

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 330

2023 Regular Session

Mike Johnson

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

**Synopsis of Senate Amendments**

1. Provides that the tax exemption authorized by proposed law shall not apply to any taxable period after June 30, 2029.

**Digest of Bill as Finally Passed by Senate**

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. Provides, however, that the exemption shall not apply to any taxable period after June 30, 2029.

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 La. 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)