

---

## 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)