

2019 Regular Session

HOUSE BILL NO. 494

BY REPRESENTATIVE ABRAMSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SALES & USE: Provides relative to the determination of where sales and use taxes are due on purchases of certain raw materials manufactured into asphaltic concrete

1 AN ACT

2 To enact R.S. 47:337.12.1, relative to local sales and use taxes; to provide for the  
3 determination of where taxes are due for certain materials used in road material  
4 construction contracts; to provide for certain requirements and limitations; to provide  
5 for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:337.12.1 is hereby enacted to read as follows:

8 §337.12.1. Road material construction contracts; determination of where tax is due;  
9 requirements and limitations

10 A. Notwithstanding any other law to the contrary, for purposes of the  
11 imposition of sales and use tax by any political subdivision of the state, any raw  
12 materials manufactured into asphaltic concrete which have been documented for  
13 ultimate use by the manufacturer pursuant to a road material construction contract  
14 shall be subject to tax in the following manner:

15 (1) If the raw materials are delivered by the vendor to the manufacturer such  
16 that title or possession, or both, transfers at the manufacturer's facility where the raw  
17 materials are manufactured into asphaltic concrete, the "retail sale" of the raw  
18 materials to the manufacturer is deemed to take place in the political subdivision  
19 where the asphaltic concrete is actually used by the manufacturer to fulfill the road  
20 material contract.



into asphaltic concrete documented for ultimate use by the manufacturer pursuant to a road material construction contract as follows:

- (1) If the raw materials are delivered to the manufacturer and title or possession of the materials transfers at the manufacturer's facility where the raw materials are manufactured into asphaltic concrete, the "retail sale" of the raw materials to the manufacturer is deemed to take place in the political subdivision where the asphaltic concrete is actually used by the manufacturer to fulfill the road material contract.
- (2) The exercise of any right or power over raw materials imported into this state for manufacture into asphaltic concrete shall be deemed to be a "use" in the political subdivision where the asphaltic concrete is actually used by the manufacturer to fulfill the road material contract.

Proposed law prohibits local sales and use taxes from being due to the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete unless any of the following occurs in the taxing jurisdiction:

- (1) The manufacturer purchases and physically takes possession of the raw materials at the vendor's place of business in the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete.
- (2) The asphaltic concrete is ultimately used by the manufacturer in the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete to fulfill a road material construction contract.
- (3) The manufacturer makes a taxable sale of the asphaltic concrete to a third party in the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete.

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

(Adds R.S. 47:337.12.1)