

Regular Session, 2005

SENATE BILL NO. 331

BY SENATOR N. GAUTREAUX

TAX/SALES. Reenacts the suspended "exemption" from three of the four cents of state sales tax for crawfish harvesting and production items as an "exclusion" from all four cents of the state sales tax. (7/1/05)

1 AN ACT

2 To enact R.S. 47:301(10)(y) and (18)(k) and to repeal R.S. 47:305(A)(5), relative to
3 exemptions from sales and use tax levied by the state; to provide an exclusion from
4 such tax for certain transactions related to crawfish harvesting and production; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(10)(y) and (18)(k) are hereby enacted to read as follows:

8 §301. Definitions

9 As used in this Chapter the following words, terms, and phrases have the
10 meaning ascribed to them in this Section, unless the context clearly indicates a
11 different meaning:

| | | | | |
|----|------|---|---|---|
| 12 | | * | * | * |
| 13 | (10) | * | * | * |
| 14 | | * | * | * |

15 (y)(i) Solely for purposes of the sales and use tax levied by the state or
16 any political subdivision whose boundaries are coterminous with those of the
17 state, the term "retail sale" shall not include the sale of materials, supplies,

1 equipment, fuel, bait, and related items, other than vessels, used in the
2 production or harvesting of crawfish.

3 (ii) The person who purchases such excluded items shall claim the
4 exclusion by executing a certificate at the time of purchase. The Department of
5 Revenue shall provide the certificates to retail merchants. Any merchant who
6 in good faith, and after examination of the applicability of the certificate to that
7 purchase with due care, neglects or fails to collect sales or use tax due to the
8 presentation by the purchaser of a tax exclusion certificate issued by the
9 Department of Revenue pursuant to this Subparagraph and also exemption
10 certificates issued pursuant to R.S. 47:305.10 shall not be liable for the payment
11 of the tax.

12 * * *
13 (18) * * *
14 * * *

15 (k)(i) Solely for purposes of the sales and use tax levied by the state or
16 any political subdivision whose boundaries are coterminous with those of the
17 state, the term "use" shall not include the purchase of or the exercise of any
18 right or power over materials, supplies, equipment, fuel, bait, and related items,
19 other than vessels, used in the production or harvesting of crawfish.

20 (ii) The person who purchases such excluded items shall claim the
21 exclusion by executing a certificate at the time of purchase as provided for in
22 Subparagraph (10)(y) and a vendor shall not be liable for the tax if he acts in
23 accordance with the provisions of that Subparagraph.

24 * * *

25 Section 2. R.S. 47:305(A)(5) is hereby repealed.

26 Section 3. This Act shall become effective on July 1, 2005; if vetoed by the governor
27 and subsequently approved by the legislature, this Act shall become effective on July 1,
28 2005, or on the day following such approval by the legislature, whichever is later.

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

N. Gautreaux (SB 331)

DIGEST

Present law provides an "exemption" from three of the four cents of state sales tax for materials, supplies, equipment, fuel, bait, and related items, other than vessels, used in the production or harvesting of crawfish.

The purchaser must execute a revenue department issued exemption certificate at the time of purchase and any vendor who in good faith, and after examination of the applicability of the certificate to that purchase with due care, does not collect sales tax on the purchase cannot be held liable for the payment of the tax.

The vendor is also held harmless if he accepts in the same manner an exemption certificate issued under R.S. 47:305.10 for property purchased for first use beyond the territorial limits of the state.

Present law has suspended the "exemption" against three of the four cents of state sales tax until June 30, 2009.

Proposed law reenacts the "exemption" as an "exclusion" excluding the crawfish-related items from all four cents of the state sales tax.

Effective July 1, 2005.

(Adds R.S. 47:301(10)(y) and (18)(k); repeals R.S. 47:305(A)(5))