HLS 23RS-578 ORIGINAL

2023 Regular Session

HOUSE BILL NO. 157

1

BY REPRESENTATIVE DEVILLIER

TAX/SALES-USE, ST-EXEMPT: Exempts certain business utilities from a state sales and use tax levy

AN ACT

2	To enact R.S. 47:302(BB)(119), relative to state sales and use tax exemptions; to exempt
3	certain utilities from a sales and use tax levy; to provide for limitations; to require
4	promulgation of administrative rules; to provide for an effective date; and to provide
5	for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:302(BB)(119) 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
11	but 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	(119) Steam, water, electric power or energy, natural gas, or other energy
17	sources as provided in R.S. 47:305(D)(1)(b), (c), (d), (g), and (h) which are used
18	predominately and directly in the actual manufacturing process by a manufacturer
19	that has been assigned a code within Sector 31-33 (manufacturing) of the North

1 American Industry Classification System published by the United States Bureau of

2 the Census.

3 * * *

- 4 Section 2. The secretary of the Department of Revenue shall promulgate rules in
- 5 accordance with the Administrative Procedure Act to implement the exemption provided for
- 6 in Section 1 of this Act.
- 7 Section 3. This Act shall become effective on July 1, 2023; if vetoed by the governor
- 8 and subsequently approved by the legislature, this Act shall become effective on July 1,
- 9 2023, or on the day following such approval by the legislature, whichever is later.

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)]

HB 157 Original

2023 Regular Session

DeVillier

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

<u>Present law</u> imposes a state sales and use tax on the sale, use, lease, or rental of tangible personal property, which tax is composed of the following provisions of <u>present law</u> imposing levies in the following amounts:

R.S. 47:302	 2.00%
R.S. 47:321	 1.00%
R.S. 47:321.1	 0.45%
R.S. 47:331	 0.97%
R.S. 51:1286	 0.03%

<u>Present law</u> provides for numerous exclusions and exemptions from the state sales and use tax levies.

<u>Present law</u> (R.S. 47:305(D)(1)(b), (c), (d), (g), and (h)) creates an exemption from state sales and use taxes for steam, water, electric power or energy, natural gas, and other energy sources, referred to hereafter as "business utilities".

Notwithstanding the exclusions and exemptions established in <u>present law</u>, each provision of <u>present law</u> that levies a state sales and use tax includes or references an exclusive list of exclusions and exemptions that apply during the period of July 1, 2018, through June 30, 2025. For this same time period, <u>present law</u> effectively suspends all other exclusions and exemptions not appearing in the exclusive list.

<u>Present law</u> exempts business utilities from 2.45% of the state's 4.45% composite sales and use tax during the period of July 1, 2018, through June 30, 2025.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

<u>Proposed law</u> adds an exemption from the remaining 2% state sales and use tax levy (R.S. 47:302) for business utilities used predominately and directly in the actual manufacturing process by a manufacturer which has been assigned a code within Sector 31-33 (manufacturing) of the federal government's North American Industry Classification System.

Effective July 1, 2023.

(Adds R.S. 47:302(BB)(119))