

2022 Regular Session

SENATE BILL NO. 293

BY SENATOR ALLAIN

TAX/SALES. Creates a state sales tax rebate for the purchase of certain agricultural fencing materials by commercial farmers. (gov sig)

1 AN ACT

2 To enact R.S. 47:305.77, relative to sales and use tax rebates; to provide for a state sales and
3 use tax rebate for the purchase of certain agricultural fencing materials by
4 commercial farmers; to provide for limitations and conditions; to provide for
5 definitions; to authorize the secretary of the Department of Revenue to promulgate
6 rules; to provide for application deadlines; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:305.77 is hereby enacted to read as follows:

9 **§305.77. Rebates; sales and use tax for certain agricultural fencing materials**

10 **A.(1) The purchase of certain agricultural fencing materials by**
11 **commercial farmers shall be eligible for a rebate of state sales and use taxes in**
12 **order to provide tax relief for commercial farmers recovering from the 2020**
13 **and 2021 hurricanes. The amount of the rebate shall equal the sales and use tax**
14 **paid by a commercial farmer on agricultural fencing materials.**

15 **(2) For the purposes of this Section, the following words shall have the**
16 **following meanings:**

17 **(a) "Agricultural fencing materials" means materials used for the**

1 enclosure of lands used for agricultural purposes in the production of food and
2 fiber. For the purposes of this Section, "agricultural fencing materials" shall
3 only include materials used to replace or repair enclosures located in federally
4 declared disaster areas that were substantially damaged or destroyed by the
5 2020 and 2021 hurricanes.

6 (b) "Commercial farmer" shall have the same meaning as in R.S.
7 47:301(30), but for purposes of this Section, shall be limited to those persons
8 certified as a commercial farmer on or before January 1, 2022.

9 (c) "2020 and 2021 hurricanes" means Hurricane Laura, Hurricane
10 Delta, Hurricane Zeta, and Hurricane Ida.

11 (3) The rebate shall not be allowed for any portion of the purchase of
12 agricultural fencing materials that is paid for with insurance proceeds or state
13 or federal funds, unless the state or federal funds are reported as taxable
14 income or are structured as repayable loans.

15 (4) The rebate may be claimed only after the fencing repairs have been
16 completed and shall be claimed no more than once per calendar year.

17 B. Applications for the rebate of state sales and use taxes pursuant to the
18 provisions of this Section shall be processed by the Department of Revenue. A
19 purchaser shall claim a rebate using the form and in the manner prescribed by
20 the Department of Revenue. The purchaser who claims a rebate shall submit
21 documentation to the secretary of the Department of Revenue evidencing the
22 purchase of agricultural fencing materials and documentation evidencing the
23 fencing was substantially damaged or destroyed in the 2020 and 2021
24 hurricanes. The secretary of the Department of Revenue may promulgate rules
25 in accordance with the Administrative Procedure Act as are necessary to
26 implement the provisions of this Section, including rules to provide for the form
27 and manner for claiming a rebate.

28 C. No rebate shall be issued for purchases made after December 31,
29 2022.

D. No rebate shall be issued for applications submitted after December**31, 2023.**

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.

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

DIGEST

SB 293 Engrossed

2022 Regular Session

Allain

Proposed law creates a state sales tax rebate for the purchase of certain agricultural fencing materials by commercial farmers in order to provide tax relief for commercial farmers recovering from the 2020 and 2021 hurricanes.

Proposed law defines the following terms:

- (1) "Agricultural fencing materials" means materials used for the enclosure of lands used for agricultural purposes in the production of food and fiber. "Agricultural fencing materials" shall only include materials used to replace or repair enclosures located in federally declared disaster areas that were substantially damaged or destroyed by the 2020 and 2021 hurricanes.
- (2) "Commercial farmer" shall have the same meaning as defined in R.S. 47:301(30) but limited to persons certified as a commercial farmer on or before January 1, 2022.
- (3) "2020 and 2021 hurricanes" means Hurricane Laura, Hurricane Delta, Hurricane Zeta, and Hurricane Ida.

Proposed law prohibits the rebate for any portion of the purchase of agricultural fencing materials that is paid for with insurance proceeds or state or federal funds, unless the state or federal funds are reported as taxable income or are structured as repayable loans.

Proposed law provides the rebate may be claimed only after the fencing repairs have been completed and claimed no more than once per calendar year.

Proposed law requires the Dept. of Revenue to process rebate applications.

Proposed law requires a purchaser who claims a rebate to submit documentation to the secretary evidencing the purchase of agricultural fencing materials and documentation evidencing the fencing was substantially damaged or destroyed in the 2020 and 2021 hurricanes.

Proposed law authorizes the secretary to promulgate rules in accordance with the APA to implement the provisions of proposed law.

Proposed law prohibits rebates for purchases made after December 31, 2022.

Proposed law prohibits rebates for applications submitted after December 31, 2023.

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

(Adds R.S. 47:305.77)

Summary of Amendments Adopted by Senate

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

1. Specifies that "agricultural fencing materials" shall only include materials used to replace or repair enclosures located in federally declared disaster areas.
2. Limits the rebate to persons certified as a commercial farmer on or before January 1, 2022.
3. Provides that the rebate may be claimed no more than once per calendar year.
4. Authorizes, instead of requires, the secretary to promulgate rules.