

SENATE BILL NO. 97

BY SENATOR FANNIN

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AN ACT

To amend and reenact R.S. 47:301(10)(e), 305.3, 305.8, 305.37(A), and 305.63 and to enact R.S. 47:301(30), relative to sales tax; to provide relative to certain agricultural sales and use tax exemptions; to define commercial farmer; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:301(10)(e), 305.3, 305.8, 305.37(A), and 305.63 are hereby amended and reenacted and R.S. 47:301(30) is hereby enacted to read as follows:

§301. Definitions

As used in this Chapter the following words, terms, and phrases have the meanings ascribed to them in this Section, unless the context clearly indicates a different meaning:

\* \* \*

(10) \* \* \*

(e) The term "sale at retail" does not include the sale of raw agricultural commodities, including but not limited to feed, seed, and fertilizer, to be utilized in preparing, finishing, manufacturing, or producing crops or animals for market **by a commercial farmer as defined in R.S. 47:301(30)**. ~~The Department of Agriculture and Forestry may develop and promulgate guidelines to determine who meets this definition. Any person meeting such guidelines shall receive a certificate from the Department of Agriculture and Forestry indicating that such person is eligible to purchase such items without paying tax thereon.~~

\* \* \*

**(30) The term "commercial farmer" shall mean only those persons occupationally engaged in producing food or agricultural commodities for sale.**

1 These terms are limited to those persons, partnerships, or corporations  
 2 regularly engaged in the commercial production for sale of vegetables, fruits,  
 3 crops, livestock, poultry, and other food or agricultural products that report  
 4 farm income and expenses on a federal Schedule F or similar federal tax form,  
 5 including but not limited to 1065, 1120, and 1120S filed by a person assigned a  
 6 North American Industry Classification System (NAICS) Code beginning with  
 7 11. The Department of Revenue, in consultation with the Department of  
 8 Agriculture, shall develop and promulgate rules to determine who meets this  
 9 definition no later than January 1, 2019. Notwithstanding any contrary  
 10 provision of this Paragraph, the Department of Revenue shall honor existing  
 11 farmer exemption certificates issued by the department until July 1, 2019.

12 \* \* \*

13 §305.3. Exclusions and exemptions; seeds used in planting of crops

14 The tax imposed by taxing authorities shall not apply to the sale at retail of  
 15 seeds to a commercial farmer as defined in R.S. 47:301(30) for use in the planting  
 16 of any kind of crops. The secretary ~~shall~~ may promulgate rules and regulations  
 17 designed to carry out the provisions of this Section, and any transaction not strictly  
 18 in compliance with such rules and regulations shall lose the exemption ~~herein~~  
 19 provided in this Section.

20 \* \* \*

21 §305.8. Exclusions and exemptions; pesticides used for agricultural purposes

22 The tax imposed by taxing authorities shall not apply to sale at retail to a  
 23 commercial farmer as defined in R.S. 47:301(30) of pesticides used for  
 24 agricultural purposes, including particularly but not by way of limitation,  
 25 insecticides, herbicides and fungicides.

26 \* \* \*

27 §305.37. Exclusions and exemptions; diesel fuel, butane, propane, or other liquefied  
 28 petroleum gases used for farm purposes

29 A. The state taxes imposed by R.S. 47:302(A), R.S. 47:321(A), and R.S.  
 30 47:331(A) shall not apply to diesel fuel, butane, propane, or other liquefied

1           petroleum gases used or consumed for farm purposes **by a commercial farmer as**  
 2           **defined in R.S. 47:301(30)**. The secretary of the Department of Revenue shall adopt  
 3           and promulgate rules and regulations necessary to effectuate the exemptions granted  
 4           by this Section.

\*       \*       \*

§305.63. Exemption; commercial farm irrigation equipment

7           The sales and use tax imposed by the state of Louisiana and its political  
 8           subdivisions whose boundaries are coterminous with those of the state shall not  
 9           apply to the sale of polyroll tubing sold **to a commercial farmer as defined in R.S.**  
 10          **47:301(30)** or used for commercial farm irrigation.

11          Section 2. This Act shall become effective on January 1, 2018.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_