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

DIGEST

SB 4 Original

2020 Second Extraordinary Session

Cathey

Proposed law provides for a state sales tax exemption for certain farm equipment during a declared state of emergency or disaster.

Proposed law provides that the state sales tax on farm equipment applies only to that portion of the sale price in excess of \$500,000 for each item of farm equipment.

Proposed law requires a purchaser or his representative to provide on any exemption certificate required for this exemption, a certification that the purchaser is a farmer or is purchasing for an agricultural facility.

Proposed law provides "farm equipment" includes the following:

- (1) Rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers, and attachments and sprayers.
- (2) Clippers, cultivators, discs, plows, and spreaders.
- (3) Irrigation wells, drives, motors, and equipment.
- (4) Other farm implements and equipment used for agricultural purposes in the production of food and fiber.
- (5) On the farm facilities used to dry or store grain or any materials used to construct such on the farm facilities.
- (6) Polyroll tubing for commercial farm irrigation.
- (7) Equipment used in poultry production.
- (8) Replacement parts.
- (9) Hydraulic oil and lubricants used for agricultural purposes.
- (10) Labor costs on repairs of agricultural equipment.

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 adds the state sales tax exemption for purchases of certain farm equipment 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), 305.25(D), 321(P)(114), 321.1(I)(114), and 331(V)(114))