

First Extraordinary Session, 2005

SENATE BILL NO. 57

BY SENATOR ELLINGTON

TAX/SALES. Exempts all state sales tax on natural gas purchased by Louisiana pulp and paper mills. (1/1/06)

1 AN ACT

2 To enact R.S. 47:301(10)(dd) and (18)(o), relative to sales tax of the state and any political
3 subdivision whose boundaries are coterminous with those of the state; to limit the tax
4 paid on natural gas purchased by Louisiana pulp and paper mills; to provide for an
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(10)(dd) and (18)(o) are hereby enacted to read as follows:

8 §301. Definitions

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

12 * * *

13 (10) * * *

14 * * *

15 **(dd) Solely for purposes of the sales and use tax imposed by the state or**
16 **by any political subdivision whose boundaries are coterminous with those of the**
17 **state, the term "retail sale" or "sale at retail" shall not include the sale of**

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natural gas purchased by a pulp or paper mill.

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(18) * * *

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(o) Solely for purposes of the sales and use tax imposed by the state or by any political subdivision whose boundaries are coterminous with those of the state, the term "use" shall not include the purchase or the exercise of any right or power over natural gas for use by a pulp or paper mill.

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Section 2. This Act shall become effective on January 1, 2006; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on January 1, 2006, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Angela Lockett De Jean.

DIGEST

Present law provides for a sales tax exemption for natural gas. That exemption has been "suspended" for 3.8 of the 4 cents of state sales tax as follows:

From 2.8 of the 4 cents of state sales tax from July 1, 2004 through June 30, 2009 {R.S. 47:302(R) and 331(P)}.

From 1 of the 4 cents of state sales tax for all periods after July 1, 2004 {R.S. 47:321(H)}.

Proposed law grants an exclusion from all state sales and use tax for the sale, purchase, or use of natural gas purchased by Louisiana pulp and paper mills.

Effective January 1, 2006.

(Adds R.S. 47:301(10)(dd) and (18)(o))