

GREEN SHEET REDIGEST

HB 629

2017 Regular Session

Anders

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX/SALES-USE, ST-EXEMPT: Adds certain polyroll tubing to the definition of farm equipment for purposes of the state sales and use tax exemption for certain farm equipment

DIGEST

Present law provides for a state sales and use tax exclusion for all purchases of fuels or gas, including but not limited to butane and propane.

Proposed law retains present law state sales and use tax exclusion for purchases of fuels or gas for residential use only.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies:

- R.S. 47:302 - 2% tax
- R.S. 47:321 - 1% tax
- R.S. 47:321.1 - 1% tax
- R.S. 47:331 - 0.97% tax
- R.S. 51:1286 - .03% tax (LA Tourism and Promotion District)

Present law provides for exemptions and exclusions to state sales and use taxes. Further, present law provides for the applicability and effectiveness of certain exclusions and exemptions from the taxes imposed under R.S. 47:302 and 321.1 for the time between July 1, 2016, and June 30, 2018.

Present law provides for an exemption from state sales and use taxes imposed under R.S. 47:302, 321, and 331, for purchases and leases by qualifying radiation therapy treatment centers. This exemption in present law is not in effect for the state sales and use taxes imposed under R.S. 47:302 and 321.1.

Proposed law changes present law concerning the effectiveness and applicability of the exemption for purchases and leases by qualifying radiation therapy treatment centers by providing that the exclusion is effective and applicable against all state sales and use taxes beginning July 1, 2017.

Present law exempts from the imposition of the state sales and use tax the first \$50,000 of the sales price of farm equipment, defined as:

- (1) Rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers, and attachments and sprayers.
- (2) Clippers, cultivators, discs, plows, and spreaders.
- (3) Irrigation wells, drives, motors, and equipment.
- (4) Other farm implements and equipment used for agricultural purposes in the production of food and fiber.
- (5) On the farm facilities used to dry or store grain or any materials used to construct such on the farm facilities.

Proposed law retains present law and adds polyroll tubing for commercial farm irrigation to the definition of farm equipment exempt from state sales and use tax beginning Oct. 1, 2017.

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

(Amends R.S. 47:301(10)(x)(i) and 302(AA)(intro para); adds R.S. 47:302(AA)(29), 305.25(A)(6) and 321.1(F)(67)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the effective date from July 1, 2017 to Oct. 1, 2017.

Summary of Amendments Adopted by Senate

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

1. Adds purchases and leases by qualifying radiation therapy treatment centers to list of transactions exempt from sales tax as of July 1, 2017.
2. Limits applicability of state sales and use tax exclusion for purchases of fuels or gas to residential purchases.
3. Changes the effective date from Oct. 1, 2017, to effective upon signature of the governor.
4. Makes technical changes.