

Sales and Use Tax Department
Winn Parish School Board

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August 26, 2015

NOTICE OF SALES TAX CHANGE EFFECTIVE

OCTOBER 1, 2015

Beginning October 1, 2015, City of Winnfield will no longer provide an exemption for the sale of food and prescription drugs at retail. Therefore, the sales tax rate on the sale of prescription drugs and food in Winn Parish will be 5.50%. Please see attached letter from Foley & Judell, L.L.P. for further information.

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OUR FILE NO.

Mayor and City Council
City of Winnfield
Winnfield, LA

August 19, 2015

The City of Winnfield is presently levying a one and one-half percent (1-1/2%) sales and use tax (the "Tax") which is authorized to be levied through December 30, 2023 (copy of the proposition adopted on December 8, 2012, is attached hereto), which Tax was first authorized at an election held in 1983 (the Tax has been renewed every 10 years). The propositions have never set forth any exemptions with regard to prescription drugs or food. Moreover, under Louisiana law, local political subdivisions can only apply exemptions as authorized by law. The Tax was voted pursuant to La. R.S. 33:2711 (now 47:338.1), which authorizes such exemptions for only Lake Charles and Monroe in paragraph B thereof, which states:

In addition to the exemptions from the state sales and use tax as set forth in R.S.47:305 et. seq., the municipalities of Lake Charles and Monroe shall have the authority to exempt drugs prescribed by physicians for personal consumption and use, and wheelchairs and prosthetic devices, and food purchased for personal consumption of the premises where purchased, for the sales and use tax so levied.

Although the sales tax ordinance adopted by the governing authority November 6, 1983, provides an exemption for the sale of food and prescription drugs at retail (Section 3.01 paragraph [26]), there is no authority to provide such exemption.

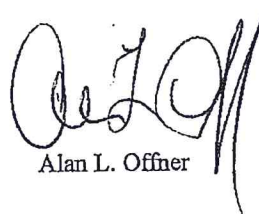
Finally, the ordinance adopted by the Mayor and City Council on February 12, 2013, states in Section 7 thereof:

The Governing Authority adopts none of the optional exclusions or exemptions allowed by State sales and use tax law, nor does this Governing Authority adopt any exclusions or exemptions authorized by legislation enacted under Article VI, Section 29(D)(1) of the Constitution of the State of Louisiana of 1974, that are not allowed as an exclusion or exemption from State sales and use tax. Included within the base of the Tax is every transaction, whether sales, use, lease or rental, consumption, storage or service, with no exclusions or exemptions except for those mandated upon political subdivisions by the Constitution or statutes of the State of Louisiana, including the Act.

Accordingly, with regard to the Tax, there should be no exemptions for prescription drugs or food.

Please advise if you have any questions or comments.

With best wishes, we are


Alan L. Offner

ALO/lv

Office Use

CITY OF WINNFELD, LOUISIANA

Sales Tax Ordinance

Of

November 8, 1983

10 year tax

This is the
wording for
the exemption

(26) A parish retail dealer who ordinarily purchases for resale equipment of a type not subject to titling under Louisiana Revised Statutes Title 32, such equipment having a dealer's cost of not less than \$3,000 per unit, and such equipment being:

- (1) mobile, motorized self-propelled farm equipment and attachments thereto;
- (2) mobile, motorized earth moving equipment and attachments thereto; and/or
- (3) mobile, motorized self-propelled construction equipment and attachments thereto;

and who withdraws an item of such equipment from inventory, for rental, as a method for promoting sales, shall be exempt from the payment of sales or use tax on the purchase price of the property when withdrawn from inventory for such rental. The dealer shall be liable for the tax levied on the rental income, and a sales tax upon any ultimate sale of said item.

(27) The leasing of those vessels for use offshore beyond the territorial limits of the State of Louisiana for the production of oil, gas, sulphur, and other minerals or for the providing of services to those engaged in such production.

(28) The furnishing of vehicles by a dealer in new vehicles when such vehicles are withdrawn from inventory and furnished to a secondary school, college or public school board on a free loan basis for exclusive use in a driver education program accredited by the Louisiana Department of Education.

(29) No purchase of airplane equipment, airplane parts, and airplanes of any commuter airline domiciled in the state of Louisiana. A commuter airline is defined as any airline transporting passengers and/or freight on a regularly scheduled basis, with a minimum of twenty flights per week, whose schedule is published in the Official Airline Guide but which has been exempted from the general rate and route regulations of the Civil Aeronautics Board under the provisions of Section 298.11 of Subpart B of Part 298 of Chapter II of Title 14 of the Code of Federal Regulations promulgated under the authority of Sections 1324 and 1386 of Title 49 of the United States Code. A commuter airline is further defined as any airline having ticket counters that are staffed at airports it serves, a reservations office operating at least twelve hours a day, seven days a week and interline ticket and baggage agreements through the Air Traffic Conference of America.

(30) To the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption of each item or article of tangible personal property by a sheltered workshop for the mentally retarded licensed by the Department of Health and Human Resources as a day developmental training center for the mentally retarded.

(31) The sale of food and prescription drugs at retail. ~~It is not the intention of this ordinance to levy a tax upon articles of tangible personal property imported into the Authority or produced or manufactured in the Authority for export; nor is it the intention of this ordinance to levy a tax on a bona fide transaction in interstate commerce. It is, however, the intention of this ordinance to levy a tax on the sale at retail, the use, the consumption, the distribution, and the storage to be used or consumed in the Authority of tangible personal property after it has come to rest in the Authority and has become a part of the mass of property in the Authority.~~

SECTION 3.03. No tax shall be due under this ordinance on the sale of any goods or personal tangible property delivered or services performed outside the territorial limits of the Authority.

COLLECTION OF TAX BY DEALER

SECTION 4.01. The tax levied by this ordinance shall be collected from the purchaser or consumer, ex-