
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 494 Original

2019 Regular Session

Abramson

Abstract: Determines the political subdivision entitled to sales and use taxes on sales of raw materials manufactured into asphaltic concrete for use by a manufacturer to fulfill a road material construction contract.

Proposed law requires, for purposes of determining the political subdivision entitled to local sales and use tax, local sales and use taxes to be paid for sales of raw materials manufactured into asphaltic concrete documented for ultimate use by the manufacturer pursuant to a road material construction contract as follows:

- (1) If the raw materials are delivered to the manufacturer and title or possession of the materials transfers at the manufacturer's facility where the raw materials are manufactured into asphaltic concrete, the "retail sale" of the raw materials to the manufacturer is deemed to take place in the political subdivision where the asphaltic concrete is actually used by the manufacturer to fulfill the road material contract.
- (2) The exercise of any right or power over raw materials imported into this state for manufacture into asphaltic concrete shall be deemed to be a "use" in the political subdivision where the asphaltic concrete is actually used by the manufacturer to fulfill the road material contract.

Proposed law prohibits local sales and use taxes from being due to the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete unless any of the following occurs in the taxing jurisdiction:

- (1) The manufacturer purchases and physically takes possession of the raw materials at the vendor's place of business in the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete.
- (2) The asphaltic concrete is ultimately used by the manufacturer in the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete to fulfill a road material construction contract.
- (3) The manufacturer makes a taxable sale of the asphaltic concrete to a third party in the taxing jurisdiction where the raw materials are manufactured into asphaltic concrete.

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

(Adds R.S. 47:337.12.1)