SLS 17RS-419

ORIGINAL

2017 Regular Session

SENATE BILL NO. 97

BY SENATOR FANNIN

TAX EXEMPTIONS. Provides relative to the sales and use tax exemption for feed, seed, and fertilizer used by commercial farmers. (7/1/17)

1	AN ACT
2	To amend and reenact R.S. 47:301(10)(e), 305.3, and 305.8 and to enact R.S. 47:301(30),
3	relative to sales tax; to provide relative to certain agricultural sales and use tax
4	exemptions; to define commercial farmer; to provide for an effective date; and to
5	provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:301(10)(e), 305.3, and 305.8 are hereby amended and reenacted
8	and R.S. 47:301(30) is hereby enacted to read as follows:
9	§301. Definitions
10	As used in this Chapter the following words, terms, and phrases have the
11	meanings ascribed to them in this Section, unless the context clearly indicates a
12	different meaning:
13	* * *
14	(10) * * * *
15	(e) The term "sale at retail" does not include the sale of raw agricultural
16	commodities, including but not limited to feed, seed, and fertilizer, to be utilized in
17	preparing, finishing, manufacturing, or producing crops or animals for market by a

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	commercial farmer as defined in R.S. 47:301(30). The Department of Agriculture
2	and Forestry may develop and promulgate guidelines to determine who meets this
3	definition. Any person meeting such guidelines shall receive a certificate from the
4	Department of Agriculture and Forestry indicating that such person is eligible to
5	purchase such items without paying tax thereon.
6	* * *
7	(30) The term "commercial farmer" shall mean only those persons
8	occupationally engaged in producing food or agricultural commodities for sale
9	or for further use in producing food or such commodities for consumption or
10	sale. These terms are limited to those persons, partnerships, or corporations
11	regularly engaged in the commercial production for sale of vegetables, fruits,
12	crops, livestock, poultry, and other food or agricultural products. Only those
13	persons, partnerships, or corporations whose intention it is to produce such food
14	or commodities at a profit or for consumption and not those persons who intend
15	to engage in such production for pleasure or as a hobby qualify within this
16	definition. The Department of Revenue in conjunction with the Department of
17	Agriculture and Forestry may develop and promulgate rules to determine who
18	meets this definition.
19	* * *
20	§305.3. Exclusions and exemptions; seeds used in planting of crops
21	The tax imposed by taxing authorities shall not apply to the sale at retail of
22	seeds to a commercial farmer as defined in R.S. 47:301(30) for use in the planting
23	of any kind of crops. The secretary shall may promulgate rules and regulations
24	designed to carry out the provisions of this Section, and any transaction not strictly
25	in compliance with such rules and regulations shall lose the exemption herein
26	provided.
27	* * *
28	§305.8. Exclusions and exemptions; pesticides used for agricultural purposes
29	The tax imposed by taxing authorities shall not apply to sale at retail to a

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1	commercial farmer as defined in R.S. 47:301(30) of pesticides used for
2	agricultural purposes, including particularly but not by way of limitation,
3	insecticides, herbicides and fungicides.
4	Section 2. This Act shall become effective on July 1, 2017.

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

DIGEST 2017 Regular Session

Fannin

<u>Present law</u> provides for sales and use exemptions and exclusions for certain agricultural inputs including feed, seed, fertilizer, and pesticides that are used by anyone in preparing, finishing, manufacturing, or producing crops or animals for market.

<u>Proposed law</u> retains the <u>present law</u> exclusions and exemptions, but limits their application to commercial farmers who are defined by <u>proposed law</u> as persons who produce such food or commodities at a profit and not as a hobby.

Effective July 1, 2017.

(Amends R.S. 47:301(10)(e), 305.3, and 305.8; adds R.S. 47:301(30))