

Second Extraordinary Session, 2008

HOUSE BILL NO. 15

BY REPRESENTATIVE LORUSSO

TAX/SALES-USE-EXEMPT: Provides for an exclusion for manufacturing machinery and equipment (Item #1)

1 AN ACT

2 To amend and reenact R.S. 47:301(3)(i)(i), (13)(k)(i), and (28)(a), relative to sales and use
3 tax of the state and statewide political subdivisions; to provide for a total exclusion
4 for certain manufacturing machinery and equipment; to provide for an effective date;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(3)(i)(i), (13)(k)(i), and (28)(a) are hereby amended and
8 reenacted to read as follows:

9 §301. Definitions

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

13 * * *

14 (3)

15 * * *

16 (i)(i) For purposes of the imposition of the use tax levied by the state and any
17 political subdivision whose boundaries are coterminous with those of the state, the
18 cost price of machinery and equipment used by a manufacturer in a plant facility
19 predominately and directly in the actual manufacturing for agricultural purposes or
20 the actual manufacturing process of an item of tangible personal property, which is

1 for ultimate sale to another and not for internal use, at one or more fixed locations
2 within Louisiana shall be reduced as follows:

3 (aa) For the period ending on June 30, 2005, the cost price shall be reduced
4 by five percent.

5 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the
6 cost price shall be reduced by nineteen percent.

7 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the
8 cost price shall be reduced by thirty-five percent.

9 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the
10 cost price shall be reduced by fifty-four percent.

11 (ee) For ~~the period~~ all periods beginning on or after July 1, 2008, ~~and ending~~
12 ~~on June 30, 2009~~; the cost price shall be reduced by ~~sixty-eight~~ one hundred percent.

13 ~~(ff) For the period beginning July 1, 2009, and ending on June 30, 2010, the~~
14 ~~cost price shall be reduced by eighty-two percent.~~

15 ~~(gg) For all periods beginning on or after July 1, 2010, the cost price shall~~
16 ~~be reduced by one hundred percent.~~

17 * * *

18 (13)

19 * * *

20 (k)(i) For purposes of the imposition of the sales tax levied by the state and
21 any political subdivision whose boundaries are coterminous with those of the state,
22 the sales price of machinery and equipment purchased by a manufacturer for use in
23 a plant facility predominately and directly in the actual manufacturing for
24 agricultural purposes or the actual manufacturing process of an item of tangible
25 personal property, which is for ultimate sale to another and not for internal use, at
26 one or more fixed locations within Louisiana shall be reduced as follows:

27 (aa) For the period ending on June 30, 2005, the sales price shall be reduced
28 by five percent.

1 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the
2 sales price shall be reduced by nineteen percent.

3 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the
4 sales price shall be reduced by thirty-five percent.

5 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the
6 sales price shall be reduced by fifty-four percent.

7 (ee) For ~~the period~~ all periods beginning on or after July 1, 2008, and ending
8 ~~on June 30, 2009~~, the sales price shall be reduced by ~~sixty-eight~~ one hundred percent.

9 ~~(ff) For the period beginning July 1, 2009, and ending on June 30, 2010, the~~
10 ~~sales price shall be reduced by eighty-two percent.~~

11 ~~(gg) For all periods beginning on or after July 1, 2010, the sales price shall~~
12 ~~be reduced by one hundred percent.~~

13 * * *

14 (28)(a) For purposes of the imposition of the lease or rental tax levied by the
15 state and any political subdivision whose boundaries are coterminous with those of
16 the state, the "gross proceeds", "monthly lease or rental price paid", and "monthly
17 lease or rental price contracted or agreed to be paid" for machinery and equipment
18 used by a manufacturer in a plant facility predominately and directly in the actual
19 manufacturing for agricultural purposes or the actual manufacturing process of an
20 item of tangible personal property, which is for ultimate sale to another and not for
21 internal use, at one or more fixed locations within Louisiana shall be reduced as
22 follows:

23 (i) For the period ending on June 30, 2005, by five percent.

24 (ii) For the period beginning July 1, 2005, and ending on June 30, 2006, by
25 nineteen percent.

26 (iii) For the period beginning July 1, 2006, and ending on June 30, 2007, by
27 thirty-five percent.

28 (iv) For the period beginning July 1, 2007, and ending on June 30, 2008, by
29 fifty-four percent.

Proposed law provides for a state sales and use tax exclusion for the purchase, use, lease, or rental of certain machinery and equipment used by certain manufacturers in manufacturing for agricultural purposes or in the actual manufacturing process of an item of tangible personal property.

Effective July 1, 2008.

(Amends R.S. 47:301(3)(i)(i), (13)(k)(i), and (28)(a))