreign nations.

3. The economic viability of the applicant, and the effect of any tax exemptions on economic viability.

4. The effects on applicant of temporary supply and demand conditions.

5. The effect of casualties and natural disasters.

6. The effects of United States and foreign trade policies.

7. The effect of federal laws and regulations bearing on the economic viability within the state of the applicant.

8. The competitive effect of like or similar exemptions granted to other applicants.

9. Those terms and conditions of the contract that provide for guarantees of employment and for clawbacks in the event of nonperformance of such guarantees and other terms and conditions favorable to the continued operation and staffing of the business.

Tax Exemptions that May be Granted:

1. Corporation franchise tax.

2. Corporation income tax.

3. State sales and use taxes on machinery and equipment to be used by the applicant, on materials and building supplies, whether purchased directly or through a contractor, to be used in repair, reconstruction, modification, or construction of plant and facilities, and on materials and supplies used in the manufacture or production of the applicant’s product.

4. State sales and use taxes on any other goods and services used or consumed by the applicant.

5. Any other state taxes imposed directly on the applicant.

Legal Citation
R.S. 47:4301-4306

Regulations
LAC 13:I.1701 et seq.

Origin

Effective Date
September 10, 1982

Beneficiaries
Companies that establish or expand manufacturing operations in the state as well as Louisiana citizens who benefit from new employment, production and income opportunities

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16 no tax credits were claimed.
15. Enterprise Zones

Enterprise zones are areas with high unemployment, low income, or a high percentage of residents receiving public assistance.

The Enterprise Zone, or EZ program is a jobs incentive program that provides Louisiana income and franchise tax credits to a new or existing business located in Louisiana creating permanent net new full-time jobs, and hiring at least 50% of those net new jobs from one of four targeted groups. The benefit provides:

- Either a one-time $3,500 or $1,000 job tax credit for each net new job created.
- A 4% rebate of sales and use taxes paid on qualifying materials, machinery, furniture, and/or equipment purchased or a 1.5% refundable investment tax credit on the total capital investment, excluding tax exempted items. The 4% or 1.5% rebate shall not exceed $100,000 per net new job created under the contract.

Eligibility

This program is open to any Louisiana business (new or existing) not engaged in gaming, residential development, a church, retail business or restaurant with NAICS of either 44, 45, or 722, and that will:

- Create a minimum of 5 permanent net new full-time jobs within 24 months of their project start date or increase their current nationwide employment by 10% within the first 12 months.
- Hire 50% or more of the net new jobs created from one or more of the certification requirements from these targeted groups:
  1. Residency-someone living within an enterprise zone within the state;
  2. People receiving an approved form of public assistance;
  3. People lacking basic skills. A person performing below a ninth grade proficiency in reading, writing or mathematics; or
  4. People unemployable by traditional standards.

Jobs Tax Credit

- Either a one-time $3,500 or $1,000 jobs tax credit for each certified net new job created.

15. Enterprise Zones (continued)

- Effective July 6, 2007, an employee must be a U.S. citizens and domiciled in Louisiana or establish domicile in Louisiana within 60 days of their employment.
- The jobs tax credit can be claimed against the taxpayer’s state income or franchise tax liabilities and Limited Liability Companies and Subchapter S corporations may pass the job tax credit to the owners listed on the enterprise zone contract.
- The tax credits may be carried forward up to 10 years from the year earned.

Sales Tax Rebate

- State sales and use tax rebates are paid on materials, furniture, fixtures, machinery and equipment purchased and used on the enterprise zone site.
- Items must be delivered during the project or construction period.
- The rebate period cannot exceed 24 months.

Investment Tax Credit

- Effective July 10, 2007, taxpayers are given the option between the sales and use tax rebate and a refundable investment income tax credit equal to 1.5 percent of qualified expenditures.
- Qualified expenditures are defined as amounts classified as capital expenditures for federal income tax purposes plus exclusions from capitalization provided for in Internal Revenue Code Section 263(a)(1)(A) through (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest, capitalized costs of manufacturing machinery and equipment to the extent the capitalized manufacturing machinery and equipment costs are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing building.

Legal Citation

R.S. 51:1781 et seq.

Regulations

LAC 13:I.701 et seq.
15. Enterprise Zones (continued)

Origin

Effective Date
September 11, 1981

Beneficiaries
Companies who meet the statutory criteria and that locate new business establishments in designated enterprise zones as well as Louisiana citizens who benefit from new employment, production and income opportunities

Fiscal Effect
An analysis of the types of exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$4,076,969</td>
<td>9.05%</td>
</tr>
<tr>
<td>Jobs Credit</td>
<td>$4,439,089</td>
<td>9.85%</td>
</tr>
<tr>
<td>Investment Credit</td>
<td>$36,532,057</td>
<td>81.10%</td>
</tr>
<tr>
<td>Total</td>
<td>$45,048,115</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$47,393,000</td>
<td>$48,341,000</td>
</tr>
</tbody>
</table>

16. Sound Recording Investor Tax Credit

The purpose of the tax credit is to encourage development in Louisiana of a strong capital and infrastructure base for sound recording productions in order to achieve a more independent, self supporting music and sound recording industry.

- For state certified productions meeting certain criteria, the program provides a tax credit of up to 25% for qualified expenditures.

Limitation on Tax Credit
- The total amount of credits certified for all investors during any calendar year is limited to $2.16 million.
- Credits will be granted on a first-come, first-served basis.
- If the total amount of credits applied for exceeds $2.16 million, the excess will be treated as having been applied for on the first day of the subsequent year.

Legal Citation
R.S. 47:6023

Origin

Effective Date
For tax years beginning on or after January 1, 2006

Sunset Date
January 1, 2020

Beneficiaries
Investors in state-certified sound recordings and infrastructure projects

Fiscal Effect
During Fiscal Year 2015-16, $330,206 in rebates were issued.

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$307,000</td>
<td>$313,000</td>
</tr>
</tbody>
</table>
17. Urban Revitalization Tax Incentive Program

The purpose of the Urban Revitalization Tax Incentive Program is to stimulate business and industrial growth in the depressed areas of the state by providing assistance to businesses and industries and by providing tax incentives in these areas.

Administration of Program

- LED is responsible for administering the program.
- LED will establish criteria for qualifications of urban revitalization zones based on unemployment, youth unemployment, per capita income, migration, and the number of residents receiving public assistance.
- LED will only designate urban revitalization zones after receiving notice from the appropriate governing authority that the governing authority agrees to the following:
  1. Devise and implement a program to improve police protection within the zone.
  2. Give priority to the use in the zone of any applicable funds received from the federal government.
  3. Assist LED in certifying employers to be eligible for the benefits of this program.
  4. Authorize LED to supersede certain specified local regulations and ordinances that may serve to discourage economic development within the revitalization zone.
  5. Assist LED in evaluating progress made in any revitalization zone within its jurisdiction.

Requirements

- The business enterprise and its contractors give preference and priority to Louisiana business enterprise and to Louisiana suppliers, contractors, and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operational efficiency.
- Requests for exemptions must be accompanied by an endorsement resolution approved by the governing body of the appropriate municipality, parish, port district, or industrial development board in whose jurisdiction the establishment is to be located.
- The business is or shall be located within the boundaries of an urban revitalization zone.

17. Urban Revitalization Tax Incentive Program (continued)

- The business located in an urban revitalization zone and receiving benefits certifies that at least 35 percent of its employees:
  1. Are residents of the same or a contiguous revitalization zone as the location of the business.
  2. Were receiving some form of public assistance prior to employment.
  3. Were considered unemployable by traditional standards or lacking in basic skills.
  4. Any combination of the above.
- Employee certifications must be updated annually if the business is to continue receiving benefits.

Incentives

The Board of Commerce and Industry after consultation with the secretaries of the LED and LDR, and with the approval of the governor, may enter into contracts to provide the following tax incentives:

- Exemption from all or a portion of the state income taxes for five years and renewable once for five years.
- Exemption from all or a portion of the state corporate franchise taxes for five years and renewable once for five years.
- $5,000 tax credit per net new employee as determined by the company’s average annual employment reported under the Louisiana Employment Security Law.
  1. This tax credit may be applied to any state income or franchise tax liability during the taxable year in which the increase in average annual employment occurred.
  2. If the entire credit cannot be used in the year earned, the excess of the credit can be refunded.
- These incentives are in lieu of any incentives under the Enterprise Zone Program.

Legal Citation

R.S. 51:1801 et seq.

Origin

Acts 2005, No. 466

Effective Date

July 1, 2005
17. Urban Revitalization Tax Incentive Program (continued)

Beneficiaries
Businesses and industries that locate in urban revitalization zones as well as Louisiana citizens who benefit from new employment, production and income opportunities.

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts. During Fiscal Year 2015-16, no tax credits were claimed.

18. Mentor-Protégé Tax Credit

The Mentor-Protégé tax credit program allows qualifying entities that fulfill the terms of a Mentor-Protégé Agreement to earn a refundable tax credit. Qualifying mentors must possess a favorable financial health, including profitability for at least two years; demonstrate its capability to provide managerial or technical skills transfer or capacity building; and meet the goals and objectives of the Mentor-Protégé Agreement. Qualifying protégés must be certified active in the Small And Emerging Business Development Program or registered and approved in the Small Entrepreneurship Program by LED and be willing to participate with a mentoring firm. The program is limited to issue $1,000,000 in credits per year and each Mentor-Protégé agreement is limited to $50,000 of credits.

Legal Citation
R.S. 47:6027

Origin
Acts 2007, No. 356

Effective Date
Effective for all income tax years beginning on or after January 1, 2007, and franchise tax years beginning on or after January 1, 2008.

Sunset Date
December 31, 2011

However, taxpayers have twenty years to utilize the credit.

Beneficiaries
Established companies acting as a mentor and smaller, emerging Louisiana-based businesses who are the protégé.

Fiscal Effect
During Fiscal Year 2015-16, less than $10,000 in individual income tax credits were claimed.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$11,000</td>
</tr>
</tbody>
</table>
19. Technology Commercialization Credit and Jobs Program

The purpose of the technology commercialization credit program is to induce companies to invest in the commercialization of Louisiana technology in Louisiana. The technology must be created by a Louisiana business and researched by a Louisiana university or college. The program provides a 40 percent refundable tax credit for companies that invest in the commercialization of Louisiana technology and a six percent payroll rebate for the creation of new, direct jobs.

Tax Credits
- Qualifying individuals or businesses that invest in the commercialization of Louisiana technology in the state may apply for a tax credit on any income or corporation franchise tax liability and earn a refundable tax credit based on new jobs created.
- Qualifying research centers that develop Louisiana technology to be commercialized may apply for a refundable tax credit based on new jobs created.
- Income or corporation franchise tax credit is equal to 28.8 percent of the amount of money invested in commercialization costs for one business location meeting the requirements of R.S. 51:2353(C).
- Credits will be granted for a period of not less than five tax years and can be renewed for an additional five tax years if further qualifications are meet.
- Neither credit can be applied for and granted for more than ten consecutive tax years for the same location.

Application of Tax Credits
- Entities taxed as corporations for state tax purposes must claim credit on their corporation income and franchise tax return.
- Individuals, estates, and trusts must claim credit on their individual income tax return.
- Entities not taxed as corporations must claim credit on the partner’s tax returns.

Legal Citation
R.S. 51:2351 et seq.

Regulations
LAC 13:12701 et seq.

Origin

19. Technology Commercialization Credit and Jobs Program (continued)

Effective Date

Sunset Date
December 31, 2017

However, taxpayers have twenty years to utilize the credit.

Beneficiaries
Qualifying individuals or businesses that invest in the commercialization of Louisiana technology

Fiscal Effect
During Fiscal Year 2015-16, $78,780 in individual income tax credits were claimed.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$123,000</td>
</tr>
<tr>
<td>$126,000</td>
</tr>
</tbody>
</table>
Tax Incentives and Exemption Contracts

20. Angel Investor Tax Credit Program

The purpose of the Angel Investor Tax Credit Program is to encourage third parties to invest in early stage wealth-creating businesses in the state, expand the state’s economy by enlarging its base of wealth creating businesses, and to enlarge the number of quality jobs available to retain the presence of young people educated in the state.

Qualifications

The Angel Investor Tax Credit Program is administered by LED. Individuals or entities that invest in a Louisiana Entrepreneurial Business that is domiciled in the state, employs 50 or fewer full-time employees, and has gross annual sales of less than $10 million or has a business net worth of less than $2 million may apply for income or corporation franchise tax credits for a period of five tax years.

Applicants must meet the following qualifications:

• The investment in the Louisiana Entrepreneurial Business must be an investment that is at risk and not secured or guaranteed. "At risk" means that the repayment of the investment is entirely dependent on the success of the business.

• The funds invested by the applicant cannot have been raised as a result of other Louisiana tax incentive programs, funds pooled or organized through capital placement agreements for the purpose of equity and venture capital investing unless approved by LED, or as the result of illegal activity.

• Angel investors cannot be the principal owners of the business who are involved in the operation of the business as a full-time professional activity nor can their spouses and relatives within the third degree of consanguinity or affinity. A principal owner means one or more persons who own an aggregate of 50 percent or more of the Louisiana Entrepreneurial Business.

• The use of proceeds from the investment must be used for capital improvements, plant equipment, research and development, working capital for the business, or other business activity as may be approved by LED. The proceeds cannot be used to pay dividends, repay shareholder's loans, redeem shares, or repay debt unless approved by LED.

• The applicant must meet the definition of accredited investor established by LED.

• The investment in the Louisiana Entrepreneurial Business by the applicant must be maintained for three years unless otherwise approved by LED.

20. Angel Investor Tax Credit Program (continued)

Louisiana Entrepreneurial Business must meet the following requirements:

• The principal business operations of the business are located in Louisiana.

• Before the investment by the taxpayer, the business has received approval as qualified to receive angel investor tax credits by LED.

• The Louisiana Entrepreneurial Business must demonstrate that it will be a wealth-creating business for Louisiana by demonstrating in its business plan that it will have more than 50 percent of its sales from outside Louisiana.

• The business is not a business engaged primarily in retail sales, real estate, professional services, gaming or gambling, natural resource extraction or exploration, or financial services including venture capital funds.

Tax credit qualifications:

• Credits are issued on a first-come, first-served system.

• Credit is equal to up to 35% of investment and the credit is divided equally over five years.

• Credit is useable in the income tax year that occurs 24 months from certification.

• The investment in the Louisiana Entrepreneurial Business may not exceed $720,000 per year per business and $1.44 million total per business.

• The credit will be allowed against the income tax for the taxable period in which the credit is earned and the franchise tax for the taxable period following the period in which the credit is earned.

• The total angel investor tax credits granted by LED in any calendar year may not exceed $3.6 million.

Transferability of the Credit

Any credits allocated to a taxpayer and not previously claimed by any taxpayer against its tax may be transferred or sold to another taxpayer, subject to the following conditions:

• A single transfer or sale may involve one or more transferees.

• Transferrers and transferees must submit notification of any transfer or sale of tax credits to LED and LDR within 30 days after the transfer or sale of the tax credits.
20. Angel Investor Tax Credit Program (continued)

- Failure to comply with the transfer requirements will result in the disallowance of the tax credit until the taxpayers are in full compliance.
- The credit transfer or sale does not extend the time in which the credit can be used.

Application of Tax credits
- All entities taxed as corporations for state tax purposes must claim credit on their corporation income and franchise tax return.
- Individuals must claim credit on their individual income tax return.
- Estates or trusts must claim credit on their fiduciary income tax returns.
- Entities not taxed as corporations must claim credit on the partner’s tax returns.
- Tax credits will expire beginning with the 11th tax year after the tax year in which the credit was originally granted.

Legal Citation
R.S. 47:6020 et seq.

Origin

Effective Date
For income tax and franchise tax years beginning on or after January 1, 2005

Sunset Date
Null and void on July 1, 2017

Beneficiaries
Qualifying third-party investors in early stage wealth-creating businesses in the state and the people of the state because of the additional quality jobs available

---

**Fiscal Effect**
An analysis of the types of credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Income &amp; Fran Tax</td>
<td>$28,000</td>
<td>5.22%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$508,475</td>
<td>94.78%</td>
</tr>
<tr>
<td>Total</td>
<td>$536,475</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Estimated Fiscal Effect**

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$792,000</td>
<td>$808,000</td>
</tr>
</tbody>
</table>
21. **Musical & Theatrical Productions Tax Credit**

The purpose of the tax credit is to establish and promote Louisiana as one of the primary places in the United States in which live performances, from creation to presentation, are present and thriving.

For state certified productions meeting certain criteria, the program provides a tax credit for qualified production or higher education infrastructure development expenditures with additional tax credits available for payroll.

**Limitation on tax credit:**
- Tax credit can not exceed the total base investment in that production or infrastructure project and transportation expenditures.
- The total amount of credits certified for all state-certified infrastructure projects during any calendar year is limited to $60 million.
- Credits will be granted on a first-come, first-served basis.
- If the total amount of credits applied for exceeds $60 availability, the excess will be treated as having been applied for on the first day of the subsequent year.

**Legal Citation**
R.S. 47:6034

**Origin**

**Effective Date**
The credit is available for qualifying expenditures made on or after July 19, 2007.

**Sunset Date**
For state-certified infrastructure projects that receive initial certification on or before January 1, 2014, a base investment credit may be earned for expenditures made on or before January 1, 2015. For state-certified higher education musical or theatrical infrastructure projects that receive initial certification on or before January 1, 2018, a base investment credit may be earned for expenditures made on or before January 1, 2022.

**Beneficiaries**
Musical or theatrical productions or musical or theatrical facility infrastructure projects

**Fiscal Effect**
An analysis of the types of credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Income &amp; Fran Tax</td>
<td>$3,814,021</td>
<td>71.68%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$1,506,848</td>
<td>28.32%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,320,869</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Estimated Fiscal Effect**

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$9,552,000</strong></td>
<td><strong>$9,743,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
22. Retention and Modernization Credit

The purpose of the retention and modernization credit is to provide an inducement for businesses to remain in the state and not relocate outside the state and to modernize their existing operations in Louisiana.

Tax Credit

The credit is granted at the rate of up to five percent of the amount of qualified expenditures incurred by the employer for modernization with the credit divided in equal portions for five years. The credit can be claimed against individual income tax or corporation income or franchise taxes.

A retention and modernization tax credit shall expire and have no value or effect on tax liability beginning with the eleventh tax year after the tax year in which it was originally granted.

Qualifications

Employers must be a manufacturer, as defined by NAICS codes 113310, 211, 213111, 541360, 311-339, 511-512, and 54171, as the employer’s primary function.

“Modernization” means capitalized investment by an employer in technology, machinery, building and/or equipment that meets one of the following provisions:

1. an increase in the increase of maximum capacity or efficiency of the facility of greater than ten percent or
2. An approved investment from a company with multi-state operations with an established competitive capital project program. “Project” includes the design, development, installation and construction of a technology, machinery, building and equipment that results in a modernization of an employer’s product line, unit, or entire operations that requires at least five million dollars of investment. No project placed in service before July 1, 2011 shall be eligible for the credit.

Application of Credits

• Individuals must claim credit on their individual income tax return.
• Estates or trusts must claim credit on their fiduciary income tax returns.
• Entities taxed as corporations will claim credit on their corporation income and franchise tax return.
• Entities not taxed as corporations will claim the credit on the returns of the partners or members.

Ineligible Participants

• Retail employers as identified by the NAICS code sections 44 and 45.
• Business associations and professional organizations as defined in NAICS code 8139.

Credit Limitations

The total amount of modernization tax credits granted by the LED in any calendar year can not exceed $7.2 million.

Legal Citation

R.S. 51:2399.1 through 51:2399.6

Origin


Effective Date

August 15, 2009

Beneficiaries

Owners and employees of businesses needing modernization

Fiscal Effect

An analysis of the types of credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Income &amp; Fran Tax</td>
<td>$1,360,848</td>
<td>81.94%</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$300,000</td>
<td>18.06%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,660,848</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,236,000</td>
<td>$1,260,000</td>
<td></td>
</tr>
</tbody>
</table>
Tax Incentives and Exemption Contracts

23. **Green Job Industries Credit**

The purpose of this credit is to promote "green job industries". Green job industries include energy efficiency and renewable energy industries, energy-efficient building, construction, and retrofit industries, the renewable electric power industry, the energy efficient and advanced drive train vehicle industry, the biofuels industry, the deconstruction and materials use industries, the energy efficiency assessment industry serving the residential, commercial, or industrial sectors, and manufacturers that produce sustainable products using environmentally sustainable processes and materials approved by a nationally recognized high performance environmental building rating system, or that have the ENERGY STAR designation from the United States Environmental Protection Agency.

**Application and Approval**

Taxpayers must submit an application for initial certification to the LED that includes the following information:

1. A preliminary budget including estimated Louisiana payroll, estimated base investment, including the manner in which available federal and state incentives will be utilized in the financing or operation of the project.

2. A general description of the project.

3. Estimated dates for start and completion of the construction of the project.

4. The names of the companies and financiers to whom the credits shall be allocated and the estimated amounts of the credits to be allocated to each.

Upon approval by the secretary of LED, the commissioner of administration, and the office of the governor, LED shall initially certify a project as a state-certified green project and send notice of such certification to the applicant and to the secretary of the Department of Revenue.

**Qualifications**

When determining which projects qualify for certification, the LED, the commissioner of administration, and the office of the governor shall take the following factors into consideration:

- The impact of the state-certified green project on the employment of Louisiana residents.
- The extent to which students in Louisiana colleges, universities, and vocational-technical schools will have an opportunity to work in a facility which manufactures green products.
- The impact of the project on the overall economy of the state including the manner in which available federal and state incentives will be utilized in the financing or operation of the project.

No tax credits can earned on multiple-use facilities until the facility directly used in the green job industries is complete.

**Tax Credit**

1. The tax credit shall be calculated as a percentage of the total base investment dollars certified per project as follows:

   - Total base investment greater than $100,000 and less than or equal to $300,000—10 percent tax credit.
   - Total base investment greater than $300,000 and less than or equal to $1 million—20 percent tax credit.
   - Total base investment greater than $1 million—25 percent tax credit.

2. **Payroll Credit.**

   - To the extent that base investment is expended on payroll for Louisiana residents employed in connection with the construction of a state-certified green project—additional tax credit of 10 percent of the payroll. However, if the payroll to any one person exceeds $1 million, this additional credit excludes any salary for that person.

   - If the payroll is for Louisiana residents employed in connection with a state-certified green project, who are graduates of an institution within the Louisiana Community and Technical College System or graduates of an apprenticeship program registered with the Louisiana Workforce Commission,—additional tax credit of one percent of the payroll.

**Application of Credits**

- Individuals must claim credit on their individual income tax return.
- Estates or trusts must claim credit on their fiduciary income tax returns.
23. **Green Job Industries Credit (continued)**

- Entities taxed as corporations will claim credit on their corporation income tax return.
- Entities not taxed as corporations will claim the credit on the returns of the partners or members.

**Ineligible Participants**
State certification will not be granted to a project by any person or company, or financed by any person or company, or any company or financier owned, affiliated, or controlled, in whole or in part, by any company or person, which is in default on a loan made by the state or a loan guaranteed by the state, or which has ever declared bankruptcy under which an obligation of the company or person to pay or repay public funds or monies was discharged as a part of such bankruptcy.

**Credit Limitations**
The total amount of green job industries credits granted by the LED in any calendar year cannot exceed $5 million.

**Legal Citation**
R.S. 47:6037

**Origin**
Acts 2009, No. 520

**Effective Date**
August 15, 2009

Provisions of the Act shall become effective if the Dept. of Natural Resources receives a letter of award from the U.S. Dept. of Energy evidencing the obligation of funding in the amount of at least $5,000,000 per year, for a minimum of three years.

**Beneficiaries**
Investors in green job industries

**Estimated Fiscal Effect**
$0; Dept. of Natural Resources has not received the letter of award.

24. **Louisiana Quality Jobs Program**
The Quality Jobs Program is an incentive to encourage businesses to locate or expand existing operations in Louisiana and create quality jobs focusing on Louisiana Vision 2020 traditional and seed clusters industries.

**Eligibility**
- To qualify a business must be in one of the following six Vision 2020 cluster industries:
  1. Biotechnology and Biomedical
  2. Micro-manufacturing
  3. Software, Internet, and Telecommunications
  4. Environmental Technology
  5. Food Technology
  6. Advanced Materials;

- Or be any of the following:
  a. A manufacturer with certain NAICS Codes;
  b. An oil and gas field service business and pay at least $30,000 annually for each new direct job created and business located in Louisiana is the national or regional headquarters of a multi-state business including Louisiana and the Gulf of Mexico;
  c. A business that must or will have sales of at least 50 percent of its total annual sales to out-of-state customers or buyers, and/or to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government.

**Job Requirements**
Create a minimum of five new direct jobs.

These jobs must be full time. (Full-time employees — working 30 hours or greater per week).

Provide a basic health benefit plan/health insurance coverage.

That which is required to be offered and/or provided shall include coverage for basic hospital care, coverage for physician care and coverage for health care which shall be the same as that provided to executive, administrative or professional employees.

Coverage must become effective no later than the first day of the month 90 days after the date of hire.

The employer’s contribution must have a value of at least one dollar and twenty-five cents per hour. If you are other than a self-insured company, the value of the plan is the actual cost for the individual coverage. If you are a self-insured company, LED will determine the value. Basic health care benefits do not include dental, vision or life.
24. Louisiana Quality Jobs Program (continued)

Minimum Wage and Health Care Requirements
The minimum wage requirement for new direct jobs is $14.50 per hour in wages and healthcare benefits.

Minimum Annual Gross Payroll Requirements:
If an employer employs:

50 or fewer employees statewide prior to the start date of the contract, the minimum annual payroll threshold for new direct jobs is $250,000.

More than 50 employees statewide prior to the start date of the contract, the minimum annual payroll threshold for new direct jobs is $500,000.

If the actual verified annual gross payroll for the employer’s third fiscal year does not show a minimum of five new direct jobs and does not equal or exceed a total annual payroll for new direct jobs of either $500,000 or $250,000, whichever is applicable, the employer will be determined to be ineligible.

Payroll Benefit
- The benefit rate shall be 5 percent for new direct jobs which pay at least $14.50 per hour in wages and healthcare benefits;
- The benefit rate shall be 6 percent for new direct jobs which pay at least $19.10 per hour in wages and healthcare benefits;
- Health care benefits paid shall be the value of the health care benefits plan elected by an employee, as determined by the department.

Sales Tax Rebate
- State sales/use tax rebate on materials for new infrastructure, machinery, and equipment purchased during the construction period and used exclusively on site.
- A portion of the local sales/use tax may be rebated with an Endorsement Resolution from the local governing authority received before the application is approved.
- Local sales tax dedicated to schools or bond indebtedness is not eligible for rebate.

Project Facility Expense Rebate
- Effective July 10, 2007, taxpayers are given the option between the sales and use tax rebate and a project facility expense rebate equal to 1.5 percent of qualified expenditures.

24. Louisiana Quality Jobs Program (continued)

- Qualified expenditures are defined as amounts classified as capital expenditures for federal income tax purposes plus exclusions from capitalization provided for in Internal Revenue Code Section 263(a)(1)(A) through (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest, capitalized costs of manufacturing machinery and equipment to the extent the capitalized manufacturing machinery and equipment costs are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing building.

For contracts entered into on or after June 30, 2007, Acts 387 of the 2007 Regular Legislative Session changed the requirements for an employer to qualify for the rebate.

Legal Citation
R.S. 51:2451 et seq.

Regulations
LAC 13:I.1101 et seq.

Origin

Effective Date
July 1, 1995

Sunset Date
No new applications to receive tax exemptions or credits will be approved on or after January 1, 2018.

Beneficiaries
Those establishments that meet the statutory requirements and that create new direct jobs in the state as well as Louisiana citizens who benefit from new employment, production and income opportunities
Tax Incentives and Exemption Contracts

24. Louisiana Quality Jobs Program
(continued)

Fiscal Effect
An analysis of the type of rebate, credits and exemptions for Fiscal Year 2015-16 is as follows:

<table>
<thead>
<tr>
<th>Fiscal Effect</th>
<th>FYE 6-16</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Rebate</td>
<td>$28,558,140</td>
<td>19.14%</td>
</tr>
<tr>
<td>Jobs Credit</td>
<td>$57,137,414</td>
<td>38.29%</td>
</tr>
<tr>
<td>Investment Credit</td>
<td>$63,528,162</td>
<td>42.57%</td>
</tr>
<tr>
<td>Total</td>
<td>$149,223,716</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Estimated Fiscal Effect

<table>
<thead>
<tr>
<th></th>
<th>FYE 6-17</th>
<th>FYE 6-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated</td>
<td>$291,495,000</td>
<td>$297,325,000</td>
</tr>
</tbody>
</table>

25. Corporate Tax Apportionment Program

The Corporate Tax Apportionment Program extends the single sales factor computation for corporate income and franchise tax purposes utilized by manufacturers and merchandisers to other qualified business sectors. The secretary of the LED may invite businesses who meet the eligibility requirements to participate in the program.

Single sales factor shall mean the single sales factor apportionment percent for manufacturing, merchandising, and other businesses as provided in R.S. 47:287.95(F)(2)(b) and 606(A)(3)(b).

Qualifications

1. At least 50 percent of the total annual sales of the business from its Louisiana site or sites is to out-of-state customers or buyers, or to in-state customers or buyers who resell the product or service to an out-of-state customer or buyer for ultimate use, or to the federal government, or any combination thereof.

2. The activities of the business in Louisiana must include corporate headquarters, logistics, warehousing, data center, clean technology, destination health care, research and development, renewable energy, digital media and software development, or other business sector targeted by the business attraction and retention efforts of LED.

3. Except when the business will provide at least 25 new headquarter jobs or shared service center jobs, and the business is not primarily engaged in retail sales, real estate, professional services, natural resource extraction or exploration, financial services, or venture capital funds.

Application and Approval

A business must apply and be certified as eligible by LED, and the contract must be approved by the Joint Legislative Committee on the Budget. LED is required to send a copy of the approved certification to the Department of Revenue. Eligibility will be certified annually and LED will notify the Department of Revenue if the business’ participation in the program is suspended or terminated. Contracts can be renewed for an additional period of up to 20 years.

Ineligible Participants

No business engaged in gaming or gambling shall be eligible for this program.

Legal Citation

R.S. 47:4331

Regulations

LAC 13:I.4101 et seq
25. Corporate Tax Apportionment Program
(continued)

Origin
Acts 2012, No. 415

Effective Date
Income tax periods beginning on or after January 1, 2013,
and corporation franchise tax periods beginning on or after
January 1, 2014.

Sunset Date
No new contracts may be approved on or after July 1, 2017,
but contracts existing on that date may continue and be
renewed. Contracts may be for an initial term of up to 20
years, renewable for another 20 years at the discretion of the
Secretary of LED.

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the
Department does not have data on approved or pending
contracts.

26. Corporate Headquarters Relocation
Program

The Corporate Headquarters Relocation Program pro-
vides a rebate equal to 25 percent of a participating com-
pany’s relocation costs when they relocate or expand their
headquarters within Louisiana. The secretary of LED may
invite businesses who meet the eligibility requirements to
participate in the program.

Program Administration
The secretary of LED may invite a business to participate
in the program, upon determining the business meets all of
the following criteria:

1. the business is relocating a headquarters to Louisiana
   or is expanding headquarters in Louisiana;
2. the secretary determines that participation in the
   program will be a significant factor in a highly
   competitive site selection situation to encourage the
   business to relocate or expand the headquarters in
   Louisiana;
3. the secretary determines that securing the project will
   result in a significant positive economic benefit to the
   state; and
4. relocation or expansion of the headquarters will
   create at minimum of 25 headquarters jobs.

Application and Approval
LED shall determine the terms and conditions of the con-
tract, including but not limited to, scope of the project,
performance obligations, determination of qualifying relo-
cation costs, and the maximum amount of qualifying relo-
cation costs eligible for the rebate.

The secretary may request approval of the contract by the
Joint Legislative Committee on the Budget upon determin-
ing the company meets the eligibility requirements of the
program. The Joint Legislative Committee on the Budget
may approve the contract for the business’ participation in
the program.

Certification of Qualifying Costs
The qualified business must provide LED with a cost report
detailing all relocation costs upon completion of the relo-
cation or expansion. LED will review the cost report and

certify a dollar value of relocation expenditures eligible for
the rebate. LED may require an audit of the relocation costs
at the expense of the qualified business.
26. Corporate Headquarters Relocation Program (continued)

Rebate
The rebate is equal to 25 percent of a participating company’s relocation costs as approved by LED. The rebate is claimed by the business in equal installments over a five year period of time.

The rebate cannot be paid in the same fiscal year in which the contract is approved by the Joint Legislative Committee on the Budget.

Ineligible Participants
No business engaged in gaming or gambling shall be eligible for this program.

Legal Citation
R.S. 51:3111-3115

Regulations
LAC 13:I.4501 – 4509

Origin
Acts 2012, No. 503

Effective Date
July 1, 2012

Sunset Date
No new contracts may be approved after June 30, 2017

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts.

27. Competitive Projects Payroll Incentive Program

The Competitive Projects Payroll Incentive Program provides an incentive rebate of up to 15 percent of a participating company’s new payroll. The secretary of LED may invite businesses who meet the eligibility requirements to participate in the program. Contracts may be for an initial term of up to 5 years, renewable for another 5 years at the discretion of LED.

Qualifications
The secretary may invite a business to participate in the program, upon determining the business meets all of the following criteria:

1. at least 50 percent of the total annual sales of the business from its Louisiana site or sites is to out-of-state customers or buyers, or to in-state customers or buyers who resell the product or service to an out-of-state customer or buyer for ultimate use, or to the federal government, or any combination thereof;

2. the business will primarily engage in one of the following activities at the project site:
   a. manufacturing of the certain listed types of durable goods:
   b. manufacturing of pharmaceutical products;
   c. conversion of natural gas to diesel, jet fuel, or other refined fuels;
   d. data storage or data services, provided that at least 75 percent of sales meet the out-of-state sales requirements of this Subsection; or
   e. other activities as recommended by the secretary and approved by the Joint Legislative Committee on the Budget; and
   f. the business offers or will offer a basic health benefits plan to individuals it employs within 90 days of the effective date of qualifying for the incentive rebates pursuant to R.S. 51:3111.

Application and Approval
LED will determine the eligibility of a business based on the determination that program participation will be a significant factor in a highly competitive site selection situation, and that securing the project will provide a significant positive economic benefit to the state. The contract must be approved by the Joint Legislative Committee on the Budget. If approved, LED will then execute the contract with the business and provide a copy thereof to the Department of Revenue. The contract provisions must include the percentage of new payroll eligible for rebate, the maximum amount of new payroll eligible for rebate, the number of new jobs and amount of new payroll required to be created and maintained, and any other performance obligations required.
27. Competitive Projects Payroll Incentive Program (continued)

Certification of Eligible Projects
LED will annually verify the company’s continued eligibility for the rebate and send a certification letter to the Department of Revenue stating the amount of rebate to be issued.

Ineligible Participants
Businesses engaged in gambling or gaming, natural resource extraction, retail sales, real estate, professional services, venture capital funds, shipbuilding, wood products, agriculture, or manufacturing of machinery primarily intended to serve the energy industry.

Legal Citation
R.S. 51:3121

Regulations
LAC 13:I.4301-4311

Origin
Acts 2012, No. 507

Effective Date
July 1, 2012

Sunset Date
No new contracts may be approved on or after July 1, 2017, but contracts existing on that date may continue and be renewed.

Estimated Fiscal Effect
We are unable to predict the future fiscal effect because the Department does not have data on approved or pending contracts.

28. Procurement Processing Company Rebate Program

The secretary of LED is authorized to enter into contracts with procurement processing companies to recruit to Louisiana, purchasing companies that generate sales of items subject to states sales/use taxes. These contracts provide a rebate to these procurement processing companies which are derived from a portion of the state sales and use taxes collected on new taxable sales by the purchasing company which is managed by the procurement processing company under contract with LED. The initial term of the contract cannot exceed twenty years and can be renewed for up to an additional twenty years.

The state sales tax revenues generated as a result of the activities of these purchasing companies are to be disbursed in the following order of priority:

1. The payment of rebates to procurement processing companies in accordance with the provisions of their contract;
2. Reimbursement of administrative expenses to LDR; and
3. The remaining balance, up to thirty million dollars, to the Unfunded Accrued Liability and Specialized Educational Institutions Support Fund-Specialized Educational Institutions Account, as established under R.S. 39:100.126.

Legal Citation
R.S. 47:6351

Origin
Acts 2012, No. 800

Effective Date
July 1, 2012

Beneficiaries
Procurement processing companies

Fiscal Effect
During Fiscal Year 2015-16, $204,154 in rebates were issued.

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$2,400,000</td>
</tr>
</tbody>
</table>
Telecommunication Tax Exemption
Telecommunication Tax

{ Introduction }

Act 660 of the 1988 Regular Legislative Session levied a tax on each residence and business telephone access line of local exchange companies operating in Louisiana. This tax was for the purpose of providing access to all public telecommunications services to persons who are deaf, deaf and blind, hard of hearing, speech impaired, or who are similarly handicapped. The taxes are collected from the customers monthly and remitted quarterly by each local exchange company. The proceeds from this tax are placed in a special fund designated as the Telecommunications for the Deaf Fund.

Legal Citation
R.S. 47:1061

Tax Base
Use of each residence and business customer telephone access line.

Tax Rate
5¢ per month per line.

Type of Tax Exemption
The only tax exemption provided for is a deduction. A deduction, for this purpose, is a specific reduction in the amount of tax due.

Significant Changes
Fiscal Year 2015-2016
There were no significant changes to the telecommunication tax laws during the past year.
Telecommunication Tax
Index of Exemptions

{ DEDUCTION }

1. Timely Filing and Payment

R.S. 47:1081(A)(2)
Telecommunication Tax

{ Deduction }

1. Timely Filing and Payment

A deduction of two percent of the tax collected is allowed for the timely reporting and remitting of the taxes due. The purpose of this deduction is to encourage compliance and to compensate companies for expenses related to the collection and remittance of this tax.

Legal Citation
R.S. 47:1061(A)(2)

Origin
Acts 1988, No. 660

Effective Date
September 1, 1988

Beneficiaries
The local telephone exchange companies operating in Louisiana who collect the tax from their customers

Estimated Fiscal Effect
A negligible amount for this deduction was reported by taxpayers on the telecommunication tax return data available at the time of publication.
Tobacco Tax Exemptions
\section*{Introduction}

A tobacco tax was first levied in 1926, by Act 197 for the benefit of public schools. Retail dealers were taxed at the rate of 1\(\text{\textcent}\) per 10\(\text{\textcent}\) of the retail selling price of cigarettes, smoking and chewing tobacco, cigars, cheroots, and snuff. The tax was effective October 1, 1926, for a period of four years.

Act 4 of 1932 levied a new tax on sales of cigars, cigarettes and smoking tobacco effective September 1, 1932. The cigarette rate was based on each cigarette sold. Cigars were taxed on weight and price per 1,000 and the tax ranged from 75\(\text{\textcent}\) to $13.50 per 1,000. Smoking tobacco was taxed at \(\text{1\text{\textcent}}\) for each 5\(\text{\textcent}\) of retail selling price. The tax was evidenced by tax stamps supplied by the state and applied by the tobacco dealers who were allowed a discount when purchasing stamps in quantities not less than $100 face value.

The tax rates on cigarettes increased over the years as follows:

- \(1932\) Levied at 1/5\(\text{\textcent}\) per cigarette to 4\(\text{\textcent}\) per 20 pack
- \(1942\) Increased by 1/20\(\text{\textcent}\) per cigarette to 5\(\text{\textcent}\) per 20 pack
- \(1948\) Increased to 2/5\(\text{\textcent}\) per cigarette or 8\(\text{\textcent}\) per 20 pack
- \(1970\) Increased to 11/20\(\text{\textcent}\) per cigarette or 11\(\text{\textcent}\) per 20 pack
- \(1984\) Increased to 16/20\(\text{\textcent}\) per cigarette or 16\(\text{\textcent}\) per 20 pack
- \(1990\) Increased to 1\(\text{\textcent}\) per cigarette or 20\(\text{\textcent}\) per 20 pack
- \(2000\) Increased by 4/20\(\text{\textcent}\) per cigarette to 24\(\text{\textcent}\) per 20 pack
- \(2002\) Increased by 12/20\(\text{\textcent}\) per cigarette to 36\(\text{\textcent}\) per 20 pack
- \(2015\) Increased by 50/20\(\text{\textcent}\) per cigarette or 86\(\text{\textcent}\) per 20 pack
- \(2016\) Increased by 22/20\(\text{\textcent}\) per cigarette or $1.08 per 20 pack

The tax increase of 4/20 of 1\(\text{\textcent}\) per cigarette enacted in 2000 expired June 30, 2012. However, an amendment to the Constitution, approved by voters on October 22, 2011, effectively restored the expiring tax and placed a tax of 4/20 of 1\(\text{\textcent}\) per cigarette in the Louisiana Constitution.

The tax rates on cigars and smoking tobacco changed in 1942 and 1948, and were eventually set at the current rates in 1974 by Act 413, effective January 1, 1975. A tax on smokeless tobacco was levied effective July 1, 2000.

The discount from the face value of the tax stamp also changed from the original ten percent in 1932 to six percent in 1942; seven percent in 1944; nine percent in 1948; six percent in 1972; to the current five percent in 2016.

The tobacco tax is currently levied on tobacco and vapor products, and collected from the dealer who first sells, uses, consumes, handles, or distributes the products within the state. Tax stamps indicate the payment of tax on cigarettes and can only be purchased from the Department by wholesale tobacco dealers who are required to post a bond.

\section*{Legal Citations}

R.S. 47:841 through 47:869

\section*{Tax Base}

Cigarettes - per cigarette

Vapor Products - per milliliter

Cigars and other tobacco products – invoice price

\section*{Tax Rate}

- Cigarettes – 5.4\(\text{\textcent}\) per cigarette ($1.08 per standard package of 20).
- Cigars – 8 percent if manufacturer’s invoice price is $120 per 1,000 or less; 20 percent if manufacturer’s invoice price is more than $120 per 1,000.
- Smoking tobacco – 33 percent of the manufacturer’s invoice price.
Tobacco Tax

{ Introduction }

- Smokeless tobacco – 20 percent of the manufacturer’s invoice price.
- Vapor Products - 5 cents per milliliter of consumable nicotine liquid solution.

Types of Tax Exemptions
Tobacco tax exemptions are in the form of discounts, exemptions, and refunds. Discounts are a proportionate deduction from the gross amount reported. Exemptions are items included in the tax base, but specifically exempted by statute. Refunds are restitution of taxes paid.

There are three tax exemptions that are also prohibited from taxation by federal laws. Because of these additional prohibitions, repeal of the exemption alone would not yield the fiscal effect indicated. For this reason, these exemptions have been separately grouped at the end of the section.

Significant Changes
Fiscal Year 2015-2016

2016 First Extraordinary Legislative Session
Act 4 increases the tax levied on cigarettes to $1.08. Effective April 1, 2016.

Act 5 reduces the discount to five percent for the reporting and remitting of certain tobacco products, and the discount for stamping of cigarettes. Effective April 1, 2016.
Tobacco Tax
Index of Exemptions

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Tobacco Tax

{ Discounts }

1. **Tobacco Stamps**

A six percent discount from the face value of the cigarette tax stamps is granted to registered tobacco dealers when the gross stamp purchases exceed $100. The purpose of the discount is to provide a volume discount and to compensate dealers for expenses related to tax collection. Effective April 1, 2016, the discount was reduced to five percent.

**Legal Citation**
R.S. 47:843(C)(3)

**Origin**

**Effective Date**
September 1, 1932

**Beneficiaries**
Bonded Louisiana tobacco dealers that have direct purchasing contracts with manufacturers and purchase stamps in quantities of $100 or more

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$14,100,000</td>
</tr>
</tbody>
</table>

Note: The Estimated Fiscal Effect is based on a 5 percent discount on the new higher tax rate.

2. **Timely Filing and Payment**

A six percent discount is allowed for timely and accurately filing reports only on those purchases made by registered tobacco dealers in Louisiana who have a direct purchasing contract with the manufacturer. The reports must be accompanied by payment for any taxes due on cigars, vapor products, and other tobacco products. The purpose of the discount is to encourage compliance and to compensate dealers for expenses related to the collection and reporting of the tax. Effective April 1, 2016, the discount was reduced to five percent.

**Legal Citation**
R.S. 47:851(B)(2)(b)

**Origin**

**Effective Date**
January 1, 1975

**Beneficiaries**
Bonded Louisiana tobacco dealers that have direct purchasing contracts with manufacturers and timely file their tax reports

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$1,785,000</td>
</tr>
</tbody>
</table>

Note: The Estimated Fiscal Effect is based on a 5 percent discount on the new higher tax rate.
3. **Sales to State Institutions**

Smoking and chewing tobacco purchased by state institutions for distribution to inmates are exempt from the tobacco tax. The purpose of this exemption is to allow tax-free purchases by state institutions.

**Legal Citation**

R.S. 47:855

**Origin**

Acts 1944, No. 150

**Effective Date**

July 26, 1944

**Beneficiaries**

Inmates of Louisiana state institutions

**Estimated Fiscal Effect**

The estimated fiscal effect of this refund is included in the Five-Year Revenue Loss chart in the row labeled Other Exemptions.

4. **Return of Taxable Cigarettes to the Manufacturer**

A refund or credit is allowed for the amount of tax paid on cigarettes returned to a manufacturer either as damaged or unfit for sale. The purpose of this provision is to allow the refund of taxes paid on damaged products returned to the dealer.

**Legal Citation**

R.S. 47:857

**Origin**

Acts 1932, No. 4

**Effective Date**

September 1, 1932

**Beneficiaries**

Licensed tobacco dealers

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>FYE 6-18</td>
</tr>
<tr>
<td>$434,000</td>
</tr>
<tr>
<td>$443,000</td>
</tr>
</tbody>
</table>
5. **Return of Taxable Product to the Manufacturer**

   A refund or credit is allowed for the amount of tax paid on cigars and other tobacco products returned to a manufacturer either as damaged or unfit for sale. The purpose of this provision is to allow the refund of taxes paid on damaged products returned to the dealer.

   **Legal Citation**
   R.S. 47:857

   **Origin**
   Acts 1932, No. 4

   **Effective Date**
   September 1, 1932

   **Beneficiaries**
   Licensed tobacco dealers

   **Estimated Fiscal Effect**
   The estimated fiscal effect of this refund is included in the Five-Year Revenue Loss chart in the row labeled Other Exemptions.

6. **Return of Taxable Vapor Product to Manufacturer**

   A tax refund credit is allowed for consumable vapor products that are returned to the manufacturer as unsaleable on which the tax has been paid by the retail dealer. The purpose of this provision is to give dealers credit for taxes paid on products returned as unsaleable.

   **Legal Citation**
   R.S. 47:857

   **Origin**
   Acts 2015, No. 94

   **Effective Date**
   August 1, 2015

   **Beneficiaries**
   Licensed tobacco retail dealers

   **Estimated Fiscal Effect**
   A negligible amount for this refund was requested by taxpayers at the time of publication.
Tobacco Tax

{ Federally Imposed Exemptions }

7. Sales to Federal Government and its Agencies

Sales of tobacco products to the U.S. Government or any of its agencies direct from the manufacturer are exempt from tobacco taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
No specific statute

Origin
U.S. Constitution

Effective Date
September 1, 1932

Beneficiaries
U.S. government agencies

Estimated Fiscal Effect
The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Other Exemptions.

8. Interstate Shipments of Cigarettes

Cigarettes exported beyond the borders of Louisiana are not subject to tobacco taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
R.S. 47:849

Origin
Acts 1932, No. 4

Effective Date
September 1, 1932

Beneficiaries
Licensed tobacco dealers engaged in interstate commerce

<table>
<thead>
<tr>
<th>Estimated Fiscal Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 6-17</td>
</tr>
<tr>
<td>$185,000,000</td>
</tr>
</tbody>
</table>
Tobacco Tax

{ Federally Imposed Exemptions }

9. Interstate Shipments of Tobacco Products

Cigars and other tobacco products exported beyond the borders of Louisiana are not subject to tobacco taxes. The purpose of this exemption is to comply with taxation prohibitions of the U.S. Constitution.

Legal Citation
R.S. 47:849

Origin
Acts 1932, No. 4

Effective Date
September 1, 1932

Beneficiaries
Licensed tobacco dealers engaged in interstate commerce

Estimated Fiscal Effect
The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Other Exemptions.
Revised Statute 47:1517 - Tax Exemption Budget

A. No later than the first day of March the secretary of the Department of Revenue shall prepare and submit to the governor and the legislature a tax exemption budget in the manner set forth in this Section.

B. (1) The annual tax exemption budget shall include the following:
   (a) Each tax exemption, its statutory citation, and its purpose.
   (b) The revenue loss to the state caused by each tax exemption for the three preceding years, the estimated revenue loss to the state caused by each tax exemption for the current fiscal year, and the estimated revenue loss to the state caused by each tax exemption for the ensuing fiscal year.
   (c) The estimated cost of administering and implementing each tax exemption for the three preceding fiscal years, the current fiscal year, and the ensuing fiscal year.

(2) The tax exemptions in the annual tax exemption budget shall also be organized in an additional opening schedule as follows:
   (a) Agricultural/Rural: a tax exemption that pertains to a business or person being located in a rural area; or, engaging in an agricultural trade/business.
   (b) Business Environment: a tax exemption that encourages competitiveness with other states by impacting the tax burden of business entities that engage in specific activities that include holding or maintaining inventory or property in the state, using or deriving benefit from water, electric power, energy or any other utility type resources, or buying, leasing, renting or selling machines or equipment used for the production, modification, creation or facilitation of tangible personal property in the state, or using consumables in the manufacturing process that does not become a part of the final product, including the following:
      (i) Inventory Tax Ad Valorem.
      (ii) Business Utilities Sales Tax.
      (iii) Manufacturing Machinery and Equipment.
      (iv) Direct Inputs and Consumables.
   (c) Corporate Income Tax Formula: a tax exemption that is unique or specific to Louisiana and relates to assisting, guiding or aiding a business entity in determining the amount of its income for Louisiana tax purposes.
   (d) Dealers and Vendors Compensation and Discounts: a tax exemption that encourages either the timely filing of a return, report, form or document or the timely payment of a tax, fee or other amount due.
   (e) Educational Breaks for Educational Institutions: a tax exemption that pertains to an entity that engages in a specified activity that provides or facilitates the act of learning, or, an entity or institution who provides or facilitates learning.
   (f) Educational Breaks for Individuals: a tax exemption that pertains to an individual who engages in a specified activity that is beneficial to, or provides or facilitates the act of learning.
   (g) Incentives: a tax exemption that encourages a particular or specified economic activity by modifying the tax burden of the economic activity or behavior that is taking place. Categories of incentives include those, that spur the hiring of employees by business, or that are administered by and through a contract with the department of:
      (i) Economic Development.
      (ii) Culture, Recreation & Tourism.
      (iii) Environmental Quality.
      (iv) Revenue, including those for Severance Tax (that is not a part of the normal taxing scheme of other states).
   (h) Louisiana Constitutional Mandates: a tax exemption outlined in the state constitution that modifies the tax burden.
   (i) Non-itemized Sales and Use Tax Exclusions and Exemptions: a sales tax exemption that is not individually itemized on a Louisiana sales tax return before March 2016 and is therefore not assigned a value in the Tax Exemption Budget.
   (j) Normal Tax Structure: an exemption that is commonly used or implemented in other states; enacted to prevent double taxation; or used to prevent the taxation of direct business inputs. The exemption could be mandated by the federal government, the state to ensure a foreign, tribal, local, municipality or state entity addresses taxes owed to the state, the federal or state government to ensure the protections of commerce across state lines, the state government to determine the taxability of businesses when it incurs losses, or the state government on activities that sever the state’s natural resources in a manner that is not unique to Louisiana and widely accepted policy among oil producing states, including the following:
Revised Statute 47:1517 - Tax Exemption Budget

(i) Federal Mandatory.
(ii) Intergovernment.
(iii) Interstate Commerce.
(iv) Net Operating Loss.
(v) Normal Severance.

(k) Personal Income Tax Formula: a tax exemption that assists, guides, or aids an individual in determining Louisiana tax table income after determining Louisiana adjusted gross income.

(l) Retirement, Disability, and Military: a tax exemption that modifies the tax owed by individuals who receive money, including but not limited to wages and interest as a result of this special status or position in life that is recognized by statute.

(m) Specialty Sales Tax Exemptions, including the following:
   (i) Sales tax holidays.
   (ii) Purchase of a specific item.
   (iii) Purchase made by a specific taxpayer.
   (iv) Activities of a specific group or organization.

(n) Specialty Income Tax Exemptions, including the following:
   (i) Performance of a specific activity.
   (ii) Purchase of a specific item.
   (iii) Purchase made by a specific taxpayer.

(3) No statute, provision, exemption, exclusion, refundable or nonrefundable credit, rebate or deduction listed in the categories outlined above shall be listed in more than one category without a specific notation of doing such.

(4) The secretary may add additional categories to the additional opening schedule as deemed appropriate and necessary.

C. The annual tax exemption budget shall also include an assessment of each tax exemption based on the following criteria:

   (1) Whether or not each tax exemption has been successful in meeting the purpose for which it was enacted, in particular, whether each tax exemption benefits those originally intended to be benefited, and if not, those who do benefit.

   (2) Whether each tax exemption is the most fiscally effective means of achieving its purpose.

   (3) Unintended or inadvertent effects, benefits, or harm caused by each tax exemption, including whether each tax exemption conflicts with other state laws or regulations.

   (4) Whether each tax exemption simplifies or complicates the state tax statutes.

D. The Department of Revenue is authorized to request from any state or local agency or official any information necessary to complete the budget required by this Section. Any such official shall comply with this request.

E. “Tax exemptions” means those revenue losses attributable to provisions of the state tax statutes or rules promulgated pursuant to such statutes, which allow a special exclusion, exemption, or deduction from gross income or sales or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

F. The House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, hereinafter referred to as "committees", shall conduct hearings on the tax exemption budget every odd-numbered year, to be concluded thirty days before the beginning of the regular session of the Louisiana Legislature. The committees shall analyze and consider tax exemptions which have caused revenue loss to the state of ten million dollars or more in any one of the last three fiscal years. From time to time, the committees may report to the legislature findings or recommendations developed as a result of the hearings.

Comparison of Major Tax Exemptions with Southeastern States for the 2016 Tax Year

<table>
<thead>
<tr>
<th>EXEMPTION</th>
<th>Louisiana</th>
<th>Alabama</th>
<th>Arkansas</th>
<th>Florida</th>
<th>Georgia</th>
<th>Kentucky</th>
<th>Mississippi</th>
<th>North Carolina</th>
<th>South Carolina</th>
<th>Tennessee</th>
<th>Texas</th>
<th>Virginia</th>
<th>West Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Loss Deduction</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>NOL is equal to 72% of the available</td>
<td>Carryforward 15 years</td>
<td>Carryforward 5 years</td>
<td>Carryforward 20 (same carryforward as federal)</td>
<td>Carryforward 20 years</td>
<td>Carryforward 20 years; carryback 2 years</td>
<td>Carryforward 20 years; carryback 2 years</td>
<td>Carryforward 15 years</td>
<td>Carryforward 20 (same carryforward as federal)</td>
<td>Carryforward 15 years</td>
<td>No, effective 1/1/08</td>
<td>NOL deduction allowed to extent included in federal taxable income</td>
<td>Carryforward 20 years; carryback 2 years</td>
<td></td>
</tr>
<tr>
<td>NOL's, limited to 72% of LA Net Income; Carryforward 20 years</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Percentage Depletion for Oil and Gas Wells</strong></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>22% of gross income limited to 50% of net income from the property</td>
<td>Same as federal</td>
<td>Same as federal</td>
<td>Same as federal</td>
<td>Same as federal</td>
<td>Same as federal</td>
<td>Same as federal with limitation</td>
<td>Same as federal with limitation</td>
<td>Same as federal with limitation</td>
<td>Same as federal</td>
<td>Depletion deduction allowed to extent included in federal taxable income</td>
<td>Same as federal</td>
<td>Same as federal</td>
<td></td>
</tr>
<tr>
<td>12% of gross income from property³, limited to 50% of net income from property</td>
<td>Yes 100%</td>
<td>Yes 100%</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Federal Income Tax Deduction</strong></td>
<td>Yes 100%</td>
<td>Yes 100%</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Footnotes for Corporation Income Tax

1. For net economic loss only; no carryback.
2. Carryback and carryforward provisions are the same as federal provisions. However, no more than $300,000 of net operating loss from any tax year may be carried back to any previous taxable year.
3. Gross income excludes rents or royalties. Limit computed on net income without allowance for depletion. In no case shall allowance be less than federal. In case of leases, equitably apportioned between lessor or lessee. (40-18-16(b)(2))
4. In computing North Carolina net income, corporations must subtract from federal depletion, the amount by which the percentage depletion allowance allowed exceeds the cost depletion allowance under the Internal Revenue Code.
5. The amount allocated to South Carolina may not exceed 50% of the net income apportioned to South Carolina.
6. Total deduction for all years is limited to the cost of the property.
### Comparison of Major Tax Exemptions with Southeastern States for the 2016 Tax Year

**Individual Income Tax**

<table>
<thead>
<tr>
<th>Louisiana</th>
<th>Alabama</th>
<th>Arkansas</th>
<th>Georgia</th>
<th>Kentucky</th>
<th>Mississippi</th>
<th>North Carolina</th>
<th>South Carolina</th>
<th>Virginia</th>
<th>West Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXEMPTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Personal Exemption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$4,500 S/MS; $9,000 MJ/HH</td>
<td>$1,500/S</td>
<td>$2,700/S</td>
<td>Tax credit of $26/S $52/MJ</td>
<td>$6,000/S</td>
<td>None Allowed</td>
<td>$4,050 per taxpayer (SAF)</td>
<td>$930 per taxpayer</td>
<td>$2,000 per taxpayer¹</td>
<td></td>
</tr>
<tr>
<td>This is a combined personal exemption/standard deduction</td>
<td>$3,000/MJ</td>
<td>$3,700/MJ</td>
<td>$26/MJ</td>
<td>$12,000/MJ</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,500/MS</td>
<td>$3,700/MS</td>
<td>$26/HH</td>
<td>$6,000/MS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,000/HH</td>
<td>$2,700/HH</td>
<td></td>
<td>$8,000/HH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Standard Deduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Louisiana has a combined personal exemption/standard deduction - See figures above.</td>
<td>Based on AGI, maximums are:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,500 S</td>
<td>$4,400/MJ</td>
<td>$2,300 S/HH</td>
<td>$8,250/S</td>
<td>SAF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$7,500 MJ</td>
<td>$2,200 all others</td>
<td>$1,500 S/HH</td>
<td>$16,500/MJ</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>$3,750 MS</td>
<td>$2,460 per taxpayer, indexed annually</td>
<td>$3,000 MS</td>
<td>$8,250/MS</td>
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<tr>
<td></td>
<td>$4,700 HH</td>
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<td>$3,400 HH</td>
<td>$13,200/HH</td>
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<tr>
<td>• Excess Federal Itemized Deduction</td>
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<td></td>
<td>No</td>
</tr>
<tr>
<td>100% of federal itemized deductions that exceed the federal standard deduction</td>
<td>(SAF) FICA deductible, medical limited to 4% instead of 7.5%</td>
<td>(SAF) Cannot deduct state tax</td>
<td>(SAF) Cannot deduct state tax for states other than Georgia</td>
<td>(SAF) Cannot deduct state tax</td>
<td>(SAF) Cannot deduct state tax</td>
<td>(SAF) Cannot deduct state tax</td>
<td>(SAF) Cannot deduct state tax</td>
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<td>No</td>
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<td>• Dependent Exemption-Deduction</td>
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<tr>
<td>$1,000 per dependent</td>
<td>AGI ≤ $20,000 = $1,000</td>
<td>$26 tax credit per dependent</td>
<td>$3,000 per dependent</td>
<td>$100 tax credit per each federal child tax credit</td>
<td>(SAF)$4,050 per dependent⁸</td>
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<tr>
<td></td>
<td>AGI $20,000 to $100,000 = $500</td>
<td></td>
<td>$1,500 per dependent</td>
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<tr>
<td></td>
<td>AGI &gt; $100,000 = $300</td>
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<tr>
<td>• Annual Retirement Income Exclusion</td>
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<tr>
<td>up to $6,000 of private retirement income for age 65 or older</td>
<td>All defined benefit plans in accordance with IRC 414(j) are exempted in full</td>
<td>Up to $6,000 exclusion for certain retirement plans</td>
<td>Up to $65,000 for age 65 or older⁹</td>
<td>Exclusion of up to $41,110</td>
<td>Exempted in total</td>
<td>Up to $2,000 for private retirement benefits</td>
<td>Deduction of $3,000 until reaching age 65; $10,000 at age 65 or older⁵</td>
<td>$8,000 exclusion for senior citizens ($16,000 on joint returns)</td>
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</tr>
<tr>
<td>• State Employees Retirement, Teachers and Other Public Employee Retirement Benefits Exclusions</td>
<td>Yes, Louisiana public retirees only</td>
<td>Yes</td>
<td>No, see # 5 above</td>
<td>Yes⁶</td>
<td>Yes</td>
<td>Up to $4,000⁷</td>
<td>Benefits for service in a state National Guard or Reserves is not taxable. See #5 above for others.</td>
<td>No, see # 5 above</td>
<td>Yes⁸</td>
</tr>
</tbody>
</table>

SAF = Same As Federal  
HH = Head of Household  
MJ = Married Filing Joint  
MS = Married Filing Separate  
S = Single  
AGI = Adjusted Gross Income
### Footnotes for Individual Income Tax

*Florida, Tennessee, and Texas do not have an individual income tax; Florida and Tennessee tax interest and dividend income from certain intangible assets.*

1. Except for those that are claimed as a dependent on another taxpayer's return. The exemption for a taxpayer claimed as a dependent on another person's return is limited to $500.
2. (SAF) Cannot deduct state tax, foreign income, or state or local sales tax.
3. Children under six years of age receive a double exemption.
4. Up to $4,000 of earned income may be part of the exclusion amount. Up to $35,000 exclusion for age 62-64 or totally disabled.
5. All persons age 65 or older are eligible for a $15,000 deduction from any taxable income, but reduced by any retirement income exclusion.
6. State, local, and federal retirement income if retired after 12/31/97 is treated the same as private pension income (up to $41,110 excludable). Exempted in total if retired before January 1, 1998.
7. The $4,000 limit applies to NC state & local government employees and federal employees who did not have 5 years of service as of 8/12/89. Any retired teacher or employee of another state may also exclude up to $4,000.
8. Complete exclusion for benefits received under any WV police, fireman's retirement system, State Police death, disability and retirement fund, and deputy sheriff retirement system, and a $2,000 exclusion for military and public employees and teachers retirement systems.
9. Military retirees are also entitled to an additional exclusion equal to the first $20,000 of military retirement income included in federal AGI.
10. Military pay received by a member of the National Guard or Armed Forces Reserves called to duty is not taxed.
11. Beginning with Tax Year 2014, all service pay or allowance received by active duty members of armed services is exempt.
Comparison of Major Tax Exemptions with Southeastern States for the 2016 Tax Year

### Sales Tax

<table>
<thead>
<tr>
<th>Louisiana</th>
<th>Alabama</th>
<th>Arkansas</th>
<th>Florida</th>
<th>Georgia</th>
<th>Kentucky</th>
<th>Mississippi</th>
<th>North Carolina</th>
<th>South Carolina</th>
<th>Tennessee</th>
<th>Texas</th>
<th>Virginia</th>
<th>West Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXEMPTION</strong></td>
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<tr>
<td>• Prescription Drugs, Certain Medical Equipment and Supplies</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Prescription drugs exempt when prescribed by doctor. Medical devices exempt until 3/31/16. Medical devices subject to 5% until 6/30/16.</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
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<td>Exempt</td>
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<td>Exempt</td>
<td>Exempt</td>
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<tr>
<td>• Food</td>
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<tr>
<td>Exempt for further preparation and consumption in the home</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Taxable at reduced rate of 1.5%</td>
<td>Taxable at 7%¹</td>
<td>Exempt</td>
<td>No state sales tax; all counties charge a 2% local sales tax</td>
<td>Exempt</td>
<td>Taxable at 5%</td>
<td>Exempt</td>
<td>Taxable at 1.5%, for a combined state and local rate of 2.5%</td>
</tr>
<tr>
<td>• Sales Tax Holiday</td>
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<tr>
<td>3 day hurricane preparedness holiday, 2 day annual holiday for items less than $2500, 3 day holiday for firearms, ammunition &amp; hunting supplies (3 day hurricane preparedness holiday subject to 5% tax in FYE 2016.)</td>
<td>None</td>
<td>None²</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
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<tr>
<td>• Residential Electric Power or Energy</td>
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<tr>
<td>Exempt</td>
<td>Taxable³</td>
<td>Exempt</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Taxable under utility tax, not sales tax</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
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<tr>
<td>• Non-Residential Electric Power or Energy</td>
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</tr>
<tr>
<td>Subject to 1% tax from 7/1/15 - 3/31/16. Subject to 5% tax from 4/1/16 - 6/30/16.</td>
<td>Taxable⁴</td>
<td>Taxable⁵</td>
<td>Taxable⁶</td>
<td>Taxable⁷</td>
<td>Commercial usage taxed at 7%; industrial usage at 1.5%</td>
<td>Taxable⁸</td>
<td>Taxable⁹</td>
<td>Taxable; if used in manufacturing reduced to 1.5%</td>
<td>Taxable¹⁰</td>
<td>Taxable under utility tax, not sales tax</td>
<td>Exempt</td>
<td></td>
</tr>
<tr>
<td>• Residential Natural Gas</td>
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<tr>
<td>Exempt</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Taxable under excise tax, not sales tax</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Taxable¹¹</td>
</tr>
</tbody>
</table>
## Comparison of Major Tax Exemptions with Southeastern States for the 2016 Tax Year

### Sales Tax

<table>
<thead>
<tr>
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<th>Virginia</th>
<th>West Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXEMPTION</strong></td>
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<tr>
<td>• Non-residential Natural Gas</td>
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</tr>
<tr>
<td>Exempt (Subject to 1% tax from 7/1/15 - 3/31/16. Subject to 5% tax from 4/1/16 - 6/30/16.)</td>
<td>Taxable under utility tax, not sales tax</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Commercial usage taxed at 7%; industrial usage at 1.5%</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Taxable; if used in manufacturing reduced to 1.5%</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Exempt</td>
</tr>
<tr>
<td><strong>Vendor’s Compensation</strong></td>
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<tr>
<td>.748% effective rate with $1500 cap per taxpayer per month.</td>
<td>5%-on first $100; 2%-on remaining, $400 max</td>
<td>2% prompt payment discount; $1,000 per month max</td>
<td>2.5% on $1,200 tax/max</td>
<td>3% on first $3,000/tax; 0.5% over $3,000</td>
<td>1.75% on $1,000 tax; 1.5% on amounts over $1,000 w/cap of $50 per return</td>
<td>2% $50 max per return; $600 max per year</td>
<td>No</td>
<td>3% less than $100/tax; 2% over; max $3,000 per year; $3,100 if return filed electronically</td>
<td>No</td>
<td>.5% for timely filed; 1.25% for prepayment</td>
<td>Varies</td>
<td></td>
</tr>
<tr>
<td><strong>Property Purchased for First Use Out of State or for Offshore Use</strong></td>
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</tr>
<tr>
<td>Exempt until 3/31/16. Subject to 4% until 6/30/16.</td>
<td>Taxable unless delivered; special exemption for offshore drilling equip.</td>
<td>Taxable</td>
<td>No Tax</td>
<td>Taxable unless delivered</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Exempt</td>
<td>Taxable</td>
<td>Taxable</td>
<td>Taxable</td>
</tr>
</tbody>
</table>

### Footnotes for Sales Tax

1. Unless purchased with food stamps or purchased with food instruments issued to the Mississippi Band of Choctaw Indians.
2. Florida does not have a permanent sales tax holiday, but the legislature often passes a sales tax holiday for the current year.
3. Sale of first 500 kwh of electricity per month exempt for residential customers with household income below $12,000 per year.
4. Reduced to 0.625% for use in manufacturing process.
5. Non-residential utilities are taxed at 7% unless used in an industrial manufacturing process at a fixed location within the state.
6. Exempts the sale of electricity sold to farmers for use in a poultry or swine structure and for use for irrigation systems on row crops.
7. Industrial manufacturing capped at energy costs up to 3% of cost of production.
8. 2.83% if sold to commercial laundries & dry cleaners. Exempt if sold to manufacturing facility or for farming purposes.
9. Exempt when used in the manufacture of tangible personal property for sale, or used in the production of poultry, livestock, swine and milk.
10. Exempt for manufacturing, agricultural, timber, certain electrical processes, and certain uses related to jet turbine engines for certificated or licensed carriers, federal or foreign government, and electric utilities.
11. Natural gas delivered to customers through lines, mains, or pipes is exempt.
12. Exempts the 4% tax on sales of natural gas sold to electricity manufacturers.
13. A maximum of $10,000 when not required to register but collect the tax voluntarily.
14. 1.6% of the 3% tax if monthly taxable sales are $62,500 or less; 1.2% of the 3% tax if taxable sales are $62,501 to $208,000; and .8% of the 3% tax if taxable sales are $208,001 or more.
15. As long as possession is taken outside the state.
16. Exempts consumable and motor fuels placed in ships plying the high seas in interstate or foreign commerce.
17. Exemption for fuel and supplies for use or consumption aboard ships or vessels plying the high seas, in interstate or foreign commerce, when delivered directly to such ships or vessels.
Actual tax collections — amount of tax revenue received and available for appropriation.

Beneficiary — any person or entity who gains an advantage and/or profits from a tax exemption.

Corporation income tax — a tax paid by all corporations or entities taxed as corporations for federal income tax purposes on income earned in Louisiana.

Credit — an amount that is subtracted from a tax liability.

Deduction — an amount which the taxpayer is allowed to subtract when computing the taxable base.

Deferred tax liability — the legal authorization to delay the obligation to pay a tax to a future period.

Effective date — the date upon which a statute, is considered to take effect, which may be a past, present or future date.

Estimated fiscal effect — the future estimated revenue loss to the state caused by each tax exemption.

Exemption/Exclusion — the statutory elimination of certain items or transactions from the tax base. An exemption is a mechanism that prevents taxation on an item or class of items that would normally be taxed under the law. An exclusion is the absence of taxation on an item or class of items. However, Louisiana law often conflates the term “exclusion” with “exemption,” such that the former may be used to describe a mechanism that might be better characterized as the latter.

Excise tax — a fixed, per unit tax imposed on a commodity or commodities.

Federal adjusted gross income — the amount of income earned or received during the year after certain exclusions and adjustments according to federal law.

Franchise tax — a tax imposed on business corporations for the privilege of conducting business in Louisiana. The tax is levied on either the assessed value of all real and personal property in the state or the amount of issued and outstanding capital stock, surplus, and undivided profits attributable to Louisiana, whichever is larger.

Individual income tax — a tax levied on personal income earned by Louisiana residents and on income earned in Louisiana by non-residents.

Itemized deductions — Under federal law, certain deductions that are subtracted from adjusted gross income and are applied in lieu of a standard deduction.

Non-refundable tax credit — a tax credit that reduces the income tax liability and, if allowed by the statute authorizing the credit, any remaining amount can be carried forward for use in future tax years. If the amount of credit is greater than the taxes owed, the excess will not generate a refund.

Percentage of tax loss — the exemption losses by tax divided by the total potential collections.

Petroleum taxes — a tax on motor fuels such as gasoline and special fuels including diesel, compressed natural gas, liquefied natural gas, and liquefied petroleum gas.

Preferential tax rate — a provision which provides a tax rate for certain persons, types of income, transactions, or property that results in reduced tax revenue.

Refundable tax credit — a tax credit that reduces the income tax liability, with any excess credit amount being refunded to the taxpayer.

Sales tax — a tax imposed on certain consumer purchases of tangible personal property and certain specific services.

Service — the performance of an action or activity for others.

Severance tax — a tax levied on natural resources taken from the ground.

State revenue losses — state tax revenue not collected due to statutory tax exemptions. This would not include statutory tax exemptions that are also prohibited from taxation by the state constitution, federal laws, or existing reciprocal agreements.

Statutory tax exemption — an amount that is prohibited from taxation by state statute. This would not include statutory tax exemptions that are also prohibited from taxation by the state constitution, federal laws, or existing reciprocal agreements.

Sunset provision — a clause in a statute which provides for an automatic repeal of the entire law or a section of a law once a specific date is reached.

Taxable income — the amount to which the applicable tax rate is applied.
Glossary

Taxable base — is the value of a set of assets, investments, transactions, or income streams (depending on the tax type) that are subject to taxation.

Tax exemptions — tax dollars that are not collected and result in a loss of tax revenues available for appropriation. Tax exemptions result from tax laws which provide an exemption, exclusion, deduction, credit, preferential tax rate or a deferral of tax liability to reduce the amount of the taxpayer’s liability to Louisiana. Tax exemptions provide economic incentives or tax relief to particular classes of persons or entities to achieve a public purpose.

Agriculture/rural — a tax exemption that pertains to a business or person being located in a rural area; or, engaging in an agricultural trade/business.

Alternative reporting method or statutorily prescribed method of taxation for sales tax — tax exemption that assists, guides, or aids a business entity in determining the sales tax to remit or the amount subject to sales tax.

Business environment — a tax exemption that encourages competitiveness with other states by impacting the tax burden of business entities that engage in specific activities that include holding or maintaining inventory or property in the state, using or deriving benefit from water, electric power, energy or any other utility type resources, or buying, leasing, renting or selling machines or equipment used for the production, modification, creation or facilitation of tangible personal property in the state, or using consumables in the manufacturing process that does not become part of the final product.

Corporate income tax formula — a tax exemption that is unique or specific to Louisiana and relates to assisting, guiding or aiding a business entity in determining the amount of its income for Louisiana tax purposes.

Dealers and vendors compensation and discounts — a tax exemption that encourages either the timely filing of a return, report, form or document or the timely payment of a tax, fee or other amount due. The discount for tobacco stamps is the only one not based on timely filing; it is to provide a volume discount and to compensate dealers for expenses related to tax collection.

Educational breaks for educational institutions — a tax exemption that pertains to an entity that engages in a specified activity that provides or facilitates the act of learning, or, an entity or institution that provides or facilitates learning.

Educational breaks for individuals — a tax exemption that pertains to an individual who engages in a specified activity that is beneficial to, or provides or facilitates the act of learning.

Health care/medical — a tax exemption that was created to assist taxpayers providing health care or medical treatment or that modifies the tax burden on health care or medical treatment.

Incentives — a tax exemption that encourages a particular or specified economic activity by modifying the tax burden of the economic activity or behavior that is taking place.

Louisiana constitutional mandates — a tax exemption outlined in the state constitution that modifies the tax burden.

Natural disaster — a tax exemption that was created to assist taxpayers in recovering from a natural disaster or was created as a direct result of a natural disaster.

Non-itemized sales and use tax exclusions and exemptions — a sales tax exemption that is not individually itemized on a Louisiana sales tax return before March 2016, and is therefore not assigned a value in this document.

Normal tax structure — a tax exemption that is commonly used or implemented in other states; enacted to prevent double taxation; or used to prevent the taxation of direct business inputs.

Personal income tax formula — a tax exemption that assists, guides, or aids an individual in determining Louisiana tax table income after determining Louisiana adjusted gross income.

Retirement, disability, and military — a tax exemption that modifies the tax owed by individuals who receive money including, but not limited to, wages and interest as a result of this special status or position in life that is recognized by statute.

Specialty income tax exemptions — an income tax exemption that encourages a particular or specified economic activity by providing a credit or deduction for the economic activity or behavior that is taking place. Categories of specialty income tax exemptions include tax exemptions for performance of a specific activity, purchase of a specific item, purchase made by a specific taxpayer, or an exemption for specific activity that benefits a community.

Specialty sales tax exemptions — a sales tax exemption that encourages a particular or specified economic activity by
Glossary

modifying the tax burden of the economic activity or behavior that is taking place. Categories of specialty sales tax exemptions include sales tax holidays, purchase of a specific item, purchase made by a specific taxpayer, or activities of a specific group or organization.

**Tax incentives and exemption contracts** — Tax exemptions that encourages a particular or specified economic activity by modifying the tax burden of the economic activity or behavior that is taking place. Categories of incentives include those that spur the hiring of employees by business, or that are administered by and through a contract with the Departments of Economic Development, Culture, Recreation & Tourism, Environmental Quality or Department of Revenue.

**Total potential collections** — actual tax collections plus the state revenue losses due to tax exemptions.