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

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## DIGEST

Present law provides a sales tax "exclusion" for "manufacturing machinery and equipment" which is being phased-in in annual increments through June 30, 2010.

Proposed law provides an immediate total state sales tax "exemption" until July 1, 2007 for the purchase, lease, or rental of machinery and equipment, and for repair parts and repair services for such machinery and equipment, if the machinery and equipment:

1. Meet the same definitions as the "manufacturing machinery and equipment" in present law.
2. Are for the repair or replacement of such machinery and equipment damaged or destroyed by the hurricanes.

Requires obtaining a certificate of exemption from the Department of Revenue in order to obtain the exemption by a notarized application of an officer of the taxpayer certifying that he is a "manufacturer" that the MM&E or repair parts and services are repairing or replacing that lost or damaged by wind, water, fire, or criminal act as a result of conditions created by the hurricanes. Authorizes refunds to qualified applicants who have replaced or repaired prior to issuance of the certificate.

Specifically authorizes the department to promulgate rules in accordance with the APA.

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

(Adds R.S. 47:305.54)