
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Proposed law grants an exclusion from state sales and use tax for the sale, purchase, or use of utilities and fuel used directly in the actual process of manufacturing renewable resources into articles of tangible personal property for resale.

Defines "renewable resources" as commodities or resources that are inexhaustible or that are replaceable by new growth.

Defines "manufacturing" in the same way as is provided for manufacturing machinery and equipment, that is:

"Manufacturing" means putting raw materials through a series of steps that brings about a change in their composition or physical nature in order to make a new and different item of tangible personal property that will be sold to another. Manufacturing begins at the point at which raw materials reach the first machine or piece of equipment involved in changing the form of the material and ends at the point at which manufacturing has altered the material to its completed form. Placing materials into containers, packages, or wrappings in which they are sold to the ultimate consumer is part of this manufacturing process.

This definition of "manufacturing" excludes the following:

- (1) Repackaging or redistributing.
- (2) The cooking or preparing of food products by a retailer in the regular course of retail trade.
- (3) The storage of tangible personal property.
- (4) The delivery of tangible personal property to or from the plant.
- (5) The delivery of tangible personal property to or from storage within the plant.
- (6) Actions such as sorting, packaging, or shrink wrapping the final material for ease of transporting and shipping.

Effective July 1, 2005.

(Adds R.S. 47:301(10)(y) and (18)(k))