

Regular Session, 2010

SENATE BILL NO. 707

BY SENATOR ALARIO

TAX/LOCAL. Provides for the definition of contractor for purposes of the occupational license tax in certain parishes. (8/15/10)

1 AN ACT

2 To amend and reenact R.S. 47:342(3), relative to the occupational license tax; to define
3 contractor for purposes of the occupational license tax in certain parishes; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:342(3) is hereby amended and reenacted to read as follows:

7 §342. General definitions

8 For the purposes of this Chapter, unless the context clearly otherwise requires
9 or unless otherwise defined in specific portions of the Chapter, the following words
10 shall have the respective meanings ascribed to each in this Section.

11 * * *

12 (3)(a) Contractor. "Contractor" is synonymous with the term "Builder" and
13 means a person, firm, partnership, corporation, association, or other organization, or
14 a combination of them, which undertakes to or offers to undertake to, or purports to
15 have the capacity to undertake to, or submits a bid to, or does himself or by or
16 through others, construct, alter, repair, add to, subtract from, improve, move, wreck,
17 or demolish any building, highway, road, railroad, excavation, or other structure,

1 project, development or improvement, or to do any part thereof, including the
2 erection of scaffolding or other structure or works in connection therewith and
3 includes subcontractors and specialty contractors. As such, the word, "contractor"
4 shall include oil field service contractors, ~~which shall consist of~~ **including** those
5 contractors performing general oil well servicing, maintenance, and construction
6 when conducted as a single company unit. "General oil well servicing" shall include
7 welding, pipe coating, pipe inspection, wireline service, automation, workover,
8 logging, analysis, seismograph, installing and servicing equipment, packing,
9 platform work, perforating, and completion.

10 **(b) Notwithstanding any provision of law to the contrary, in any parish**
11 **with a population of between four hundred and fifty thousand and four**
12 **hundred and eighty thousand, according to the latest federal decennial census,**
13 **"contractor" shall be synonymous with the term "builder" and means a person,**
14 **firm, partnership, corporation, association, or other organization, or a**
15 **combination of them, which undertakes to or offers to undertake to, or purports**
16 **to have the capacity to undertake to, or submits a bid to, or does himself or by**
17 **or through others, construct, alter, repair, add to, subtract from, improve,**
18 **move, wreck, or demolish any building, highway, road, railroad, excavation, or**
19 **other structure or movable, project, development or improvement, or to do any**
20 **part thereof, including the erection of scaffolding or other structure or works**
21 **in connection therewith and includes subcontractors and specialty contractors.**
22 **As such, the word, "contractor" shall include oil field-related fabrication and**
23 **oil field service contractors, including those contractors performing**
24 **maintenance, construction, and fabrication of tangible property, movable or**
25 **immovable, and general oil well servicing, maintenance, and construction when**
26 **conducted as a single company unit. "General oil well servicing" and**
27 **"fabrication" shall include welding, pipe coating, pipe inspection, wireline**
28 **service, automation, workover, logging, analysis, seismograph, installing and**
29 **servicing equipment, packing, platform work, perforating, and completion.**

The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by Danielle Doiron.

DIGEST

Alario (SB 707)

Present law authorizes municipalities and parishes to levy and collect an occupational license tax on persons doing business within the territorial jurisdiction of the municipality or parish, depending on the class of business as defined in present law.

Present law defines the class of business of "contractor" as synonymous with the term "builder" and includes in that definition that the word "contractor" includes oil field service contractors, which shall consist of those contractors performing general oil well servicing, maintenance, and construction when conducted as a single company unit.

Proposed law specifically includes in the definition of "contractor" in parishes with a population of between 450,000 and 480,000 oil field-related fabrication as well as oil field service contractors, and includes those contractors performing maintenance, construction, and fabrication of tangible property, movable or immovable, and general oil well servicing, maintenance, and construction when conducted as a single company unit.

Effective August 15, 2010.

(Amends R.S. 47:342(3))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill.

1. Changes the proposed law to apply only in parishes with a population between 450,000 and 480,000.
2. Changes the bill to remove work "on movables" from the definition of "contractor" and expands the definition of the type of oil field contracting and fabricating which is included in "contractor" as set forth above.