

2019 Regular Session

HOUSE BILL NO. 494

BY REPRESENTATIVES ABRAMSON, HORTON, AND SCHEXNAYDER AND  
SENATORS RISER, GARY SMITH, AND WALSWORTH

1 AN ACT

2 To enact R.S. 47:337.12.1, relative to local sales and use taxes; to provide for the  
3 determination of where taxes are due for certain materials used in road material  
4 construction contracts; to provide for certain requirements and limitations; to provide  
5 for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:337.12.1 is hereby enacted to read as follows:

8 §337.12.1. Road material construction contracts; determination of where tax is due;  
9 requirements and limitations

10 A. Notwithstanding any other law to the contrary, for purposes of the  
11 imposition of sales and use tax by any political subdivision of the state, any raw  
12 materials converted by a road contractor into asphaltic concrete which has been  
13 documented for ultimate use by the road contractor pursuant to a road material  
14 construction contract shall be subject to tax as provided in this Section.

15 (1) If the raw materials are purchased from a Louisiana dealer such that title  
16 or possession, or both, transfers to the road contractor at the dealer's place of  
17 business, sales tax is due in the taxing jurisdiction of the dealer.

1                   (2) If the raw materials are delivered to the road contractor such that title or  
 2                   possession, or both, transfers at the road contractor's facility where the raw materials  
 3                   are converted into asphaltic concrete, the "retail sale" of the raw materials is deemed  
 4                   to occur in the taxing jurisdiction in which the asphaltic concrete is ultimately used  
 5                   by the road contractor to fulfill the road material contract.

6                   (3) The exercise of any right or power over raw materials imported into a  
 7                   taxing jurisdiction for conversion into asphaltic concrete shall be deemed to be a  
 8                   "use" in the taxing jurisdiction in which the asphaltic concrete is ultimately used by  
 9                   the road contractor to fulfill the road material contract.

10                   B. No sales or use taxes shall be due to the taxing jurisdiction in which the  
 11                   road contractor converts the raw materials into asphaltic concrete unless any of the  
 12                   following occurs in the taxing jurisdiction:

13                   (1) The road contractor purchases raw materials from a dealer such that title  
 14                   or possession, or both, transfers to the road contractor at the dealer's place of  
 15                   business in the taxing jurisdiction in which the road contractor converts the raw  
 16                   materials into asphaltic concrete.

17                   (2) The asphaltic concrete is ultimately used by the road contractor to fulfill  
 18                   a road material contract in the taxing jurisdiction in which the road contractor  
 19                   converts the raw materials into asphaltic concrete.

20                   (3) The road contractor makes a taxable sale of asphaltic concrete to a third  
 21                   party such that title or possession, or both, transfers to the purchaser in the taxing  
 22                   jurisdiction in which the road contractor converts the raw materials into asphaltic  
 23                   concrete.

1           Section 2. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_