

Regular Session, 2005

HOUSE BILL NO. 839

BY REPRESENTATIVE DANIEL

TAX/SALES-USE, STATE: Defines machinery and equipment to include machinery and equipment used to generate electric power by an industrial manufacturing plant for self consumption or cogeneration

1 AN ACT

2 To amend and reenact R.S. 47:301(3)(i)(ii)(bb) and to enact R.S.

3 47:301(3)(i)(ii)(aa)(I)(ddd), relative to the state sales and use tax on certain

4 machinery and equipment; to define machinery and equipment to include that used

5 to generate electric power by an industrial manufacturing plant for self consumption

6 or cogeneration; to include the NAICS code for oil and gas processing plants in the

7 definition of manufacturer; to provide for an effective date; and to provide for related

8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:301(3)(i)(ii)(bb) is hereby amended and reenacted and R.S.

11 47:301(3)(i)(ii)(aa)(I)(ddd) is hereby enacted to read as follows:

12 §301. Definitions

13 As used in this Chapter the following words, terms, and phrases have the

14 meaning ascribed to them in this Section, unless the context clearly indicates a

15 different meaning:

16 \* \* \*

17 (3)

18 \* \* \*

19 (i)

1 \* \* \*

2 (ii) For purposes of this Subparagraph, the following definitions shall apply:

3 (aa) "Machinery and equipment" means tangible personal property or other  
4 property that is eligible for depreciation for federal income tax purposes and that is  
5 used as an integral part in the manufacturing of tangible personal property for sale.

6 "Machinery and equipment" shall also mean tangible personal property or other  
7 property that is eligible for depreciation for federal income tax purposes and that is  
8 used as an integral part of the production, processing, and storing of food and fiber  
9 or of timber.

10 (I) Machinery and equipment, for purposes of this Subparagraph, also  
11 includes but is not limited to the following:

12 \* \* \*

13 (ddd) Machinery and equipment used by an industrial manufacturing plant  
14 to generate electric power for self consumption or cogeneration.

15 \* \* \*

16 (bb) "Manufacturer" means a person whose principal activity is  
17 manufacturing, as defined in this Subparagraph, and who is assigned by the  
18 Louisiana Department of Labor a North American Industrial Classification System  
19 code within the agricultural, forestry, fishing, and hunting Sector 11 or the  
20 manufacturing Sectors 31-33 or facilities in Sector 211112 as they existed in 2002.

21 Section 2. This Act shall become effective upon signature by the governor or, if not  
22 signed by the governor, upon expiration of the time for bills to become law without signature  
23 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
24 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
25 effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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Daniel

HB No. 839

**Abstract:** Defines machinery and equipment to include machinery and equipment used to generate electric power by an industrial manufacturing plant for self consumption or cogeneration and defines "manufacturer" to include the NAICS code for oil and gas processing plants all for the purposes of the state sales and use tax.

Present law provides for the phase out of the sales tax on certain machinery and equipment over a period of seven years.

Proposed law defines machinery and equipment to include machinery and equipment used by industrial manufacturing plants to generate electric power for self consumption or cogeneration and defines manufacturer to include the NAICS code for oil and gas processing plants.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:301(3)(i)(ii)(bb); Adds R.S. 47:301(3)(i)(ii)(aa)(I)(ddd))