
DIGEST

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HB 603 Engrossed

2019 Regular Session

Stefanski

Abstract: Exempts steam, water, electric power or energy, and natural gas used directly in the manufacturing process from the 2% levy of the state sales and use tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

R.S. 47:302 - 2%

R.S. 47:321 - 1%

R.S. 47:321.1 - .45%

R.S. 47:331 - .97%

R.S. 51:1286 - .03%

Present law exempts the sale or use of steam, water, electric power or energy, natural gas, or energy sources, hereinafter "business utilities", from 2.45% of the state's 4.45% sales and use tax.

Present law suspends numerous exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025; however, business utilities are subject to 2% of the state sales and use tax levy.

Proposed law changes present law by adding the exemption for business utilities used predominately and directly in the actual manufacturing process by a manufacturer which has been assigned a NAICS Code in Sections 31 through 33 to the list of items exempt from the 2% levy of that state sales and use tax.

Proposed law authorizes the Dept. of Revenue to promulgate rules and regulations in accordance with the APA to implement the provisions of proposed law.

Effective July 1, 2019.

(Adds R.S. 47:302(BB)(110))