

2023 Regular Session

HOUSE BILL NO. 330

BY REPRESENTATIVES MIKE JOHNSON AND THOMPSON

TAX/SALES-USE-EXEMPT: Creates a state and local sales tax exemption for purchases of agricultural fencing materials by commercial farmers

1 AN ACT

2 To amend and reenact R.S. 47:337.9(D)(35), to enact R.S. 47:305.79, 321(P)(120),

3 321.1(I)(120), 331(V)(120), and 337.9(D)(36), and to repeal R.S. 47:305.77, relative

4 to sales and use tax exemptions and rebates; to repeal provisions establishing a state

5 sales and use tax rebate for the purchase of certain items by commercial farmers; to

6 provide for a state and local sales and use tax exemption for the purchase of certain

7 items by commercial farmers; to exempt from state and local sales and use tax

8 certain agricultural fencing materials purchased by commercial farmers; to provide

9 for a limitation associated with the exemption; to provide for definitions; to provide

10 for applicability; to authorize administrative rulemaking; to provide for effective

11 dates; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:337.9(D)(35) is hereby amended and reenacted and R.S.

14 47:305.79, 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36) are hereby enacted

15 to read as follows:

16 §305.79. Exemptions; certain agricultural fencing materials

17 A. The sales and use tax imposed by the state of Louisiana pursuant to R.S.

18 47:321, 321.1, and 331 and R.S. 51:1286 or any political subdivision of the state

19 shall not apply to the purchase by commercial farmers of agricultural fencing

1 materials. However, no exemption shall be granted for any purchase for which a
2 rebate was issued in accordance with R.S. 47:305.77.

3 B. For purposes of this Section, the following terms shall have the meanings
4 ascribed to them in this Subsection:

5 (1) "Agricultural fencing materials" means gates, hog wire fencing, barbed
6 wire fencing, lumber or steel used as posts or rails, nails, screws, hinges, and
7 concrete consisting of premixed dry mortar used for the purpose of fencing
8 agricultural livestock. The term "agricultural fencing materials" also means electric
9 fence wire, insulated posts, power sources, grounding systems, warning signs, and
10 other components of electric agricultural fencing.

11 (2) "Commercial farmer" has the same meaning as provided in R.S. 47:301.

12 C. The secretary of the Department of Revenue may promulgate rules in
13 accordance with the Administrative Procedure Act as are necessary to implement the
14 provisions of this Section.

15 * * *

16 §321. Imposition of tax

17 * * *

18 P. Notwithstanding any other provision of law to the contrary, including but
19 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
20 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
21 levied pursuant to the provisions of this Section, except for the retail sale, use,
22 consumption, distribution, or storage for use or consumption of the following:

23 * * *

24 (120) Agricultural fencing materials purchased by commercial farmers as
25 provided in R.S. 47:305.79.

26 * * *

27 §321.1. Imposition of tax

28 * * *

1 I. Notwithstanding any other provision of law to the contrary, including but
2 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
3 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
4 levied pursuant to the provisions of this Section, except for the retail sale, use,
5 consumption, distribution, or storage for use or consumption of the following:

6 * * *

7 (120) Agricultural fencing materials purchased by commercial farmers as
8 provided in R.S. 47:305.79.

9 * * *

10 §331. Imposition of tax

11 * * *

12 V. Notwithstanding any other provision of law to the contrary, including but
13 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
14 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
15 levied pursuant to the provisions of this Section, except for the retail sale, use,
16 consumption, distribution, or storage for use or consumption of the following:

17 * * *

18 (120) Agricultural fencing materials purchased by commercial farmers as
19 provided in R.S. 47:305.79.

20 * * *

21 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
22 exemptions applicable

23 * * *

24 D.

25 * * *

26 (35) R.S. 47:305.79, "key words": purchase of agricultural fencing materials
27 by commercial farmers.

28 (36) R.S. 47:6040, "key words": antique motor vehicles.

29 * * *

1 Section 2. R.S. 47:305.77 is hereby repealed in its entirety.

2 Section 3. The provisions of Section 1 of this Act shall apply to taxable periods
3 beginning on or after August 1, 2023.

4 Section 4.(A) This Section and Sections 1 and 3 of this Act shall become effective
5 on August 1, 2023.

6 (B) Section 2 of this Act shall become effective on August 1, 2024.

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 330 Reengrossed

2023 Regular Session

Mike Johnson

Abstract: Establishes a state and local sales and use tax exemption for the purchase of certain agricultural fencing materials by commercial farmers; repeals a state sales tax rebate for purchases by commercial farmers of agricultural fencing materials used to replace or repair enclosures in federally declared disaster areas that were damaged or destroyed by hurricanes in 2020 or 2021.

Present law imposes a state sales and use tax on the sale, use, lease, or rental of tangible personal property, which tax is composed of the following provisions of present law imposing levies in the following amounts:

R.S. 47:302	.....	2.00%
R.S. 47:321	.....	1.00%
R.S. 47:321.1	.....	0.45%
R.S. 47:331	.....	0.97%
R.S. 51:1286	.....	0.03%

Present law provides for numerous exclusions and exemptions from state sales tax and local sales tax.

Proposed law provides that no state or local sales and use tax, except the 2.00% levy imposed by present law (R.S. 47:302), shall apply to the purchase by commercial farmers of agricultural fencing materials. Stipulates, however, that no exemption shall be granted for any purchase for which a sales tax rebate was issued in accordance with present law (R.S. 47:305.77).

Proposed law provides the following definitions for purposes of proposed law:

- (1) "Agricultural fencing materials" means gates, hog wire fencing, barbed wire fencing, lumber or steel used as posts or rails, nails, screws, hinges, and concrete consisting of premixed dry mortar used for the purpose of fencing agricultural livestock. The term also means electric fence wire, insulated posts, power sources, grounding systems, warning signs, and other components of electric agricultural fencing.
- (2) "Commercial farmer" has the same meaning as provided in present law (R.S. 47:301).

Proposed law establishing the state and local sales and use tax exemption becomes effective Aug. 1, 2023, and applies to taxable periods beginning on or after that date.

Present law (R.S. 47:305.77) provides for a state sales and use tax rebate for agricultural fencing materials purchased on or before Dec. 31, 2022, by commercial farmers recovering from certain hurricanes that impacted this state in 2020 and 2021. Allows farmers to apply for the rebate until Dec. 31, 2023, and provides that no rebates shall be issued for applications submitted after that date. Effective Aug. 1, 2024, proposed law repeals present law.

(Amends R.S. 47:337.9(D)(35); Adds R.S. 47:305.79, 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36); Repeals R.S. 47:305.77)

Summary of Amendments Adopted by House

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

1. Delete all instances of "lease or rental" in proposed law.
2. Delete proposed law providing a tax exemption for the acquisition of trailers. Delete the defined term "trailer" and its corresponding definition from proposed law.
3. Revise the definition of "agricultural fencing materials" for purposes of proposed law.
4. Remove the tax exemption provided for in proposed law from present law establishing a state sales tax levy of 2.00% (R.S. 47:302); retain the exemption, as otherwise provided in proposed law, within the levies in present law comprising the remainder of the state's overall sales tax (R.S. 47:321, 321.1, and 331 and R.S. 51:1286 which provide, collectively, for a 2.45% sales tax).
5. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Amend the definition of "agricultural fencing materials" in proposed law to provide that the term also means electric fence wire, insulated posts, power sources, grounding systems, warning signs, and other components of electric agricultural fencing.