SLS 202ES-34 **ORIGINAL** 

2020 Second Extraordinary Session

SENATE BILL NO. 3

BY SENATOR CATHEY

TAX EXEMPTIONS. Exempts business utilities from state sales tax for businesses impacted by 2020 states of disaster or emergency. (gov sig) (Item #26)

| 1  | AN ACT   |
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| 2  | To enact R.S. 47:302(BB)(113), relative to tax exemptions; to provide for an exemption |
| 3  | from state sales and use tax for purchases of business utilities for businesses        |
| 4  | impacted by the 2020 states of disaster or emergency; to provide for effectiveness;    |
| 5  | and to provide for related matters.  |
| 6  | Be it enacted by the Legislature of Louisiana:   |
| 7  | Section 1. R.S. 47:302(BB)(113) is hereby enacted to read as follows:                  |
| 8  | §302. Imposition of tax  |
| 9  | * * *  |
| 10 | BB. Notwithstanding any other provision of law to the contrary, including but          |
| 11 | not limited to any contrary provisions of this Chapter, beginning July 1, 2018,        |
| 12 | through June 30, 2025, there shall be no exemptions and no exclusions to the tax       |
| 13 | levied pursuant to the provisions of this Section, except for the retail sale, use,    |
| 14 | consumption, distribution, or storage for use or consumption of the following:         |
| 15 | * * *  |
| 16 | 113. Beginning November 1, 2020, through June 30, 2021, the sale or use                |
| 17 | of steam, water, electric power or energy, natural gas, or energy sources as           |

## provided in R.S. 47:305(D)(1)(b), (c), (d), (g), and (h).

2 \* \* \*

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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

## DIGEST

SB 3 Original

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2020 Second Extraordinary Session

Cathey

<u>Present law</u> provides for a state sales tax exemption for the sale or use of steam, water, electric power or energy, natural gas, or energy sources by businesses from three of the four major state sales tax levies, but not for the two percent levy in R.S. 47:302.

<u>Present law</u> provides for the exclusive list of sales and use tax exemptions that are effective through June 30, 2025, for each of the four major state sales tax levies.

<u>Proposed law</u> exempts the sale or use of steam, water, electric power or energy, natural gas, or energy sources by businesses from the sales tax levied in R.S. 47:302 by placing this exemption in the list of effective sales tax exemptions.

<u>Proposed law</u> applies this exemption to all sales tax periods beginning on or after November 1, 2020, and ending on or before June 30, 2021.

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

(Adds R.S. 47:302(BB)(113))