

2023 Regular Session

HOUSE BILL NO. 502

BY REPRESENTATIVES MCFARLAND AND SEABAUGH

1 AN ACT

2 To amend and reenact R.S. 47:301(30), relative to reporting requirements applicable to  
3 commercial farmers; to provide for the definition of commercial farmer; to remove  
4 certain reporting requirements applicable to those persons and entities seeking to  
5 qualify as commercial farmers for tax purposes; to authorize the promulgation of  
6 rules; to provide for certain limitations; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(30) is hereby amended and reenacted to read as follows:

9 §301. Definitions

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

13 \* \* \*

14 (30)(a) ~~Except as provided in Subparagraph (b) of this Paragraph, the~~ The  
15 term "commercial farmer" ~~shall mean only those persons~~ means either of the  
16 following:

17 (i) A person regularly and occupationally engaged in producing the  
18 commercial production of food or, agricultural commodities, or agricultural products  
19 for sale. These terms are limited to those persons, partnerships, or corporations  
20 regularly engaged in the commercial production for sale of vegetables, fruits, crops,  
21 livestock, poultry, and other food or agricultural products that report farm income  
22 and expenses on a federal Schedule F or similar federal tax form, including but not  
23 limited to 1065, 1120, and 1120S filed by a person assigned a North American  
24 Industry Classification System (NAICS) Code beginning with 11.

1           (ii) A lessor landowner who leases an immovable for agricultural use to a  
2           person described in Item (i) of this Subparagraph and maintains a joint venture  
3           contractual relationship with the person.

4           (b) The secretary of the Department of Revenue, in consultation with the  
5           Department of Agriculture and Forestry, shall ~~develop and~~ promulgate rules in  
6           accordance with the Administrative Procedure Act as are necessary for the  
7           administration of exemptions available to commercial farmers and the registration  
8           of commercial farmers to determine who meets this definition no later than January  
9           1, 2019. Notwithstanding any contrary provision of this Paragraph, the Department  
10           of Revenue shall honor existing farmer exemption certificates issued by the  
11           department until July 1, 2019.

12           ~~(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,~~  
13           ~~the term "commercial farmer" may include a landowner who is a party of a joint~~  
14           ~~venture and who leases land to a commercial farmer as defined in Subparagraph (a)~~  
15           ~~of this Paragraph. In order to qualify as a commercial farmer, the lessee landowner~~  
16           ~~shall submit documentation of the joint venture arrangement or a report of farm~~  
17           ~~income and expenses, including proof of lease income, from the joint venture on a~~  
18           ~~federal Schedule F form or similar federal tax form to the Department of Revenue~~  
19           ~~in order for the secretary of the department to make a determination that the taxpayer~~  
20           ~~is a commercial farmer.~~

21           (c) No state sales and use tax exemption available to a commercial farmer  
22           shall be allowed or claimed for or related to an "activity not engaged in for profit"  
23           as that term is defined by 26 U.S.C 183, as amended.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

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