SLS 051ES-165

First Extraordinary Session, 2005

SENATE BILL NO. 73

BY SENATOR MALONE

TAX/SALES. Re-instates the full state sales tax exemption for non-residential purchases of natural gas and electricity as of July 1, 2006. (1/1/06)

1	AN ACT
2	To amend and reenact R.S. 47:331(P)(2) and to enact R.S. 47:302(T), 321(J), and 331(R),
3	relative to the state sales and use tax; to limit the state sales and use tax paid on
4	natural gas and electric power or energy; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:331(P)(2) is hereby amended and reenacted and R.S. 47:302(T),
7	321(J), and 331(R) are hereby enacted to read as follows:
8	§302. Imposition of tax
9	* * *
10	T. Notwithstanding any other provision of law to the contrary and
11	specifically notwithstanding any provision of Act No. 4 of the 2004 First
12	Extraordinary Session which makes any state sales and use tax exemption
13	inapplicable, inoperable, and of no effect, the exemption provided in R.S.
14	47:305(D)(1)(g) and for electric power or energy shall be applicable, operable,
15	and effective on July 1, 2006.
16	* * *
17	§321. Imposition of tax

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	* * *
2	J. Notwithstanding any other provision of law to the contrary and
3	specifically notwithstanding any provision of Act No. 4 of the 2004 First
4	Extraordinary Session which makes any state sales and use tax exemption
5	inapplicable, inoperable, and of no effect, the exemption provided in R.S.
6	47:305(D)(1)(g) and for electric power or energy shall be applicable, operable,
7	and effective on July 1, 2006.
8	* * *
9	§331. Imposition of tax
10	* * *
11	P. * * *
12	(2) For the period July 1, 2004, through June 30, 2009, the exemptions to the
13	tax levied by this Section for utilities shall be inapplicable, inoperable, and of no
14	effect as to eighty percent of the tax levied by this Section. The term "utilities" shall
15	mean sales of steam, and water, electric power or energy, and natural gas.
16	* * *
17	R. Notwithstanding any other provision of law to the contrary and
18	specifically notwithstanding any provision of Act No. 4 of the 2004 First
19	Extraordinary Session which makes any state sales and use tax exemption
20	inapplicable, inoperable, and of no effect, the exemption provided in R.S.
21	47:305(D)(1)(g) and for electric power or energy shall be applicable, operable,
22	and effective on July 1, 2006.
23	Section 2. This Act shall become effective on January 1, 2006; if vetoed by the
24	governor and subsequently approved by the legislature, this Act shall become effective on
25	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 J. W. Wiley.

DIGEST

Present law exempts natural gas and electric power or energy from state sales and use tax. However, this exemption has been suspended for a period of time as follows:

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From July 1, 2004, through June 30, 2009, natural gas and electric power or energy are taxed 2 cents. (R.S. 47:302(R)).

From July 1, 2004, natural gas and electric power or energy are taxed 1 cent. (R.S. 47:321(H)).

From July 1, 2004, through June 30, 2009, natural gas and electric power or energy are taxed .02 cent. (R.S. 47:331(P)(1) and (2)).

<u>Proposed law</u> lifts the suspension so that natural gas and electric power or energy are exempted from the state sales and use tax.

Effective January 1, 2006.

(Amends R.S. 47:331(P)(2); adds R.S. 47:302(T), 321(J), and 331(R))