

Cultural District Original Art Sales Tax Exemption – Effective April 1, 2016

Sales of qualifying original, one-of-a-kind works of art within Cultural Districts is subject to:

Until March 31, 2016	0% state sales tax	0% local sales tax
April 1, 2016 – June 30, 2016	5% state sales tax	0% local sales tax
July 1, 2016 – June 30, 2018	3% state sales tax	0% local sales tax
July 1, 2018 -	0% state sales tax	0% local sales tax

Explanation:

Until March 31, 2016, state law imposes a 4% state tax, and local ordinances impose varying levels of local taxes on the sales of most goods. However, sales of original works of art from Cultural Districts are exempt from both state and local sales taxes until March 31, 2016.

- April 1, 2016 – June 30, 2016: The 4% state tax exemption for original art sold in Cultural Districts is suspended.
- April 1, 2016 – June 30, 2018: An additional 1% state sales tax goes into effect. The sale of original art is not exempt from this extra 1% state sales tax. Therefore, as of April 1, 2016 total state sales tax is 5%.
- July 1, 2016 – June 30, 2018: 2% state sales tax exemption for original art goes into effect (instead of 4% exemption). However, there is no exemption from the new 1% state tax. Therefore, art sellers must change 3% state sales tax on original art sold in Cultural Districts.
- Local sales tax is not affected by Act 25 and Act 26 of the First Extraordinary Session of 2016. Therefore, the sales of original art from Cultural Districts continue to be exempt from local sales tax.
- While the sale of art continues to be exempt from local sales taxes, the parish tax report must still be submitted with total art exemptions specified on lines 8-10 even if no tax is due.

Information about the Cultural District Original Art Sales Tax Exemption can be found at <http://www.crt.state.la.us/cultural-development/arts/cultural-districts/>

For questions contact Gaye Hamilton, 225-342-8161, gahamilton@crt.la.gov