

New 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.

New 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.

New 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.

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

Existing 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.

Existing 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.

Existing 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.

New law retains existing 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)