

First Extraordinary Session, 2005

HOUSE BILL NO. 52

BY REPRESENTATIVES WHITE, ALEXANDER, BEARD, BOWLER, BRUNEAU, BURNS, CROWE, DOVE, DOWNS, ERDEY, GEYMAN, GREENE, HUTTER, JOHNS, KATZ, KENNARD, KLECKLEY, LABRUZZO, LAMBERT, MARTINY, MCVEA, MORRISH, PITRE, M. POWELL, T. POWELL, SCALISE, SCHNEIDER, SMILEY, JANE SMITH, STRAIN, TRAHAN, TUCKER, WADDELL, WALSWORTH, AND WINSTON AND SENATORS BARHAM, BOASSO, CAIN, DARDENNE, HOLLIS, KOSTELKA, LENTINI, MALONE, MICHOT, QUINN, ROMERO, SCHEDLER, AND THEUNISSEN

TAX/SALES-USE, STATE: Reduces the state sales tax on natural gas and electricity on businesses (Item #17)

1 AN ACT

2 To amend and reenact R.S. 47:302(R), relative to the state sales and use tax; to provide a  
3 reduction in the rate of the sales tax on sales of natural gas and electricity; to provide  
4 for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:302(R) is hereby amended and reenacted to read as follows:

7 §302. Imposition of tax

8 \* \* \*

9 R.(1) Notwithstanding any other provision of law to the contrary, including  
10 but not limited to any contrary provisions of this Chapter, for the period July 1, 2004,  
11 through June 30, 2009, the exemptions to the tax levied pursuant to the provisions  
12 of this Section, except for those exemptions provided by R.S. 39:467 and 468, R.S.  
13 47:305(A)(1), (B), (D)(1)(f), (j), (k), (l), (m), (s), and (t), and (G), 305.1, 305.2,  
14 305.3, 305.8, 305.10, 305.14, 305.15, 305.20, 305.25(A)(1) and (2), 305.37, 305.38,  
15 305.46, 305.50, and 305.51, and R.S. 51:1787, shall be inapplicable, inoperable, and  
16 of no effect.

1               (2) For the period January 1, 2006, through June 30, 2009, the exemptions  
2               to the tax levied by this Section for natural gas and electric power or energy shall be  
3               inapplicable, inoperable, and of no effect as to fifty percent of the tax levied by this  
4               Section.

5   \*       \*       \*

6               Section 2. The secretary of the Department of Revenue is authorized to promulgate  
7 rules for the administration of the provisions of this Act.

8               Section 3. This Act shall become effective on January 1, 2006.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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White

HB No. 52

**Abstract:** Reduces the state sales tax on natural gas and electricity on businesses.

Present law provides that the state sales tax exemptions for natural gas under R.S. 47:305(D)(1)(g) and electricity under R.S. 47:305(D)(1)(d) are suspended through June 30, 2009, with respect to the taxes imposed by R.S. 47:302 and 321, and indefinitely with respect to the tax imposed by R.S. 47:321. Art. VII, §2.2 of the Louisiana Constitution provides an exemption on residentially used natural gas and electricity; only nonresidential consumers presently pay the 3.8% sales tax rate on natural gas and electricity.

Proposed law provides that the state tax rate on natural gas and electricity will be reduced to 2.8% for the period January 1, 2006, through June 30, 2009.

Effective January 1, 2006.

(Amends R.S. 47:302(R))