
DIGEST

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HB 559 Original

2017 Regular Session

Broadwater

Abstract: Repeals the state sales and use tax exclusion for manufacturing machinery and equipment and the exemption for business utilities and authorizes a refund for manufacturing machinery and equipment and certain industrial utilities.

Present law establishes a variety of state sales and use tax exclusions and exemptions.

Present law authorizes a state sales and use tax exclusion for sales, use, lease or rental of manufacturing machinery and equipment and provides for definitions.

Proposed law repeals present law.

Present law authorizes a state sales and use tax exemption for the sale at retail, the use, the consumption, the distribution, and the storage for business utilities, including steam, water, electric power or energy, natural gas, and all energy sources when used for boiler fuel, except refinery gas.

Proposed law repeals present law.

Present law authorizes a state and local sales and use tax exemption for the sales or purchases of utilities used by steelworks, blast furnaces, coke ovens, or certain rolling mills.

Proposed law repeals present law with respect to the state sales and use tax exemption, leaving the exemption in place for local sales and use tax.

Proposed law establishes a refund for the state sales and use tax paid on manufacturing machinery and equipment. Further requires of the following:

- (1) The person claiming the refund to be certified as a manufacturer by the secretary of the Dept. of Revenue.
- (2) The claim for the refund to be filed on or before Dec. 31st of the year the tax became due or after one year from the date the tax was paid.
- (3) The refund request includes all of the general information required on the face of the request and a copy of each invoice and all required schedules and is signed.

Proposed law requires the Dept. of Revenue (DOR) to refund approximately 75% of the total amount

of the refund within 60 days of receipt of a properly completed refund request and the remainder within 60 days after the date of issuance of the first refund. Prior to issuing the remainder, DOR is required to audit the refund request and deduct any disallowed amounts from the remainder.

Proposed law authorizes local political subdivisions to provide for the same refund as the state.

Proposed law defines terms to mean the same as in the present law exclusion that is being repealed by proposed law, as follows:

- (1) Machinery and equipment
- (2) Manufacturer
- (3) Manufacturing
- (4) Manufacturing for agricultural purposes
- (5) Plant facility
- (6) Used directly

Proposed law authorizes the DOR secretary to prescribe forms and regulations to administer the refund.

Proposed law establishes a refund for the state sales and use tax paid on the sale at retail, the use, the consumption, the distribution, and the storage of steam, water, electric power or energy, natural gas, and all energy sources used by manufacturers with a NAICS code within Sectors 31-33.

Proposed law allows a refund amount as follows:

- (1) 100% of the amount of the tax paid pursuant to R.S. 47:302.
- (2) 50% of the amount of the tax paid pursuant to R.S. 47:321.
- (3) 100% of the amount of the tax paid pursuant to R.S. 47:321.1 until its expiration.

Proposed law requires all of the following:

- (1) The person claiming the refund to be certified as a manufacturer by the secretary of the Dept. of Revenue.
- (2) The claim for the refund to be filed not more than quarterly.
- (3) The refund request includes all of the general information required on the face of the request and a copy of each invoice and all required schedules and is signed.

Proposed law require DOR to refund the amount requested within 60 days of receipt of the request.

Proposed law authorizes the secretary to prescribe forms and regulations to administer the refund.

Effective July 1, 2017.

(Amends R.S. 47:305(D)(1)(b), (c), (d), (g), and (h), and 305.51(A); Adds R.S. 47:315.6 and 315.7;
Repeals R.S. 47:301(3)(i)(i), (13)(k), and (28)(a))