
The original instrument was prepared by Jerry J. Guillot. The following digest, which does not constitute a part of the legislative instrument, was prepared by Riley Boudreaux.

DIGEST

Willard-Lewis (SB 258)

Proposed law subjects to state "use tax" the sale or purchase of property, services, leases, or rentals which are used to be further processed or manufactured into items manufactured for use in orbital environments if for any reason the sale of such an item is not subject to the state "sales tax".

"Item manufactured for use in orbital environments" is defined as an item that is intended to be placed into service more than 500 miles above the earth's surface.

The proceeds of the tax on such items is required to be credited by the Treasurer to the Orbital Manufacturing Development Fund. The money in the fund must be administered by the Louisiana Economic Development Corporation and the funds are deemed the property of the corporation. The corporation must use money in the fund solely to make grants to manufacturers of items for use in orbital environments.

Manufacturers who receive money from the corporation pursuant to a cooperative endeavor agreement are precluded from challenging a tax assessment by the Department of Revenue based upon the location of delivery of an item for use in orbital environments.

The money in the fund must be invested by the Treasurer in the same manner as money in the state general fund and interest earned is credited to the fund. All unexpended and unencumbered money in the fund at the end of the year remains in the fund.

Effective October 1, 2011.

(Adds R. S. 47:305.66)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Deletes the exemption from local sales tax for such items.
2. Completely changes the bill from a state and local sales tax exemption to the special type of levy of state sales and use tax and the dedication of the tax proceeds as set forth above.

3. Changes the effective date from July 1st to October 1, 2011.