

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 225 by Representative St. Germain

Digest of Bill as Finally Passed by the House

Proposed law provides for an annual "sales tax holiday" during the last weekend of May each year beginning at 12:01 a.m. on Friday and ending at 11:59 p.m. on Sunday, affecting state sales and use taxes on the first \$1,500 of the purchase price on the purchase of certain hurricane-preparedness items or supplies.

Proposed law defines "hurricane-preparedness items or supplies" as any of the following:

- (1) Any portable self-powered light source.
- (2) Any portable self-powered radio.
- (3) Any tarpaulin or other flexible waterproof sheeting.
- (4) Any ground anchor system or tie-down kit.
- (5) Any gas or diesel fuel tank.
- (6) Any package of AAA, AA, C, D, 6-volt, or 9-volt batteries, excluding automobile and boat batteries.
- (7) Any cell phone battery and any cell phone charger.
- (8) Any nonelectric food storage cooler.
- (9) Any portable generator used to provide light or communications or preserve food in the event of a power outage.
- (10) Any "storm shutter device".
- (11) Any carbon monoxide detector.
- (12) Any blue ice product.

Proposed law prohibits hurricane-preparedness items or supplies purchased at airports, public lodging establishments, convenience stores, and entertainment complexes from qualifying for this sales and use tax exemption.

Proposed law provides for the tax treatment of exempt items sold in sets, promotional sales, exchanges, layaways, rainchecks, and rebates.

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

(Adds R.S. 47:305.56)

Summary of Amendments Adopted by the SenateSenate Floor Amendments to the Reengrossed Bill.

1. Authorizes an additional annual "sales tax holiday" on the first \$2,500 of the sales price of any consumer purchases of tangible personal property.
2. Authorizes the date of the annual "sales tax holiday" to be from Sunday through Saturday of the week in which the first day of August occurs.
3. Provides for the tax treatment of exempt items sold in sets, promotional sales, exchanges, layaways, rainchecks, and rebates.

Digest of Bill as Proposed by Conference Committee

Same as bill as finally passed the House except to change the dates for the "sales tax holiday" to the last weekend in May of each year beginning at 12:01 a.m. on Saturday and ending at 11:59 p.m. on Sunday, to add provisions authorizing a state and local sales and use tax exemption for manufacturers engaged in certain manufacturing activities, and to change the effective date to June 30, 2007.

Proposed law provides for an annual "sales tax holiday" during the last weekend of May each year beginning at 12:01 a.m. on Saturday and ending at 11:59 p.m. on Sunday, affecting state sales and use taxes on the first \$1,500 of the purchase price on the purchase of certain hurricane-preparedness items or supplies.

Proposed law defines "hurricane-preparedness items or supplies" as any of the following:

- (1) Any portable self-powered light source.
- (2) Any portable self-powered radio.
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- (9) Any portable generator used to provide light or communications or preserve food in the event of a power outage.
- (10) Any "storm shutter device".
- (11) Any carbon monoxide detector.
- (12) Any blue ice product.

Proposed law prohibits hurricane-preparedness items or supplies purchased at airports, public lodging establishments, convenience stores, and entertainment complexes from qualifying for this sales and use tax exemption.

Proposed law provides for the tax treatment of exempt items sold in sets, promotional sales, exchanges, layaways, rainchecks, and rebates.

Present law authorizes the levy of a tax upon the sale at retail, the use, the consumption, the distribution, and the storage of each item or article of tangible personal property.

Present law provides that for purposes of state and local sales and use taxes, the cost price of machinery and equipment used by a manufacturer in a plant facility predominately and directly in the actual manufacturing process of an item of tangible personal property, which is for ultimate sale to another, not for internal use, shall be reduced each year.

Present law provides that for purposes of the reduction in the state and local sales and use tax, a manufacturer is a person whose principal activity is manufacturing, and who is assigned by the Louisiana Department of Labor a North American Industrial Classification System code within the agricultural, forestry, fishing, and hunting Sector 11, or the manufacturing Sectors 31-33 as they existed in 2002.

Proposed law retains present law but also authorizes the reduction in state and local sales and use taxes to apply to a manufacturer whose principal activity is manufacturing and who is assigned industry code 423930 as a recyclable material merchant wholesaler engaged in manufacturing activities, which must include shredding facilities, as determined by the secretary of the Department of Revenue.

Effective June 30, 2007.

(Amends R.S. 47:301(3)(i)(ii)(bb)(I); Adds R.S. 47:305.56)