

# **EDUCATION-RELATED EXCLUSIONS AND EXEMPTIONS**

From 2015-2016 Tax Exemption Budget

*Handwritten item number will coincide with item number designation on  
Education Exemptions Spreadsheet*

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# Sales Tax

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#131

## { Exemptions }

### 130. 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

**Administration**

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

**Estimated Fiscal Effect**

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

### 131. 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 183, 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

**Administration**

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

**Estimated Fiscal Effect**

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

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# Sales Tax

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# 38

## { 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.

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

#### Estimated Fiscal Effective

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

### 39. Tangible Personal Property Sold 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)

#### Origin

Acts 1990, No. 817; Amended by Acts 1992, No. 514

#### Effective Date

September 7, 1990

#### Beneficiaries

Qualifying food banks

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

#### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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#20

## { Exclusions }

### 20. 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 fund-raising.

#### Legal Citations

R.S. 47:301(7)(f), R.S. 47:301(10)(q), R.S. 47:301(18)(e)

#### Origin

Acts 1996, No. 15; Amended by Acts 1998, No. 47; Acts 2000, No.33; Acts 2003, No.141; Acts 2005, No. 357; Acts 2009, No. 206

#### Effective Date

July 1, 1997

#### Beneficiaries

Qualifying parochial and private elementary and secondary schools.

#### Administration

It is not known if the purpose of this exclusion is being achieved in a fiscally effective manner.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

### 21. Sales and Rentals to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc.

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.

#### Administration

It is not known if the purpose of this exclusion is being achieved in a fiscally effective manner.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exclusions }

#59

**58. Specialty Mardi Gras Items 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)

**Origin**

Acts 2005, No. 410

**Effective Date**

August 15, 2005

**Beneficiaries**

Nonprofit carnival organizations

**Administration**

The purpose of this exclusion is achieved in a fiscally effective manner.

**Estimated Fiscal Effective**

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

**59. Admission to Athletic or Entertainment Events by Educational Institutions and Membership Dues of Certain Nonprofit Civic Organizations**

This exclusion allows the tax-free sale of tickets for admission to all athletic events by schools, colleges, and universities, and 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)

**Origin**

Acts 1948, No. 9; amended by Acts 1976, No. 481

**Effective Date**

June 7, 1948

**Beneficiaries**

Schools and nonprofit organizations

**Administration**

The purpose of this exclusion is achieved in a fiscally effective manner.

**Estimated Fiscal Effective**

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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#50

## { 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

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

#### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

### 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.

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

#### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exclusions }

#25

**24. 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.

**Administration**

The purpose of this exclusion is achieved in a fiscally effective manner.

**Estimated Fiscal Effect**

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

**25. 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

**Administration**

The purpose of this exclusion is achieved in a fiscally effective manner.

**Estimated Fiscal Effect**

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exclusions }

# 51

## 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

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 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.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.



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# Sales Tax

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{ Exclusions }

#82

## 80. 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

### Related Provision

R.S. 47:305(D)(1)(e) provides a related exemption. That exemption is currently suspended. This exclusion will supercede the suspended exemption on the effective date above.

### Beneficiaries

Consumers who purchase newspapers and magazines.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 81. Donations to Certain Schools and Food Banks from Resale Inventory

This exclusion allows a retailer to donate resale inventory to certain schools or food banks 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 food banks must meet the definition under R.S. 9:2799(B). The purpose of this exclusion is to encourage the donation of resale inventory to certain schools and Food Banks.

### Legal Citation

R.S. 47:301(18)(a)(i)

### Origin

Acts 1987, No. 326; amended by Acts 1998, No. 22; Acts 2000, No. 44

### Effective Date

July 1, 1987

### Beneficiaries

Retailers that donate to schools and food banks and the schools and food banks that receive the donations

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 121

{ Exemptions }

## 120. 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

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### 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.

## 121. 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

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### 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.