

Regular Session, 2009

HOUSE BILL NO. 320

BY REPRESENTATIVES GALLOT AND DOWNS AND SENATOR KOSTELKA

TAX EXEMPTIONS: Authorizes an exemption from state and local sales taxes for certain machinery and equipment

1 AN ACT

2 To amend and reenact R.S. 47:301(16)(m)(i) and (ii) and 337.10(I), to exempt from state and  
3 local sales and use taxes certain machinery and equipment used by glass container  
4 manufacturers; to authorize the granting of exemptions by a political subdivision; to  
5 provide for the duration of the exclusion; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(16)(m)(i) and (ii) are hereby amended and reenacted to read  
8 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 (16)

15 \* \* \*

16 (m)(i) Notwithstanding any other provision of law to the contrary, for  
17 purposes of the sales and use tax levied by the state or any political subdivision  
18 whose boundaries are coterminous with those of the state, the term "tangible personal  
19 property" shall not include machinery and equipment used by a motor vehicle  
20 manufacturer with a North American Industry Classification System (NAICS) Code

1 beginning with 3361, or by a glass container manufacturer with a NAICS Code of  
2 327213. This exclusion shall be subject to the definitions and requirements of  
3 ~~Subparagraph Item~~ (3)(i)(ii) of this Section.

4 (ii) A political subdivision may provide for a sales and use tax exemption for  
5 the sales, cost, or lease or rental price of manufacturing machinery and equipment  
6 as provided for in this Section, either effective upon adoption or enactment or phased  
7 in over a period of time, or effective for a certain period of time or duration, all as  
8 set forth in the instrument providing the exemption.

9 \* \* \*

10 Section 2. R.S. 47:337.10(I) is hereby amended and reenacted to read as follows:

11 §337.10. Optional exclusions and exemptions

12 \* \* \*

13 I.(1) A political subdivision may provide for a sales and use tax exclusion  
14 as provided for in R.S. 47:301(3)(i), (13)(k), or (28), or any combination of these or  
15 all of them, for the sales, cost, or lease and rental price of manufacturing machinery  
16 and equipment, either effective upon adoption or enactment or phased in over a  
17 period of time, or effective for a certain period of time or duration, all as set forth in  
18 the instrument providing the exclusion.

19 (2) Pursuant to the authority provided for in Paragraph (1) of this Subsection,  
20 a political subdivision may provide an exclusion from its tax for any class or classes  
21 of manufacturers, including a glass container manufacturer with a NAICS Code of  
22 327213.

23 (3)(a) Pursuant to the authority provided for in Paragraph (1) of this  
24 Subsection, a political subdivision may provide an exclusion from its tax for any  
25 other machinery, equipment, supplies, materials, or services used or consumed in the  
26 business of farming.

27 (b) The authority provided to political subdivisions in this Paragraph shall  
28 be in addition to the authority provided to political subdivisions in Paragraph (1) of  
29 this Subsection to exclude from their tax machinery and equipment that is eligible

1 for depreciation for federal income tax purposes and that is used as an integral part  
 2 of the production, processing, and storing of food and fiber or of timber by an  
 3 individual or entity which is assigned by the Louisiana Workforce Commission a  
 4 North American Industrial Classification System code within the agricultural,  
 5 forestry, fishing, and hunting Sector 11, all as defined in and provided for in R.S.  
 6 47:301(3)(i)(ii), and the authorization in Subsections B, C, and D of this Section for  
 7 certain political subdivisions to exempt that portion of the sales price of farm  
 8 machinery and equipment provided for in R.S. 47:305.25(A) in excess of fifty  
 9 thousand dollars, or any other exclusion or exemption that may be provided by law.

10 \* \* \*

11 Section 3. The provisions of Section 2 of this Act are intended to be remedial and  
 12 curative relative to the authority of political subdivisions pursuant to Act No. 1 of the 2004  
 13 First Extraordinary Session of the Legislature.

14 Section 4. This Act shall become effective upon signature by the governor or, if not  
 15 signed by the governor, upon expiration of the time for bills to become law without signature  
 16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 17 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 18 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. 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)]

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Gallot HB No. 320

**Abstract:** Exempts from state and local sales and use taxes machinery and equipment used by a glass container manufacturer with a NAICS Code of 327213.

Present law exempts from state and local sales and use taxes machinery and equipment used by a motor vehicle manufacturer with a North American Industry Classification System (NAICS) Code of 3361.

Proposed law retains present law and adds a like exemption for a glass container manufacturer with a NAICS Code of 327213.

Present law authorizes a political subdivision to provide for a sales and use tax exemption for the sales, cost, or lease or rental price of manufacturing machinery and equipment as

provided for in present law, either effective upon adoption or enactment, or phased in over a period of time, as set forth in the instrument providing the exemption.

Proposed law retains present law and adds the authority to approve such exemptions to be effective for a certain period of time or duration.

Provisions of this Act pertaining to the authority of a political subdivision to authorize tax exemptions pursuant to Act No. 1 of the 2004 1<sup>st</sup> E.S. of the Legislature are intended to be remedial and curative.

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

(Amends R.S. 47:301(16)(m)(i) and (ii), and 337.10(I))