

2021 Regular Session

SENATE BILL NO. 6

BY SENATOR CATHEY

TAX/SALES. Exempts purchases of utilities used by commercial farmers for on-farm storage from state sales and use tax. (gov sig)

1 AN ACT

2 To enact R.S. 47:302(BB)(114), 305.4, 321(P)(115), 321.1(I)(115), and 331(V)(115),  
3 relative to tax exemptions; to provide an exemption from state sales and use tax for  
4 utilities used by commercial farmers for on-farm storage; to authorize the secretary  
5 of the Department of Revenue to promulgate rules; to provide for effectiveness; and  
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:302(BB)(114), 305.4, 321(P)(115), 321.1(I)(115), and  
9 331(V)(115) are hereby enacted to read as follows:

10 §302. Imposition of tax

11 \* \* \*

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

17 \* \* \*





1 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 6 Engrossed

2021 Regular Session

Cathey

Proposed law provides for a state sales tax exemption beginning October 1, 2021, for utilities used by commercial farmers for on-farm storage.

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 sales tax exemption for the sale of utilities used by commercial farmers for on-farm storage to the list of effective sales tax exemptions.

Proposed law defines "commercial farmer" as persons who produce food or commodities for sale, file their farm income and expenses on a federal Schedule F or similar federal tax form, including 1065, 1120, and 1120S, filed by a person assigned a North American Industry Classification System (NAICS) Code beginning with 11.

Proposed law defines "on-farm storage" as facilities or containers located in Louisiana that are separately metered for utilities and that contain raw agricultural commodities, including but not limited to feed, seed, and fertilizer, to be utilized in preparing, finishing, manufacturing, or producing crops or animals prior to the first point of sale.

Proposed law defines "utilities" as steam, water, electric power or energy, natural gas, or energy sources.

Proposed law authorizes the secretary of the Department of Revenue to promulgate rules and regulations necessary to implement the provisions of proposed law.

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

(Adds R.S. 47:302(BB)(114), 305.4, 321(P)(115), 321.1(I)(115), and 331(V)(115))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes the implementation date of the exemption from July 1, 2021, to October 1, 2021.