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

DIGEST

SB 268 Engrossed

2024 Regular Session

Cathey

Proposed law provides that the purpose of the sales tax rebate is to help ensure energy independence for the United States, using a diversified approach. Further it recognizes that growth and development of the critical energy resources of the state are essential to the continued prosperity of the people of the state.

Proposed law establishes a rebate for the state sales tax paid by any company engaged in production from a qualified lithium recovery project in Louisiana, on all equipment, machinery, materials, improvements, and other items purchased in Louisiana in connection with the development, production, operation, storage, processing, or transportation of lithium.

Proposed law provides that the amount of the rebate is equal to the amount of state sales tax in Louisiana actually paid by the applicant in connection with the purchase of equipment, machinery, materials, improvements, and other items for use in connection with the development, production, operation, storage, processing, or transportation of lithium or lithium refined products, including injection wells, in connection with a qualified lithium recovery project in Louisiana.

Proposed law defines "qualified lithium recovery project" as a lithium recovery and processing project that is or will be evaluated, developed, constructed, and operated in Louisiana and that is or will be conducted in accordance with sound engineering principles as used in the industry, which includes the production of brine and separating the lithium from the brine, employing direct lithium extraction or any other processes or technology.

Proposed law requires an applicant claiming the rebate to apply to the secretary of the Department of Revenue for the rebate in a manner and on a form prescribed by the secretary. Further requires an applicant to submit proof of the actual state sales tax paid in connection with qualified purchases as well as any other documentation required by administrative rule.

Proposed law requires the Department of Revenue to verify each applicant's eligibility for the rebate and certify the list of eligible applicants and approved rebate amounts.

Proposed law authorizes the secretary of the Department of Revenue to promulgate rules in accordance with the Administrative Procedure Act, as are necessary to implement the provisions of the rebate.

Proposed law terminates the sales and use tax rebate on December 31, 2025.

Applicable to purchases made on or after July 1, 2024.

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

(Adds R.S. 47:305.81)

Summary of Amendments Adopted by Senate

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

1. Clarifies that all activity eligible for the rebate shall occur in Louisiana.
2. Includes companies engaged in the evaluation and development of a "qualified lithium recovery project" in the rebate.
3. Modifies the definition of "qualified lithium recovery project".
4. Includes costs related to injection wells in the eligible expenditures for the rebate.