

NOTICE OF INTENT

Department of Revenue Policy Services Division

Sales and Use Tax Exemptions
(LAC 61:I.4401)

Under the authority of R.S. 47:301(16)(p), R.S. 47:337.2, R.S. 47:337.9, and R.S. 47:1511, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to amend LAC 61:I.4401.D.3 by repealing the definition of the term newspaper. Newspapers were formerly exempted from sales taxes pursuant to R.S. 47:305(D)(1)(e) and R.S. 47:337.9(C)(10). However, Act 480 of the 2007 Regular Session repealed both R.S. 47:305(D)(1)(e) and R.S. 47:337.9(C)(10) and replaced the exemption with a sales tax exclusion for newspapers. Under Act 480, newspapers became excluded from the definition of tangible personal property. The definition of the term newspaper contained in LAC 61:I.4401.D.3 has been rendered obsolete by the repeal of R.S. 47:305(D)(1)(e) and R.S. 47:337.9(C)(10). Therefore the definition of newspaper found in LAC 61:I.4401.D.3 should be repealed.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 44. Sales and Use Tax Exemptions

§4401. Various Exemptions from Tax

A. - D.2. ...

3. Repealed.

D.4. - J. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:305, R.S. 47:337.2, R.S. 47:337.9, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Sales Tax Section, LR 13:107 (February 1987), amended by the Department of Revenue, Policy Services Division, LR 29:1520 (August 2003), LR 30:2864 (December 2004), LR 36:

Family Impact Statement

This proposed repeal of the Rule, LAC 61:I.4401.D.3 should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. The implementation of the proposed repeal of this Rule will have no known or foreseeable effect on:

1. the stability of the family;
2. the authority and rights of parents regarding the education and supervision of their children;
3. the functioning of the family;
4. family earnings and family budgets;
5. the behavior and personal responsibility of children;
6. the ability of the family or a local government to perform this function.

Public Comments

Interested persons may submit data, views, or arguments, in writing to Emily Toler, Attorney, Policy Services Division, P.O. Box 44098, Baton Rouge, LA 70804-4098, or by fax to (225) 219-2759. All comments must be submitted by 4:30 p.m., Friday, March 26, 2010. A public hearing will be held on March 29, 2010 at 10 a.m. in the River Conference Room on the Seventh Floor of the LaSalle

Building, 617 North Third Street, Baton Rouge, LA 70802-5428.

Cynthia Bridges
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Sales and Use Tax Exemptions

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed repeal of this regulation will have no impact on state or local governmental units' cost. Act 480 of the 2007 Regular Session repealed both R.S. 47:305(D)(1)(e) and R.S. 47:337.9(C)(10), which provided the sales tax exemption for newspapers. Therefore, the definition of newspaper associated with LAC 61:I.4401.D.3 has been rendered obsolete and should be repealed. Act 480 created a state and local sales tax exclusion for newspapers pursuant to R.S. 47:301(16)(p) by excluding newspapers from the definition of tangible personal property. However, the Notice of Intent focuses strictly on the proposed repeal of the exemption in LAC 61:I.4401.D.3.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There will be no effect on revenue collections of state or local government as a result of the proposed repeal of the regulation. Revised Statute 47:305(D)(1)(e) and R.S. 47:337.9(C)(10) were repealed by Act 480 of the 2007 Regular Session. The provisions of Act 480 became effective on July 1, 2008.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Implementation of the proposed repeal of this regulation will have no effect on the costs incurred by affected persons or nongovernmental groups, as the law became effective on July 1, 2008. LAC 61:I.4401.D.3's companion statutes, R.S. 47:305(D)(1)(e) and R.S. 47:337.9(C)(10) were repealed by Act 480 of the 2007 Regular Session. These statutes have been replaced by an exclusion from the definition of tangible personal property pursuant to R.S. 47:301(16)(p). However, the Notice of Intent focuses strictly on the proposed repeal of the exemption in LAC 61:I.4401.D.3.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed repeal of regulation will have no effect on competition or employment.

Cynthia Bridges
Secretary
1002#111

Robert E. Hosse
Staff Director
Legislative Fiscal Office