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## DIGEST

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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)