

2017 Regular Session

HOUSE BILL NO. 579

BY REPRESENTATIVE STOKES

TAX/SALES & USE: Provides for the definitions, exclusions, and exemptions applicable to sales and taxes

1 AN ACT

2 To amend and reenact R.S. 47:301(10)(b), 305(A)(4)(a) and (b), and 305.66(A), to enact
3 R.S. 47:305.75, 305.76 and 315.11, and to repeal R.S. 47:301(3)(k), (10)(gg), and
4 (18)(p), 301.1(B)(2)(d), and 6003, relative to sales and use taxes; to provide with
5 respect to exclusions and exemptions applicable for purposes of state and local
6 taxation; to provide for definitions; to establish refunds; to provide for effectiveness;
7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 2. 47:301(10)(b), 305(A)(4)(a) and (b), 305.66(A), are hereby
10 amended and reenacted and R.S. 47:305.75, 305.76, and 315.6 are hereby enacted
11 to read as follows:

12 §301. Definitions

13 As used in this Chapter the following words, terms, and phrases have the
14 meanings ascribed to them in this Section, unless the context clearly indicates a
15 different meaning:

16 * * *

17 (10)

18 * * *

19 ~~(b)(i) Solely for purposes of the sales and use tax levied by the state, the sale~~
20 ~~of tangible personal property to a dealer who purchases said property for resale~~

1 through coin-operated vending machines shall be considered a "sale at retail", subject
2 to such tax. ~~The subsequent resale of the property by the dealer through~~
3 ~~coin-operated vending machines shall not be considered a "sale at retail".~~

4 (ii) ~~Solely for purposes of the sales and use tax levied by political~~
5 ~~subdivisions,~~ The term "sale at retail" shall include the sale of tangible personal
6 property by a dealer through a kiosk or coin-operated vending machines machine.

7 * * *

8 §305. Exclusions and exemptions from the tax

9 A.

10 * * *

11 (4)(a) The purchase of feed and feed additives for the purpose of sustaining
12 animals which are held primarily for commercial, ~~business,~~ or agricultural use shall
13 be exempted from the taxes levied by taxing authorities.

14 (b) For purposes of this Subsection:

15 (i) "Commercial use" means the purchasing, producing, or maintaining of
16 animals, including breeding stock and race horses, for resale;

17 (ii) ~~"Business use" means the keeping and maintaining of animals which are~~
18 ~~used in performing services in conjunction with a business enterprise, such as sentry~~
19 ~~dogs and rental horses;~~

20 (iii) (ii) "Agricultural use" means the maintaining of work animals and beasts
21 of burden which are utilized in the activity of producing crops or animals for market,
22 in the production of food for human consumption, in the production of animal hides
23 or other animal products for market, or in the maintaining of breeding stock for the
24 propagation of such agricultural use animals.

25 * * *

26 §305.66. Exemption; parish councils on aging

27 A. The sales and use tax imposed by the state of Louisiana and any political
28 subdivision shall not apply to parish councils on aging, or any cooperative

1 purchasing organization comprised of more than one parish council on aging, that
2 is located in this state.

3 * * *

4 §305.75. Exemptions; mineral exploration, extraction and production industries

5 The sale of anthropogenic carbon dioxide for use in a qualified tertiary
6 recovery project approved by the assistant secretary of the office of conservation of
7 the Department of Natural Resources pursuant to R.S. 47:633.4 shall be exempt from
8 sale and use taxes imposed by the state and its political subdivisions.

9 §305.76. Exemptions; certain telephone services

10 The sale of telecommunications services paid for by inserting coins in coin-
11 operated telephones available to the public shall be exempt from sale and use taxes
12 imposed by the state and its political subdivisions.

13 * * *

14 315.11. Sales and use tax refund; wood and paper products manufacturers; certain
15 consumables and services

16 A. A person whose principal activity is manufacturing and who is assigned
17 an industry group designation by the United States Census of 3211 through 3222 or
18 113310 pursuant to the North American Industry Classification System of 2007, and
19 who has paid sales and use taxes levied by the state upon the sale at retail, the
20 consumption, the distribution, and the storage to be used or consumed in the taxing
21 jurisdiction upon sales of the following tangible personal property: fuses, belts, felts,
22 wires, conveyor belts, lubricants, and motor oils; or has paid the sales and use taxes
23 levied by the state upon the cost price of repairs and maintenance of manufacturing
24 machinery and equipment, may receive a refund of sales and use tax paid on the sale
25 of such tangible personal property and services.

26 B. A properly completed refund request shall be submitted to the Department
27 of Revenue on forms provided by the department. For purposes of this Section, a
28 properly completed refund request shall mean a request that includes the general
29 information required on the face of the request, is signed, and includes a copy of

1 each invoice and all required schedules. The request shall be submitted
2 electronically unless the secretary of the Department of Revenue grants permission
3 to submit the request in an alternate form. A copy of the taxpayer's approved
4 certification for the Manufacturing Machinery and Equipment exemption or
5 exclusion shall be included as well.

6 C. A request for refund shall be filed no more than once each quarter for the
7 quarters either ending on April 30, July 31, October 31, or January 31. Within sixty
8 days of the receipt of a properly submitted refund request, the Department of
9 Revenue shall refund the amount requested.

10 D. The secretary is authorized to prescribe forms and regulations for use in
11 carrying out the provisions of this Section.

12 * * *

13 Section 3. R.S. 301(3)(k), (10)(gg), and (18)(p), 301.1(B)(2)(d), and 6003 are hereby
14 repealed in their entirety.

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)]

HB 579 Original

2017 Regular Session

Stokes

Abstract: Provides with respect to various exemptions and exclusions against state and local sales and use tax and establishes refunds for the payment of taxes on certain activities.

Present law provides that within the definition of "sale at retail" for purposes of sales and use taxes imposed by a political subdivision, includes the sale of tangible personal property by a dealer through coin-operated vending machine.

Present law provides that within the definition of "sale at retail" for purposes of state sales and use taxes, includes the sale of tangible personal property to the person to will sell the tangible personal property through a coin-operated vending machine.

Proposed law changes present law by repeal provisions of present law applicable to the state and by extending the provisions applicable in present law to local taxes to apply to state sales and use taxes, and further by expanding the definition to include sales made through a kiosk.

Present law provides an exemption from the sales and use taxes imposed by all taxing authorities for the purchase of feed and feed additives for animals used for commercial, business, and agricultural, purposes.

Present law for purposes of the exemption for animal feed and feed additives defines the terms "commercial use", "business use", and "agricultural use".

Proposed law changes present law by repealing the exemption for and definition of "business use" and by adding race horses to the definition of "commercial use".

Present law establishes an exemption from state sales and use tax for councils on aging.

Proposed law changes present law by extending application of the exemption to the sales and use taxes imposed by a political subdivision and by expanding applicability for cooperative purchasing organization comprised of more than one parish council on aging.

Present law establishes an exclusion from sales and use taxes imposed by any taxing authority for the sale of anthropogenic carbon dioxide for use in a qualified tertiary recovery project approved by the assistant secretary of the office of conservation of the Dept. of Natural Resources pursuant to R.S. 47:633.4.

Proposed law repeals the exclusion provided in present law and establishes a exemption for the same purpose.

Present law establishes an exclusion from sales and use taxes imposed by any taxing authority for the sale of telecommunications services paid for by inserting coins in coin-operated telephones available to the public.

Proposed law repeals present law providing an exclusion for these telephone services and establishes a exemption for the same purpose.

Present law provides for an exclusion from state sales and use tax for certain consumable tangible personal property and services used by a person whose principal activity is manufacturing and who is assigned an industry group designation by the United States Census of 3211 through 3222 or 113310 pursuant to the North American Industry Classification System of 2007 (wood and paper products manufactures).

Proposed law repeals the exclusion provided for in present law and provides instead for a refund of any state sales paid on eligible tangible personal property and services. Proposed law provides for the requirements and conditions for refunds.

(Amends R.S. 47:301(10)(b) and 305(A)(4)(a) and (b) and 305.66(A); Adds R.S. 47:305.75, 305.76, and 315.11; Repeals R.S. 47:301(3)(k), (10)(gg) and (18)(p), and 301.1(B)(2)(d) and 6003)