

2023 Regular Session

HOUSE BILL NO. 119

BY REPRESENTATIVE MIKE JOHNSON

TAX/SALES-USE-EXEMPT: Exempts from state and local sales and use tax certain agricultural fencing materials and trailers acquired by commercial farmers

1 AN ACT

2 To amend and reenact R.S. 47:337.9(D)(35), to enact R.S. 47:302(BB)(119), 305.79,

3 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36), and to repeal R.S.

4 47:305.77, relative to sales and use tax exemptions and rebates; to repeal provisions

5 establishing a state sales and use tax rebate for the purchase of certain items by

6 commercial farmers; to provide for a state and local sales and use tax exemption for

7 the purchase, lease, or rental of certain items by commercial farmers; to exempt from

8 state and local sales and use tax certain agricultural fencing materials and trailers

9 purchased, leased, or rented by commercial farmers; to provide for conditions and

10 limitations associated with the exemption; to provide for definitions; to provide for

11 applicability; to authorize administrative rulemaking; to provide for effective dates;

12 and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 47:337.9(D)(35) is hereby amended and reenacted and R.S.

15 47:302(BB)(119), 305.79, 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36) are

16 hereby enacted to read as follows:

17 §302. Imposition of tax

18 \* \* \*

19 BB. Notwithstanding any other provision of law to the contrary, including

20 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
2 levied pursuant to the provisions of this Section, except for the retail sale, use,  
3 consumption, distribution, or storage for use or consumption of the following:

4 \* \* \*

5 (119) Agricultural fencing materials and trailers purchased, leased, or rented  
6 by commercial farmers as provided in R.S. 47:305.79.

7 \* \* \*

8 §305.79. Exemptions; certain agricultural fencing materials

9 A. The purpose of this Section is to provide tax relief for commercial  
10 farmers in the recovery of their agricultural enterprises from damage caused by  
11 hurricanes and other weather-related disasters.

12 B. The sales and use tax imposed by the state of Louisiana or any political  
13 subdivision of the state shall not apply to the purchase, lease, or rental by  
14 commercial farmers of agricultural fencing materials or trailers which meet the  
15 qualifications provided in Subsection C of this Section.

16 C. To qualify for the exemption provided in this Section, any agricultural  
17 fencing materials or trailer that a commercial farmer purchases, leases, or rents shall  
18 be used exclusively to repair or replace fencing or a trailer that was substantially  
19 damaged or destroyed by a hurricane, tornado, high winds, or flood not more than  
20 eighteen months prior to the purchase, lease, or rental. However, no exemption shall  
21 be granted for any purchase for which a rebate was issued in accordance with R.S.  
22 47:305.77.

23 D. For purposes of this Section, the following terms shall have the meanings  
24 ascribed to them in this Subsection:

25 (1) "Agricultural fencing materials" means materials used for the enclosure  
26 of lands used for agricultural purposes in the production of food and fiber.

27 (2) "Commercial farmer" has the same meaning as provided in R.S. 47:301.

28 (3) "Trailer" means any vehicle which meets the definition of "trailer"  
29 provided in R.S. 32:1 and is purchased, leased, or rented by a commercial farmer for

1 exclusive use in agricultural production or to transport farm products from his farm  
2 to a place where he transfers ownership of the farm products to another.

3 E. The secretary of the Department of Revenue may promulgate rules in  
4 accordance with the Administrative Procedure Act as are necessary to implement the  
5 provisions of this Section.

6 \* \* \*

7 §321. Imposition of tax

8 \* \* \*

9 P. Notwithstanding any other provision of law to the contrary, including but  
10 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
11 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
12 levied pursuant to the provisions of this Section, except for the retail sale, use,  
13 consumption, distribution, or storage for use or consumption of the following:

14 \* \* \*

15 (120) Agricultural fencing materials and trailers purchased, leased, or rented  
16 by commercial farmers as provided in R.S. 47:305.79.

17 \* \* \*

18 §321.1. Imposition of tax

19 \* \* \*

20 I. Notwithstanding any other provision of law to the contrary, including but  
21 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
22 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
23 levied pursuant to the provisions of this Section, except for the retail sale, use,  
24 consumption, distribution, or storage for use or consumption of the following:

25 \* \* \*

26 (120) Agricultural fencing materials and trailers purchased, leased, or rented  
27 by commercial farmers as provided in R.S. 47:305.79.

28 \* \* \*

1 §331. Imposition of tax

2 \* \* \*

3 V. Notwithstanding any other provision of law to the contrary, including but  
4 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
5 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
6 levied pursuant to the provisions of this Section, except for the retail sale, use,  
7 consumption, distribution, or storage for use or consumption of the following:

8 \* \* \*

9 (120) Agricultural fencing materials and trailers purchased, leased, or rented  
10 by commercial farmers as provided in R.S. 47:305.79.

11 \* \* \*

12 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other  
13 exemptions applicable

14 \* \* \*

15 D.

16 \* \* \*

17 (35) R.S. 47:305.79, "key words": lease, rental, or purchase of agricultural  
18 fencing materials or trailers by commercial farmers.

19 (36) R.S. 47:6040, "key words": antique motor vehicles.

20 \* \* \*

21 Section 2. R.S. 47:305.77 is hereby repealed in its entirety.

22 Section 3. The provisions of Section 1 of this Act shall apply to taxable periods  
23 beginning on or after August 1, 2023.

24 Section 4.(A) This Section and Sections 1 and 3 of this Act shall become effective  
25 on August 1, 2023.

26 (B) Section 2 of this Act shall become effective on August 1, 2024.

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**DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 119 Original

2023 Regular Session

Mike Johnson

**Abstract:** Establishes a state and local sales and use tax exemption for the purchase, lease, or rental of agricultural fencing materials and trailers by commercial farmers to replace property damaged or destroyed in weather-related disasters; repeals a state sales tax rebate for the purchase by commercial farmers of certain agricultural fencing materials.

Proposed law provides that no state or local sales and use tax shall apply to the purchase, lease, or rental by commercial farmers of agricultural fencing materials or trailers. Stipulates that to qualify for this sales tax exemption, any agricultural fencing materials or trailer that a commercial farmer purchases, leases, or rents shall be used exclusively to repair or replace fencing or a trailer that was substantially damaged or destroyed by a hurricane, tornado, high winds, or flood not more than 18 months prior to the purchase, lease, or rental. Provides, however, that no exemption shall be granted for any purchase for which a sales tax rebate was issued in accordance with present law (R.S. 47:305.77).

Proposed law provides the following definitions for purposes of proposed law:

- (1) "Agricultural fencing materials" means materials used for the enclosure of lands used for agricultural purposes in the production of food and fiber.
- (2) "Commercial farmer" has the same meaning as provided in present law (R.S. 47:301).
- (3) "Trailer" means any vehicle which meets the definition of "trailer" provided in present law (R.S. 32:1) and is purchased, leased, or rented by a commercial farmer for exclusive use in agricultural production or to transport farm products from his farm to a place where he transfers ownership of the farm products to another.

Present law (R.S. 47:305.77) provides for a state sales and use tax rebate for agricultural fencing materials purchased on or before Dec. 31, 2022, by commercial farmers recovering from certain hurricanes that impacted this state in 2020 and 2021. Allows farmers to apply for the rebate until Dec. 31, 2023, and provides that no rebates shall be issued for applications submitted after that date. Effective Aug. 1, 2024, proposed law repeals present law.

Proposed law establishing the state and local sales and use tax exemption becomes effective Aug. 1, 2023, and applies to taxable periods beginning on or after that date.

(Amends R.S. 47:337.9(D)(35); Adds R.S. 47:302(BB)(119), 305.79, 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36); Repeals R.S. 47:305.77)