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## DIGEST

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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))