

## **Sales Tax Streamlining and Modernization Commission**

Minutes of Meeting  
2016 Interim Session  
Thursday, November 17, 2016

### **I. CALL TO ORDER**

Representative Julie Stokes, chairman of the Sales Tax Streamlining and Modernization Commission, called the meeting to order at 9:58 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  
Tom Cole  
Jessica Elliott  
Paula Jeansonne  
Rep. Jim Morris  
Secretary Kimberly Robinson  
Natalie Robottom  
Senator Gary Smith  
Dawn Starns  
Jeanine Theriot  
Mark West

#### **MEMBERS ABSENT:**

Don Allison  
Scott Drenkard  
Dannie Garrett  
Will Green  
Brandon Lagarde  
Jim Patterson  
Senator Rick Ward

#### **STAFF MEMBERS PRESENT:**

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

**ADDITIONAL ATTENDEES PRESENT:**

Danny Leming, house sergeant at arms

Julie Thomas, senate sergeant at arms

**III. ORDER OF BUSINESS**

Representative Stokes opened the meeting by stating the meeting would begin with *Item #159, "Purchase, Lease or Repair of Certain Capital Equipment and Computer Software of Qualifying Radiation Therapy Treatment Centers"*. This item was discussed at a previous meeting, it was eliminated as an exemption because no other capital medical equipment had an exemption. Ms. Stokes stated the commission may not have formed the correct decision, and the Item would be revisited again today.

Present to speak were Mr. Todd Stevens, CEO, and Amy Benton, vice president of governmental affairs, Mary Bird Perkins Cancer Center, 5745 Essen Lane, Baton Rouge, LA (225) 215-1210. The organization is the largest non-profit, servicing 5000 new patients every year at the following locations: Houma, Covington, East Baton Rouge, Hammond, and Gonzales. It is a public-private partnership with LSU through a medical physics program. This accredited medical physics program grants masters and Ph.D. degrees for 40 students who graduate and follow-up on the facilities to make sure patients receive the proper, accurate, state-of-the-art medical care. This is a public-private partnership with LSU Ag, LSU Shreveport, LSU College of basic science, and all the communities mentioned. There are 60 students in the program. Students are trained for 1.5 years at the Perkins Cancer Center using the equipment that is only available at Mary Bird Perkins. Most do their research at Mary Bird Perkins using the equipment. (See Exhibit A)

Representative Stokes offered a motion to reconsider the vote to repeal the exemption in *Item #159* from the October 18, 2016, meeting, to which there was no objection. The motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Rep. Morris, Mr. Procopio, Secretary Robinson, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes indicated that the original motion to repeal the elimination in *Item #159* was back on the table, to which Mr. Allison offered a substitute motion to exempt at the state and local levels. Mr. West objected. The substitute motion to exempt at the state and local levels passed by a vote of 6 yeas and 5 nays. Mr. Allison, Mr. Procopio, Mr. Cole, Ms. Elliott, Senator Gary Smith, and Ms. Starns voted yea; Mr. Bergeron, Ms. Jeansonne, Secretary Robinson, Ms. Theriot, and Mr. West voted nay.

Representative Stokes moved to *Item #72, "Purchases of Certain Custom and Computer Software"*.

Present to speak for information was Linda Babin, Society of Certified Public Accountants, 548 Lakeland Drive, Baton Rouge, LA, (504) 904-1126. Ms. Babin read into the record testimony on behalf of Ron Gitz, Executive Director of La. Society of CPAs. (See Exhibit B)

Representative Stokes offered a motion to tax boxed software to the CPA purchasing it and passing the tax along to the customer, not taxing the consultant fees or services rendered, to which there was no objection. The motion was adopted by a vote of 12 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Procopio, Secretary Robinson, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #45, "Sales of cellular telephones and electronic accessories (free phones)"*.

Present to speak for information was Mark Dwyer, Dept. of Revenue, Third Street, Baton Rouge, LA, (225) 219-2797 on telecommunications tax percentage on telecommunication service at 3%.

Secretary Robinson offered a motion to continue the definition of the price for tax on cellular phones, but change from 25% to 100% of price included with the contract to the seller (greater of the sales price to the customer or the cost price to the seller.) Without objection, the motion was adopted by a vote of 12 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Procopio, Secretary Robinson, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to agricultural items, *Item #93, "Feed and Feed Additives Held for Animals Held for Business Purposes"*.

Present to speak for information was Commissioner Mike Strain, Louisiana Dept. of Agriculture and Forestry, (No address given), (225) 922-1233; Jim Monroe, Louisiana Farm Bureau, 9516 Airline Highway, Baton Rouge, LA 70815, (225) 922-6202; and Representative Andy Anders, 200 Advocate Row, Suite D, Vidalia, LA 71373, (318) 336-5865.

Ms. Theriot offered a motion to exclude "business use" from R. S. 47:305(A)(4), but to include racing horses under commercial use, to which there was no objection. The motion was adopted by a vote of 12 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Procopio, Secretary Robinson, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #135, "Sales of Certain Fuels Used for Farm Purposes"*. Commissioner Strain discussed constitutional laws and off-road fuels. (See Exhibit C)

Representative Stokes offered a motion to exempt the sales of certain fuels, both state and local, to make the base uniform, to which there was no objection. The motion was adopted by a vote of 12 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Procopio, Secretary Robinson, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #158, "Sale of Polyroll Tubing"*.

Ms. Stokes offered a motion to move *Item #158* to the same section of law as *Item #130, "First*

*\$50,000 of the Sales Price of Certain Farm Equipment"* and to exempt the first \$50,000 of each piece of farm equipment. Representative Stokes withdrew her motion.

Mr. Bergeron offered a motion to defer *Item #158*, to which there was no objection. The motion to defer passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #57, "First \$50,000 of New Farm Equipment Used in Poultry Production"*, and *Item #130, "First \$50,000 of the Sales Price of Certain Farm Equipment"*.

Ms. Stokes offered a motion to defer Items #57 and #130, to which there was no objection. The motion to defer passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Bergeron, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea. (See Exhibit C)

Representative Stokes moved to four exemptions: *Item #128, "Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fisherman"*; *Item #129, "Certain Seafood-Processing Facilities"*; *Item #95, "Materials Used in the Production of Harvesting of Catfish"*, and *Item #94, "Materials Used in the Production or Harvesting of Crawfish"*.

Representative Stokes and Commissioner Strain discussed how other states handle these items.

Representative Stokes offered a motion to defer Items #128, #129, #95, and #94, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Bergeron, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #92, "Livestock and Racehorses"*.

Representative Stokes offered a motion to defer *Item #92*, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Bergeron, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #79, "Purchases of Machinery and Equipment by Owners of Certain Radio Stations"*.

Ms. Starns offered a motion to extend the exemption to FCC broadcasters, but to limit the scope to what is required by mandate, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #81, "Sales of Newspapers"*.

Representative Stokes offered a motion to reconsider the vote to eliminate the exemption for *Item #81* at the October 4, 2016 meeting, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes offered a motion to retain *Item #81* as an exemption, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #12, "Purchases of Certain Machinery and Equipment Used to Produce a News Publication"*.

Representative Stokes offered a motion to retain *Item #12*, but place raw materials in a new section for newspapers, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes offered a motion to accept the exemption for mass communication, to which Mr. West objected. The motion passed by a vote of 8 yeas and 3 nays. Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Ms. Robottom, Senator Gary Smith, Ms. Starns, and Secretary Robinson voted yea; Mr. Bergeron, Ms. Theriot, and Mr. West voted nay.

Present to speak for information were Scott Sternberg, Louisiana Press Association, 1100 Poydras Street, Suite 3600, New Orleans, LA 70163, (504) 569-2900, and Pamela Mitchell, Louisiana Press Association, 404 Europe Street, Baton Rouge, LA 70802, (225) 344-9309.

Representative Stokes moved to *Item #9, "Purchases of Consumables by Paper and Wood Manufacturers and Loggers"*. (See Exhibit D)

Present to speak for information was Craig Chumney, Franklin Press, 1391 Highland Road, Baton Rouge, LA 70802, (225) 387-0504, and George H. Guidry, Koch Companies, 450 Laurel Street, Suite 1420, Baton Rouge, LA 70817, (225) 388-9061.

Representative Morris offered a motion to retain the exemption for *Item #9*, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #174, "Sales or Cost Price of Refinery Gas"*.

Present to speak for information were Tyler Gray, Louisiana Mid-Continent Oil and Gas Association, 730 North Boulevard, Baton Rouge, LA 70802, (225) 387-3205; Robert Baumann, HBA, 616 Spanish Town Road, Baton Rouge, LA 70802, (225) 344-8036; Peggy Parker and Mark Dwyer,

Dept. of Revenue (No address or phone number given).

Representative Jim Morris offered a motion to retain *Item #174*, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Representative Stokes moved to *Item #54, "Sales of Anthropogenic Carbon Dioxide Use in Qualified Tertiary Recovery Projects"*.

Representative Jim Morris offered a motion to retain *Item #54* as an exemption. Without objection, Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

Present to speak for information was Robert Baumann, HBA, 616 Spanish Town Road, Baton Rouge, LA 70802, (225) 344-8036.

#### **IV. OTHER BUSINESS**

There was no other business.

#### **V. ADJOURNMENT**

Ms. Starns offered a motion to adjourn the meeting, to which there was no objection. The motion passed by a vote of 11 yeas and 0 nays. Representative Stokes, Mr. Cole, Ms. Elliott, Rep. Jim Morris, Mr. Procopio, Secretary Robinson, Ms. Robottom, Senator Gary Smith, Ms. Starns, Ms. Theriot, and Mr. West voted yea.

The meeting was adjourned at 2:09 p.m.

Respectfully submitted,

Julie Stokes, Chairman  
Sales Tax Streamlining and Modernization Commission