

Regular Session, 2011

SENATE BILL NO. 168

BY SENATOR WALSWORTH

TAX/SALES. Extends termination of the state sales and use tax exclusion for certain alternative substances used as fuel by manufacturers.

AN ACT

To amend and reenact Section 3 of Act No. 345 of the 2005 Regular Session of the Legislature, relative to sales and use taxes; to provide relative to the state sales and use tax exclusion for certain alternative substances used as fuel by manufacturers; to extend the effectiveness of the exclusion; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Section 3 of Act No. 345 of the 2005 Regular Session of the Legislature is hereby amended and reenacted to read as follows:

Section 3. The provisions of R.S. 47:301(10)(z) and (18)(l) as enacted by this Act shall become effective on July 1, 2006, and shall become null and void on ~~June 30, 2012~~ **June 30, 2015**.

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 Heyward Jeffers.

DIGEST

Present law provides that, for purposes of the state sales and use tax, the term "sale at retail" shall not include the sale of any alternative substance when such alternative substance is used as a fuel by a manufacturer. Further defines the term "alternative substance" as any substance other than oil and natural gas and any product of oil and natural gas, including petroleum coke, landfill gas, reclaimed or waste oil, unblended biodiesel, or tire-derived fuel, but shall not include coal, lignite, refinery gas, nuclear fuel, or electricity.

Present law provides that, for purposes of the state sales and use tax, the term "use" shall not include the use, consumption, distribution, storage for use or consumption in La., or the exercise of any right or power over an alternative substance as defined in present law when such alternative substance is used as a fuel by a manufacturer.

Present law provides that the term "manufacturer" shall mean a person whose principal activity is manufacturing and who is assigned by the La. Workforce Commission a North American Industrial Classification System (NAICS) code with the agricultural, forestry, fishing, and hunting Sector 11 or the manufacturing Sectors 31-33 as they existed in 2002.

Present law provides that the state sales and use tax exclusion for certain alternative substances used as fuel by manufacturers shall become null and void on June 30, 2012.

Proposed law retains present law but extends the effectiveness of the state sales and use tax exemption from June 30, 2012, to June 30, 2015.

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

(Amends §3 of Act No. 345 of the 2005 R.S.)