

Sales Tax Streamlining and Modernization Commission

Minutes of Meeting
2016 Interim
Tuesday, September 20, 2016

I. CALL TO ORDER

Representative Julie Stokes, chairman of the Sales Tax Streamlining and Modernization Commission, called the meeting to order at 9:56 a.m. in Room 5, in the state capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Julie Stokes, chairman
Roger Bergeron
Rona Daigle
Jessica Elliott
Dannie Garrett
Paula Jeansonne
Representative Jim Morris, vice chairman
Steven Procopio
Tom Cole for Daryl Purpera
Kimberly Robinson
Senator Gary Smith
Dawn Starns
Jeanine Theriot
Mark West

MEMBERS ABSENT:

Don Allison
Jason DeCuir
Scott Drenkard
Will Green
Brandon Lagarde
Natalie Robottom

STAFF MEMBERS PRESENT:

Elise Read, senior legislative analyst
Tina Vanichchagorn, attorney
Linda Hopkins, secretary

ADDITIONAL ATTENDEES PRESENT:

Joshua Marcelle, senate sergeant at arms
Sheldon Jolliffe, senate sergeant at arms

III. BUSINESS

Representative Stokes began the meeting with respect to the adoption of preliminary recommendations of the commission, all of which will be revisited in the formulation of the commission's final recommendations later this year. Ms. Stokes discussed items on which no specific motion was proposed during the September 6, 2016, meeting, and which are listed on page one of the "Sales Tax Exemptions" spreadsheet. (See Exhibit A)

Representative Stokes offered a motion to retain the preliminary recommendations for Item #123, "Purchases By Certain Organizations That Promote Training For The Blind", and Item #136, "Sales or Purchases By Certain Sheltered Workshops" and that they be retained as exemptions. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes stated that Item #14, "Room Rentals at Camp and Retreat Facilities", and Item #61, "Admissions to Places of Amusement at Camp or Retreat Facilities", were discussed, along with the types of activities conducted at these facilities. It was decided these two provisions will be combined into one new exemption that will use the same eligibility requirements as provided in R.S. 47:301(6)(b), regarding 501(C)(3) status, and that the exemption only applies if the sales of services are sold for the purpose of that nonprofit entity, and not for an outside group. Representative Stokes offered a motion to recommend that Items #14 and #61 be combined as a new exemption with the same eligibility requirements as are provided under R.S. 47:301(6)(b), and that the sales must be made for purposes of the nonprofit and not for an outside group. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes discussed Item #117, "Admissions to Entertainment By Domestic Nonprofit Charitable, Educational, Civic, Historical, Fraternal, and Religious Organizations", Item #118, "Sales

of Tangible Personal Property at or Admissions to Events Sponsored by Certain Nonprofit Groups", and #126, "Outside Gate Admissions and Parking Fees at Fairs, Festivals, and Expositions Sponsored by Nonprofit Organizations". It was decided that the preliminary recommendation would be to consolidate all three exemptions and to establish a new exemption based upon the provisions of R.S. 47:305.14(A). Representative Stokes referenced the handout, "Fairs and Festivals". (See Exhibit B) Representative Stokes offered a motion that the preliminary recommendation to consolidate all three exemptions be adopted. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #47, "Alternate Substance Used as a Fuel"; the preliminary recommendation would be to eliminate it. Representative Stokes offered a motion to eliminate the expired exemption. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #64, "Interstate Telecommunication Services Purchased by Defined Call Centers", with the preliminary recommendation being to eliminate; it was taxed in Act No. 25 and Act No. 26. Representative Stokes offered a motion to eliminate Item #64. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #145, "Catalogs Distributed in Louisiana", and Item #44, "Sales of Telephone Directories by Advertising Companies" (distributed to consumers at no cost) with the preliminary recommendation to tax both. Representative Stokes offered a motion to retain Item #145 and Item #44 as exemptions, at the full exemption amount, under one consolidated statute, as free publications for consumers. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #73, "Certain Digital Television and Digital Radio Conversion Equipment". Ms. Stokes informed the commission it is a state-only exemption and includes radio conversion, which is being taxed under Act No. 25 and Act. No. 26. Representative Stokes offered a motion to eliminate Item #73. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #105, "Adaptive Driving Equipment and Motor Vehicle Modification", with the preliminary recommendation being to eliminate. Senator Gary Smith questioned the possibility of elimination, and Secretary Robinson indicated it had been restored under Act No. 12. Senator Gary Smith offered a motion to retain Item #105 as a full exemption. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Items #122, "Sales or Purchases by Blind Persons Operating Small Businesses" and Item #164, "Purchases of Vehicles Modified For Use by an Orthopedically Disabled Person" (expired) which were taxed, and the preliminary recommendation was to eliminate both of these. Representative Stokes offered a motion to eliminate Item #122 and Item #164. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #178, "Sales Tax Paid on Property Destroyed in a National Disaster", classified as a refund which does not create a base difference. Secretary Robinson explained entitlement for items used in the home, and how the refund application is submitted and reviewed by the Dept. of Revenue. Representative Stokes offered a motion to retain Item #178 as a refund. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #52, "Purchases of Storm Shutter Devices", which is structured as an exclusion. The preliminary recommendation was to eliminate it based on the base difference problem. Representative Stokes offered a motion to eliminate Item #52. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #1, "Purchases by Pari-Mutuels Racetracks" and Item #2, "Purchases by Off-Track Wagering Facilities", which are both exclusions, and the preliminary recommendation was to eliminate them. Representative Stokes offered a motion to eliminate Items #1 and #2. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr.

West voted yea.

Moving to intergovernmental issues, Representative Stokes asked those who were testifying on Item #85, "Purchases by Nonprofit Electric Cooperatives", to move to the witness table.

Present to speak for information purposes and the sales tax exemption as it relates to the Louisiana cooperatives were Ms. Judy McClary and Mr. Randy Pierce, chief executive officer, Association of Louisiana Electric Cooperatives, 10725 Airline Highway, Baton Rouge, LA 70816, (225) 293-3450. The commission was presented with a handout, "A L E C - Association of Louisiana Electric Cooperatives, Inc.". (See Exhibit C)

Representative Stokes offered a motion to defer Item #85 until the next meeting, with the understanding that the commission would follow up with Mr. Pierce before October 4, 2016. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #86, "Purchases by a Public Trust". There were no questions. Representative Stokes offered a motion to eliminate Item #86. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #156, "Purchase of Certain Water Conservation Equipment for Use in the Sparta Groundwater Conservation District.", taxed in Act No. 25 and Act No. 26, with the preliminary recommendation to eliminate the exemption. Representative Stokes offered a motion to eliminate Item #156. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #53, "Sales of Tangible Personal Property By the Louisiana Military Department", and Item #119, "Sales by Thrift Shops on Military Installations"; both of which are taxed under Act No. 25 and Act No. 26. The preliminary recommendation was to retain both as exemptions for the benefit of the military of the state. Secretary Robinson clarified that the state military department in Louisiana is The National Guard. Representative Jim Morris had additional questions which Secretary Robinson addressed. Representative Stokes offered a motion to retain Item #53 and Item #119 as exemptions. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith,

Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #161, "Parish Councils on Aging", which had a preliminary recommendation to retain and extend to the local levels. Representative Stokes offered a motion to retain and push to local governments; retain both the wording and the exemption; and add language that "purchasing cooperative type of organizations" is also honored in the exemption, clarifying that it extends to both sales and purchases. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #26, "Purchases by State and Local Governments", Item #184, "Purchases Made With Food Stamps and WIC Vouchers", and Item #36, "Sales to the United States Government and its Agencies". The preliminary recommendation was to retain all three as exclusions. Mr. Procopio discussed other dedicated funds, and Ms. Theriot offered information on agency agreement in that one governmental entity and to all subcontractors. Representative Stokes offered a motion to defer in order to have additional discussion. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #115, "Property Purchased for Exclusive Use Outside the State", Item #146, "Certain Trucks and Trailers used 80% in Interstate Commerce", and Item #147, "Certain Contract Carrier Buses used 80% in Interstate Commerce", with the preliminary recommendation to retain all as exemptions. Representative Stokes offered a motion to retain all as exemptions. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #172, "Collection From Interstate and Foreign Transportation Dealers", and recommended not to include in the Tax Exemption Budget. Representative Stokes moved to not include in the Tax Exemption Budget. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #109, "Sales of 50-Ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce", and Item #149, "Sales of Railroad Ties to Railroads for Use in Other States", with the preliminary recommendation to retain those exemptions. Representative Stokes offered a motion to retain the

exemptions for Item #109 and Item #149. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #71, "Used Manufactured Homes and 54 Percent of Cost of New Manufactured Homes", structured as an exclusion, was retained parity for traditional built homes on land, or manufactured or movable homes. The preliminary recommendation is to retain it.

Present to speak for information only were Mr. Lenny Kopowski and Mr. Steve Duke, Louisiana Manufactured Housing Association, 4847 Revere Avenue, Baton Rouge, LA 70808, (225) 324-6960. Mr. Duke stated that a law is needed to bring parity to explain why this exclusion exists. He indicated that the law is regarding an explanation of factory-built or site-built homes. Mr. Garrett and Representative Stokes both asked Mr. Duke what comprises the 54%. Mr. Dukes indicated that there is nothing in state law that shows movable or immovable property (except for factory-built, movable housing) that is considered both, at the same time. When buying manufactured housing, the state charges tax. If the house is sold in the future, taxes are assessed again, even though the house doesn't move. The 54% figure is roughly the cost of labor and builders' mark-up that goes into the profit; 46% of the tax is on the construction materials. In this case, tax is paid once, only on the materials.

Secretary Robinson explained how the Dept. of Revenue can capture exclusions and exemptions. Her recommendation was for it to remain an exclusion, and the provision was put into place to take care of it.

Representative Stokes offered a motion to retain Item #71 as it currently is on the books. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #173, "Extended Time to Register Mobile Homes". The recommendation is to retain it. Representative Stokes offered a motion to retain Item #173, but to not include it in the Tax Exemption Budget. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #177, "Sales Tax Remitted on Bad Debts From Credit Sales". The preliminary recommendation was to retain it. Ms. Theriot offered a motion to defer Item #177. Without objection, the motion was adopted by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms.

Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #7, "Manufacturers Rebates on New Motor Vehicles". Senator Gary Smith offered a motion to retain the preliminary recommendation as an exemption. Without objection, the motion was adopted by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #185, "Credit for Sales and Use Taxes Paid to Other States on Property Imported Into Louisiana". Senator Gary Smith offered a motion to retain the preliminary recommendation as a reciprocal agreement. Without objection, the motion was adopted by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #56, "Articles Traded in on Tangible Personal Property". The preliminary recommendation is to retain it. Ms. Theriot requested the commission examine this item more closely because where a trade-in occurs and the trade amount is placed on a card, it could be used at another time, in another state, in another parish, and yet treated as a trade-in, which is not taxed. Ms. Theriot stated it needs to be one seamless transaction and it is implied that you are making another purchase of something when it crosses jurisdiction. Ms. Theriot offered a motion to defer. Without objection, the motion was adopted by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #153, "Sales of Original One-of-a-Kind works of Art Sold in Certain Locations". This item had been taxed in Act No. 25 and Act No. 26. Thirteen states have cultural districts, and there are only two that provide support within the district; Louisiana and Rhode Island, which give sales tax exemptions. Representative Stokes offered a motion to retain, with the addition of a five-year re-certification period in 2018-2019. Representative Stokes withdrew the motion. Mr. Procopio offered a motion to defer the discussion until the next meeting and contact the Dept. of Culture, Recreation and Tourism to provide testimony at that time. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #170, "Cash-Basis Sales Tax Reporting and Remitting for

Health and Fitness Club Membership Contracts", and Item #171, "Cash-Basis Reporting Procedure for Rental and Lease Transactions". Sales tax on these transactions are to be remitted the twentieth day following the month it is collected. Representative Stokes offered a motion to retain those two items, but suggested that they not be listed in the Tax Exemption Budget. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #157, "Second Amendment Sales Tax Holiday", Item #154, "Hurricane Preparedness Louisiana Sales Tax Holiday", and Item #152, "Annual Louisiana Sales Tax Holiday".

Present to speak for information and in support were Mr. Jay Christina, certified public account, Olinde's Furniture, 9536 Airline Highway, Baton Rouge, LA 70815, (225) 923-3380; Ms. Dawn Starns, state director, National Federation of Independent Business (NFIB), 530 Lakeland Road, Suite 201, Baton Rouge, LA 70801, (225) 281-6847; and Ms. Emily Toller, attorney, Dept. of Revenue, 617 North Third Street, Baton Rouge, LA 70802, (225) 219-7630.

Ms. Starns offered a motion to consolidate all three sales tax holidays into one, and to defer analysis and the cap until the next meeting. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #182, "Louisiana Tax Free Shopping Program". It is a local variance that was retained in Act No. 25 and taxed in Act No. 26, with the preliminary recommendation being to retain it. Representative Stokes offered a motion to retain Item #182. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #8, "Manufacturers Rebates Paid Directly to a Dealer" (cigarettes). She stated it is not applicable any longer; it was taxed in both Act No. 25 and Act No. 26, and Representative Stokes offered a motion to eliminate Item #8. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to Item #31, "Sales Through Coin-Operated Vending Machines"; Item #125, "Receipts From Coin-Operated Washing and Drying Machines in Commercial Laundromats"; and Item #65, "Telecommunication Services Through Coin-Operated Telephones".

Present to speak for information only was Ms. Emily Toller, attorney, Dept. of Revenue, 617 North Third Street, Baton Rouge, LA 70802, (225) 219-7630.

Senator Smith offered a motion to eliminate the exemption in Item #125, whereby Representative Jim Morris objected. Representative Morris discussed his constituents' concern that, in his rural area, the mom-and-pop-type shops will end up paying the tax. Ms. Daigle stated it would be concerning the rental of a piece of equipment. Senator Gary Smith withdrew his motion. Representative Jim Morris offered a motion to retain the exemption (on washing and drying machines in commercial laundromats), Item #125, to which there was no objection. The motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Mr. Procopio offered a motion to defer Item #31, "Sales Through Coin-Operated Vending Machines", (to consolidate one procedure for vending items) to which there was no objection. The motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes returned to Item #149, "Sales of Railroad Ties to Railroads For Use in Other States", per Mr. Bergeron's request for additional information regarding reciprocity. Ms. Toller agreed to research the item and get back to the commission at the next meeting.

Representative Stokes returned to Item #109, "Sales of 50-Ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce", per Ms. Jeansonne's request. Ms. Jeansonne stated the definition of "interstate commerce" was changed in 2002, and suggested revisiting the exemption, which is under statute R.S. 47:305.1. Ms. Theriot stated it deals with numerous vessels that do not leave parish waters, and everything aboard the vessel is considered to be exempt. The exemption needs to be re-addressed due to tax dollars not being collected by the state and local jurisdictions. Ms. Theriot offered a motion to redefine "interstate commerce" with regard to Item #109. Without objection, the motion passed by a vote of 14 yeas and 0 nays. Mr. Bergeron, Ms. Daigle, Ms. Elliott, Mr. Garrett, Ms. Jeansonne, Representative Jim Morris, Mr. Procopio, Mr. Cole, Ms. Robinson, Senator Gary Smith, Representative Stokes, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

IV. OTHER BUSINESS

There was no other business.

V. ADJOURNMENT

The meeting was adjourned at 1:52 p.m.

Respectfully submitted,

Chairman Julie Stokes
Sales Tax Streamlining and Modernization Commission