



Revenue Information Bulletin No. 02-006A

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Sales Tax

Attorney General To Challenge Federal Injunction Prohibiting Sales Tax Exclusions for Religious Entities

The Attorney General announced plans to challenge a preliminary injunction issued on March 23, 2002, by the U.S. District Court for the Eastern District of Louisiana. The injunction is the result of a lawsuit filed by the American Civil Liberties Union Foundation of Louisiana (ACLU) against the Department of Revenue in June 2000.

The ACLU argued that the sales and use tax exclusions Louisiana provides to certain religious groups violate the constitutional separation of church and state. The court found that the ACLU showed a substantial likelihood of success on the merits of the case and issued the preliminary injunction prohibiting Louisiana from enforcing sales tax laws granting exclusions to the religious groups. The injunction involves the following exclusions:

1. purchases of bibles, song books, or literature used for religious instruction classes excluded from the sales tax by R.S. 47:301(8)(d);
2. payment for the use of camp and retreat facilities owned and operated for religious purposes by nonprofit religious organizations excluded from the sales tax by R.S. 47:301(6)(b), R.S. 47:301(14)(b)(iv), and R.S. 33:4574.1(A)(1)(b); and
3. purchases by the Society of the Little Sisters of the Poor excluded from the sales tax by R.S. 47:301(8)(e)(i).

Religious entities must continue paying or collecting tax on these transactions while the case is on appeal. However, affected purchasers should keep detailed records listing the date, amount, and description of disputed transactions to support their refund requests if the injunction is lifted or overturned.

For additional information, please contact the Taxpayer Services Division of the Department of Revenue at (225) 219-7356.

Cynthia Bridges
Secretary

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