

2020 Second Extraordinary Session

SENATE BILL NO. 2

BY SENATOR CATHEY

TAX EXEMPTIONS. Exempts purchases of utilities by commercial farmers and agricultural manufacturers impacted by a declared state of emergency or disaster from state sales and use tax. (gov sig) (Item #26)

1 AN ACT  
2 To enact R.S. 47:302(BB)(113), 305.4, 321(P)(114), 321.1(I)(114), and 331(V)(114),  
3 relative to tax exemptions; to provide an exemption from state sales and use tax for  
4 utilities used by a commercial farmer or agricultural manufacturer impacted by a  
5 declared state of emergency or disaster; to authorize the secretary of the Department  
6 of Revenue to promulgate rules; to provide for effectiveness; and to provide for  
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:302(BB)(113), 305.4, 321(P)(114), 321.1(I)(114), and  
10 331(V)(114) are hereby enacted to read as follows:

11 §302. Imposition of tax

12 \* \* \*

13 BB. Notwithstanding any other provision of law to the contrary, including but  
14 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
15 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
16 levied pursuant to the provisions of this Section, except for the retail sale, use,  
17 consumption, distribution, or storage for use or consumption of the following:

\* \* \*

113. Beginning November 1, 2020, through June 30, 2021, utilities used by commercial farmers and agricultural manufacturers impacted by a declared state of emergency or disaster as provided in R.S. 47:305.4.

\* \* \*

§305.4. Exclusions and Exemptions; utilities used by commercial farmers and agricultural manufacturers impacted by a declared state of emergency or disaster

A. From November 1, 2020, through June 30, 2021, the sales and use tax imposed by the state of Louisiana shall not apply to the sale or use of utilities to a commercial farmer or an agricultural manufacturer.

B. For purposes of this Section:

(1) "Agricultural manufacturer" means any individual or business entity located in Louisiana that is engaged in the production, processing, or storing of food and fiber or the production, processing, or storing of timber.

(2) "Commercial farmer" shall have the same meaning as defined in R.S. 47:301(30) and shall own or lease property or facilities that are located in Louisiana.

(3) "Utilities" means steam, water, electric power or energy, natural gas, or energy sources as provided for in R.S. 47:305(D)(1)(b), (c), (d), (g), and (h).

C. The secretary of the Department of Revenue may promulgate rules and regulations necessary to implement the provisions of this Section.

\* \* \*

§321. Imposition of tax

\* \* \*

P. Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provisions of this Chapter, beginning July 1, 2018, through June 30, 2025, there shall be no exemptions and no exclusions to the tax levied pursuant to the provisions of this Section, except for the retail sale, use,

1 consumption, distribution, or storage for use or consumption of the following:

2 \* \* \*

3 **114. Beginning November 1, 2020, through June 30, 2021, utilities used**  
4 **by commercial farmers and agricultural manufacturers impacted by a declared**  
5 **state of emergency or disaster as provided in R.S. 47:305.4.**

6 \* \* \*

7 §321.1. Imposition of tax

8 \* \* \*

9 I. Notwithstanding any other provision of law to the contrary, including but  
10 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
11 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
12 levied pursuant to the provisions of this Section, except for the retail sale, use,  
13 consumption, distribution, or storage for use or consumption of the following:

14 \* \* \*

15 **114. Beginning November 1, 2020, through June 30, 2021, utilities used**  
16 **by commercial farmers and agricultural manufacturers impacted by a declared**  
17 **state of emergency or disaster as provided in R.S. 47:305.4.**

18 \* \* \*

19 §331. Imposition of tax

20 \* \* \*

21 V. Notwithstanding any other provision of law to the contrary, including but  
22 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
23 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
24 levied pursuant to the provisions of this Section, except for the retail sale, use,  
25 consumption, distribution, or storage for use or consumption of the following:

26 \* \* \*

27 **114. Beginning November 1, 2020, through June 30, 2021, utilities used**  
28 **by commercial farmers and agricultural manufacturers impacted by a declared**  
29 **state of emergency or disaster as provided in R.S. 47:305.4.**

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

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Curry Lann.

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DIGEST

SB 2 Original

2020 Second Extraordinary Session

Cathey

Proposed law provides for a state sales tax exemption for the sale of utilities to a commercial farmer or an agricultural manufacturer impacted by a declared state of emergency or disaster.

Present law provides for the exclusive list of sales and use tax exemptions that are effective through June 30, 2025, for each of the four major state sales tax levies.

Proposed law includes the sales tax exemption for the sale of utilities to a commercial farmer or an agricultural manufacturer to the list of effective sales tax exemptions for all sales tax periods beginning on or after November 1, 2020, and ending on or before June 30, 2021.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:302(BB)(113), 305.4, 321(P)(114), 321.1(I)(114), and 331(V)(114))