

Second Extraordinary Session, 2008

HOUSE BILL NO. 28

BY REPRESENTATIVE RICHMOND

TAX/SALES & USE: Establishes the Orleans and St. Bernard Recovery Zone (Item #1)

1 AN ACT

2 To enact R.S. 47:305.56, relative to sales and use taxes; to establish the Orleans and St.  
3 Bernard Recovery Zone; to authorize a sales and use tax exemption for the purchase,  
4 lease, rental, or repair of certain machinery and equipment located within certain  
5 parishes; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:305.56 is hereby enacted to read as follows:

8 §305.56. Orleans and St. Bernard Recovery Zone

9 A. In order to assist Orleans and St. Bernard parishes, which were most  
10 severely impacted during and after Hurricanes Katrina and Rita, in attracting new  
11 businesses, encouraging business retention, creating new employment opportunities  
12 for residents, and encouraging development and growth in these parishes, there is  
13 hereby established the Orleans and St. Bernard Recovery Zone.

14 B.(1) Notwithstanding any provision of law to the contrary, the sales and use  
15 tax levied by the state and any political subdivision whose boundaries are  
16 coterminous with those of the state shall not apply to machinery and equipment  
17 purchased, leased, or rented and used by any of the following:

18 (a) Any new manufacturing facility which locates in Orleans or St. Bernard  
19 parishes after June 30, 2008, which adds value to any of the following commodities

1 that have been imported through the Port of New Orleans: raw rubber, plywood, raw  
2 metals, coffee beans, or steel.

3 (b) Any new company which locates in Orleans or St. Bernard parishes after  
4 June 30, 2008, which is primarily engaged in nanotechnology, medical research,  
5 clinical trials, pharmaceuticals manufacturing, or related patent development.

6 (2) For purposes of this Subsection, "machinery and equipment",  
7 "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant  
8 facility", and "used directly" shall have the same meaning as defined in R.S.  
9 47:301(3)(i)(ii).

10 (3) No person or entity shall be entitled to purchase, use, lease, or rent  
11 machinery and equipment, repair parts, or repair services without payment of the tax  
12 imposed by R.S. 47:302, 321, and 331 before submitting to the secretary of the  
13 Department of Revenue a signed and notarized application of the principal, partner,  
14 member, or officer certifying the following:

15 (a) Such person is a manufacturer as defined by R.S. 47:301(3)(i)(ii).

16 (b) The machinery and equipment, or parts or services, are purchased, leased,  
17 or rented to replace or repair manufacturing machinery and equipment located in  
18 Orleans or St. Bernard parishes.

19 (4) The secretary shall issue exemption certificates to qualified applicants.  
20 If a qualified applicant has purchased, used, leased, or rented machinery and  
21 equipment or repair parts or repair services which qualify for the exemption provided  
22 for in this Section prior to the issuance of the exemption certificate, the secretary is  
23 authorized to issue a refund for the amount paid.

24 C. This Section shall only apply to taxable periods between October 1, 2008,  
25 and July 1, 2011.

26 Section 2. This Act shall become effective on July 1, 2008; if vetoed by the governor  
27 and subsequently approved by the legislature, this Act shall become effective on July 1,  
28 2008, or on the day following such approval by the legislature, whichever is later.

---

**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)]

---

Richmond

HB No. 28

**Abstract:** Establishes the Orleans and St. Bernard Recovery Zone and authorizes a state sales and use tax exemption for the purchase, lease, or rental of machinery or equipment used by certain businesses which locate in Orleans or St. Bernard parish after June 30, 2008.

Proposed law establishes the Orleans and St. Bernard Recovery Zone to assist Orleans and St. Bernard parishes in attracting new businesses, encouraging business retention, creating new employment opportunities for residents, and encouraging development and growth in these parishes.

Proposed law authorizes a state sales and use tax exemption for the purchase, lease, or rental of machinery or equipment used by any of the following:

- (1) Any new manufacturing facility which locates in Orleans or St. Bernard parish after June 30, 2008, which adds value to any of the following commodities that have been imported through the Port of New Orleans: raw rubber, plywood, raw metals, coffee beans, or steel.
- (2) Any new company which locates in Orleans or St. Bernard parish after June 30, 2008, which is primarily engaged in nanotechnology, medical research, clinical trials, pharmaceuticals manufacturing, or related patent development.

Proposed law provides that no person or entity shall be entitled to purchase, use, lease, or rent machinery and equipment, repair parts, or repair services without payment of the state sales and use tax before submitting a signed and notarized application certifying that the taxpayer is a manufacturer and the machinery and equipment, or parts or services, are purchased, leased, or rented to replace or repair manufacturing machinery and equipment located in Orleans or St. Bernard parish.

Proposed law requires the secretary to issue exemption certificates to qualified applicants. If a qualified applicant purchased, used, leased, or rented machinery and equipment or repair parts or repair services which qualify for the exemption provided for in proposed law prior to the issuance of the exemption certificate, the secretary would have been authorized to issue a refund for the amount paid.

Proposed law provides that the state sales and use tax exemption shall only apply to taxable periods between Oct. 1, 2008, and July 1, 2011.

Effective July 1, 2008.

(Adds R.S. 47:305.56)