

Present law provides a state and local sales tax exemption for water, but not for mineral water, carbonated water, or water put in bottles, jugs, or containers.

Present law provides an exemption against state tax only for a number of items of "food sold for preparation and consumption in the home" including bakery products, dairy products, fruits and vegetables, package foods requiring further preparation by the purchaser, and soft drinks.

Proposed law would have added to the state tax exemption for soft drinks above a state tax exemption for water, mineral water, carbonated water, and flavored water sold in bottles, jugs, or containers. Otherwise would have retained present law.

Would have become effective October 1, 2011.

(Proposed to amend R.S. 47:305(D)(1)(c)(p))

VETO MESSAGE: "Senate Bill No. 21 by Senator Riser exempts water, mineral water, carbonated water, and flavored water sold in bottles, jugs, or containers from state sales and use tax.

This exemption would result in a state revenue loss of \$8.3 million in the upcoming fiscal year, and a total state revenue loss of \$52.7 million over the next five years. Water delivered to the home through pipes is already exempt from sales tax. I am concerned this could cause our budget for the upcoming year to be out of balance.

It is important that we protect scarce resources for priorities like healthcare and higher education. For this reason, I have vetoed Senate Bill No. 21 and hereby return it to the Senate."