



**Revenue Information Bulletin
No. 09-028
October 6, 2009
Sales Tax**

Sales Tax Exclusion Applies to Sales and Purchases by Nonprofit Carnival Organizations of Mardi Gras “Specialty Items”

Exclusion requires prior approval from Department of Revenue; tax applies to non-specialty items

Nonprofit Mardi Gras carnival organizations, and other nonprofit organizations domiciled within Louisiana who plan to participate in parades sponsored by such carnival organizations, can be authorized, under the provisions of Louisiana Revised Statutes 47:301(13)(I) and 47:305.40, for state and local sales tax exclusions on purchases and sales of Mardi Gras specialty items.

When a carnival organization’s application is approved by the Louisiana Department of Revenue (LDR), the organization will be excluded from the collection of the sales tax on sales of “specialty items” to its members, and will be further authorized to make tax-free purchases of “specialty items” for resale. Sales of non-“specialty items” are not covered by the exclusion; a carnival organization is required to collect sales tax on its sales of non-“specialty items”.

La. R.S. 47:305.40(B) defines “specialty items” as only those items which are specially designed for a carnival or nonprofit organization and bear the carnival or nonprofit organization’s name or insignia. Eligible items include but are not limited to doubloons, necklaces, cups, and coasters. A carnival or nonprofit organization’s purchases and sales of tangible personal property that does not qualify as specialty items remain subject to state and local sales and use taxes.

La. R.S. 47:301(13)(I)(iii) provides that no nonprofit carnival organization domiciled within Louisiana and participating in a parade sponsored by a carnival organization shall claim exemption or exclusion from the state sales and use tax or the sales and use tax levied by any political subdivision before having obtained a certificate of authorization from the Secretary of Revenue. The LDR-approved exclusion applies to all sales by approved organizations of eligible specialty items, including sales to members and to other persons.

Certificates of authorization must be presented to merchants at the time of purchase. LDR has published [Form R-1312](#) for eligible organizations to use in applying for the exclusion/exemption on their sales of eligible specialty items. Eligible Mardi Gras organizations and other nonprofit organizations can duplicate the approved applications that they receive from LDR and present them to merchants as authorization for their tax-free purchases from the merchants of specialty items. Organizations are not authorized to present, and merchants are not authorized to accept, the duplicated forms in lieu of an organization’s payment of the tax to the merchants on purchases of ineligible or non-specialty items.

Questions concerning this matter can be directed to the LDR Special Programs Division at 225.219.7356.

Cynthia Bridges
Secretary

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