TAX EXEMPT TRANSACTIONS AND COMPUTER CODES FOR PUBLIC ENTITIES

POLICY:

To view Louisiana Statutes: http://www.legis.state.la.us/

AUTHORITY
R.S. 47:301(8)(a,c)

DEFINITION
Statute has simplified the collection of sales and use taxes when a motor vehicle is purchased by a public entity. Effective September 1, 1991, no state or local sales/use taxes will be imposed or collected when the purchaser of the motor vehicle is a public entity, provided the sale occurred on or after September 1, 1991, and provided the public entity is the true purchaser and is not leasing the vehicle. When leasing a vehicle, public entities are exempt from the monthly lease/rental tax paid directly to the lessor, but are not exempt from payment of sales/use tax.

The following entities are clearly entitled to the exemption as public:

- State agencies, boards and commissions
- Parish and municipal police juries or other governing bodies
- Public school boards
- Law enforcement districts
- Hospital service districts
- Waste disposal districts
- Drainage districts
- Public housing authorities
- Waterworks’ districts
- Parish and municipal libraries
- Clerk of court offices
- The office of a parish or municipal assessors
- All courts with public jurisdiction
- Offices of a district attorney
- Offices of the coroner
- Park and recreation commissions
- Levee boards
- Port commissions
- Parish and city tourism commissions
- Councils on aging

Mass transit vehicles purchased by the State or one of its political subdivisions are included in the
exemption under this Act.

The above list of public entities exempted may not be complete. It should be kept in mind that a state public entity or a political subdivision thereof must be publicly funded and subject to public audit and control of public funds to qualify for the exemption. In a doubtful situation, written proof of status should be required.

Community Action agencies are not necessarily exempt from payment of sales tax. Written verification from the Department of Revenue and Taxation must be submitted allowing the exemption.