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## DIGEST

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HB 43 Original

2021 Regular Session

DeVillier

**Abstract:** Exempts steam, water, electric power or energy, and natural gas used directly in the manufacturing process from the 2% levy of the state sales and use tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies for the following amounts:

R.S. 47:302 - 2%  
R.S. 47:321 - 1%  
R.S. 47:321.1 - .45%  
R.S. 47:331 - .97%  
R.S. 51:1286 - .03%

Present law provides for a number of exclusions and exemptions that apply generally to state sales and use taxes. Includes an exemption for steam, certain water, electric power or energy, natural gas, and certain energy sources (R.S. 47:305(D)(1)(b), (c), (d), (g), and (h)—hereinafter "business utilities").

Notwithstanding the general exclusions and exemptions in present law, each provision of present law that levies a state sales and use tax includes or references an exclusive list of exclusions and exemptions that apply during the period beginning July 1, 2018, through June 30, 2025. Present law exempts business utilities from 2.45% of the state's 4.45% sales and use tax during this period.

Proposed law adds an exemption from the remaining 2% of state sales and use tax for business utilities used predominately and directly in the actual manufacturing process by a manufacturer which has been assigned a NAICS Code within manufacturing Sector 31-33. The exemption applies through June 30, 2025.

Proposed law requires the Dept. of Revenue to promulgate rules in accordance with present law (Administrative Procedure Act) to implement the provisions of proposed law.

Effective July 1, 2021.

(Adds R.S. 47:302(BB)(114))