



**Revenue Information Bulletin No. 02-006B
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Sales Tax**

**United States Fifth Circuit Court of Appeals Ends Federal Injunction Prohibiting
Sales Tax Exclusions for Religious Entities**

The injunction that prohibited Louisiana from granting a sales tax exclusion to religious entities was dissolved on June 11, 2003, in *American Civil Liberties Union Foundation of Louisiana v. Cynthia Bridges, Secretary*, 334 F.3d 416 (5th Cir. 2003). The United States Fifth Circuit Court of Appeals denied a rehearing of its decision on July 29, 2003.

The Fifth Circuit Court of Appeals ruled that the American Civil Liberties Union's (ACLU) suit claiming that the Louisiana sales tax exclusions provided to certain religious groups violate the constitutional requirement of separation of church and state should not have been filed in the federal court system but rather in the Louisiana state court system. The Attorney General's Office, which represented the State of Louisiana in the litigation, stated that the ACLU would have to file suit in state court in order to contest the constitutionality of the exclusions.

As a result of the Fifth Circuit Court of Appeal's ruling, the injunction granted on March 23, 2002, by the United States District Court for the Eastern District of Louisiana, in the original suit filed by the ACLU, is retroactively dissolved and the sales tax exclusions may now be granted. The injunctions involved 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 that have been paying or collecting tax on these transactions while this suit was on appeal may now file for refunds. To obtain a refund of state sales taxes paid, taxpayers should file a Form R-20127 (Claim for Refund of Taxes Paid) with the Department of Revenue's Taxpayer Services Division. The form can be downloaded from the Department of Revenue's website, www.rev.state.la.us. A list of all transactions, including invoice numbers, dates, amounts, and descriptions must be provided to support state refund requests. Copies of invoices must also be made available if requested by the department.

To obtain refunds of local sales taxes paid, taxpayers should contact the central sales tax collectors of their parishes for instructions on filing refund requests with the local tax authorities.

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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