

Regular Session, 2009

HOUSE BILL NO. 818

BY REPRESENTATIVES ELLINGTON, BALDONE, HENRY, HOFFMANN, HONEY,
NOWLIN, RICHMOND, RITCHIE, AND JANE SMITH

TAX/SALES-USE, STATE: Phases-in an exclusion from state sales and use taxes for
certain tangible property related to the manufacturing process

1 AN ACT

2 To enact R.S. 47:301(3)(k), relative to the sales and use tax; to phase-in an exclusion from
3 state sales and use taxes for certain tangible property related to the manufacturing
4 process; to provide for certain limitations; to provide for certain definitions; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(3)(k) is hereby amended and reenacted 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 (3)(a)

14 * * *

15 (k)(i) For purposes of the imposition of the sales and use tax levied by the
16 state or any political subdivision whose boundaries are coterminous with those of the
17 state, the tax on the cost price of tangible property consumed in the manufacturing
18 process, such as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils

- (2) For the period beginning July 1, 2010, and ending June 30, 2011, the state sales and use tax on the cost price shall be reduced by 50%.
- (3) For the period beginning July 1, 2011, and ending June 30, 2012, the sales and use tax on the cost price shall be reduced by 75%.
- (4) For all periods beginning on and after July 1, 2012, the state sales and use tax on the cost price shall be reduced by 100%.

Proposed law provides that for purposes of proposed law, a manufacturer shall mean a person whose principal activity is manufacturing and who is assigned an industry group designation of 3211 through 3222 pursuant to the North American Industry Classification System (NAICS) of 2007.

(Adds R.S. 47:301(3)(k))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Deletes from the sales and use tax exclusion the tax on the cost price of spare and replacement parts for manufacturing machinery and equipment, such as valves, pumps, motors, and other manufacturing machinery and equipment components.