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

DIGEST

John Smith (SB 579)

Proposed law prohibits local sales tax authorities from levying a tax on a sale of the following which are to be used or consumed in paving or surfacing activities, including resurfacing activities, which are related to immovable property, if the affidavit below is provided to the seller in advance of the purchase:

- (1) Asphalt.
- (2) Portland cement.
- (3) Any tangible personal property of such type.
- (4) Any tangible personal property which is to be further processed into tangible personal property of the type used or consumed in such activities.

In order to be exempt from tax on such sale, the purchaser must provide to the selling dealer an affidavit reciting both of the following:

- (1) That the purchaser is engaged in paving or surfacing activities, including resurfacing activities, which are related to immovable property.
- (2) That the purchaser will promptly notify the selling dealer when the purchaser has ceased being engaged in such activities if, and when, such cessation occurs.

A selling dealer who has received the affidavit is relieved from liability for the collection of sales or use tax on property.

Proposed law prohibits any local sales tax authority from levying a tax on the use of such property except the tax authority in the taxing jurisdiction in which the property, whether in its original or further processed form, is actually used or consumed in paving or surfacing activities, including resurfacing activities, which are related to immovable property.

However, if any such property is used or consumed in a manner inconsistent with its ultimate use or consumption in such activities it is subject to use taxation in the taxing jurisdiction in which the inconsistent use occurs unless otherwise exempt or excluded from taxation.

Effective July 1, 2014.

(Adds R.S. 47:337.12(D))