

Second Extraordinary Session, 2008

HOUSE BILL NO. 25

BY REPRESENTATIVE ST. GERMAIN

TAX/SALES & USE: Reinstates the sales and use tax exemption for certain utilities for all four percent of the state sales and use tax (Item #2)

1 AN ACT

2 To amend and reenact R.S. 47:331(P)(2) and to enact R.S. 47:302(U) and 321(K), relative
3 to the sales and use tax; to provide for the effectiveness and applicability of the
4 exemptions for electric power or energy, natural gas, water, and steam; to provide
5 for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:331(P)(2) is hereby amended and reenacted and R.S. 47:302(U)
8 and 321(K) are hereby enacted to read as follows:

9 §302. Imposition of tax

10 * * *

11 U. Notwithstanding the provisions of Subsection R of this Section or any
12 other provisions of this Chapter to the contrary, for taxable periods beginning on or
13 after July 1, 2008, the exemptions to the tax levied by this Section for electric power
14 or energy, natural gas, steam, and water shall be applicable, operative, and effective.

15 * * *

16 §321. Imposition of tax

17 * * *

18 K. Notwithstanding the provisions of Subsection H of this Section or any
19 other provisions of this Chapter to the contrary, for taxable periods beginning on or

1 after July 1, 2008, the exemptions to the tax levied by this Section for electric power
2 or energy, natural gas, steam, and water shall be applicable, operative, and effective.

3 * * *

4 §331. Imposition of tax

5 * * *

6 P.

7 * * *

8 (2) For the period July 1, 2004, through December 31, 2005, the exemptions
9 to the tax levied by this Section for sales of steam, water, electric power, or energy,
10 and natural gas shall be inapplicable, inoperable, and of no effect as to eighty percent
11 of the tax levied by this Section. Except as provided for in Subsection R of this
12 Section, for the period January 1, 2006, through ~~June 30, 2009~~ June 30, 2008, the
13 exemptions to the tax levied by this Section for sales of electric power or energy and
14 natural gas shall be inapplicable, inoperable, and of no effect as to thirty percent of
15 the tax levied by this Section. For the period January 1, 2006, through ~~June 30, 2009~~
16 June 30, 2008, the exemptions to the tax levied by this Section for sales of steam and
17 water shall be inapplicable, inoperable, and of no effect as to eighty percent of the
18 tax levied by this Section. Notwithstanding any other provision of this Chapter to
19 the contrary, for all taxable periods beginning on or after July 1, 2008, the
20 exemptions to the tax levied by this Section for electric power or energy, natural gas,
21 steam, and water shall be applicable, operative, and effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

St. Germain

HB No. 25

Abstract: Provides that the state sales and use tax exemption for sales of electricity, natural gas, water, and steam shall be applicable, operable, and effective as to the entire 4% of state sales and use tax for all taxable periods beginning on or after July 1, 2008.

Present law partially and temporarily suspends the sales tax exemptions on electricity, natural gas, water, and steam with respect to the sales and use taxes levied by R.S. 47:302 and 331 and permanently suspends the sales tax exemption for these products with respect

to the tax levied by R.S. 47:321. The tax rate now being collected on these products through June 30, 2009, is 3.3% on sales of natural gas and electricity and 3.8% on sales of water and steam. After June 30, 2009, the tax rate will become 1% as provided by R.S. 47:321.

Proposed law provides that the sales and use tax exemption for sales of electricity, natural gas, water, and steam shall be applicable, operable, and effective as to the entire 4% of state sales and use tax for all taxable periods beginning on or after July 1, 2008.

Effective July 1, 2008.

(Amends R.S. 47:331(P)(2); Adds R.S. 47:302(U) and 321(K))