2023 Regular Session

HOUSE BILL NO. 436

BY REPRESENTATIVE TRAVIS JOHNSON

TAX/SALES-USE, ST-EXEMPT: Provides a state sales tax exemption for certain farmers for acquisition of renewable energy systems and items and services for energy efficiency improvements

1	AN ACT
2	To enact R.S. 47:302(BB)(119), 305.79, 321(P)(120), 321.1(I)(120), and 331(V)(120),
3	relative to state sales and use tax exemptions; to establish a state sales and use tax
4	exemption for the purchase, use, lease, or rental by commercial farmers of renewable
5	energy systems and items or services used for energy efficiency improvements; to
6	provide for eligibility of commercial farmers for the exemption; to provide for
7	definitions; to authorize administrative rulemaking; and to provide for related
8	matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 47:302(BB)(119), 305.79, 321(P)(120), 321.1(I)(120), and
11	331(V)(120) are hereby enacted to read as follows:
12	§302. Imposition of tax
13	* * *
14	BB. Notwithstanding any other provision of law to the contrary, including
15	but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
16	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
17	levied pursuant to the provisions of this Section, except for the retail sale, use,
18	consumption, distribution, or storage for use or consumption of the following:
19	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(119) Items or services used by commercial farmers for energy efficiency		
2	improvements and renewable energy systems acquired by commercial farmers as		
3	provided in R.S. 47:305.79.		
4	* * *		
5	§305.79. Exemption; certain commercial farmers; energy efficiency improvements		
6	and renewable energy systems		
7	A. The sales and use tax imposed by the state of Louisiana shall not apply		
8	to the purchase, use, lease, or rental of any of the following by commercial farmers		
9	who have received grant funding or a guaranteed loan through the Rural Energy for		
10	America Program:		
11	(1) Items or services used for energy efficiency improvements.		
12	(2) Renewable energy systems.		
13	B. For purposes of this Section, the following terms shall have the meanings		
14	ascribed to them in this Subsection:		
15	(1) "Commercial farmer" has the meaning provided in R.S. 47:301.		
16	(2) "Energy efficiency improvement" has the meaning provided in 7 CFR		
17	<u>4280.103.</u>		
18	(3) "Renewable energy system" has the meaning provided in 7 CFR		
19	<u>4280.103.</u>		
20	(4) "Rural Energy for America Program" means the program of that name		
21	established by the provisions of Title IX of the Agricultural Improvement Act of		
22	<u>2018 (Public Law 115-334).</u>		
23	C. The secretary of the Department of Revenue may promulgate rules in		
24	accordance with the Administrative Procedure Act as are necessary to implement the		
25	provisions of this Section.		
26	* * *		
27	§321. Imposition of tax		
28	* * *		

1	P. Notwithstanding any other provision of law to the contrary, including but			
2	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,			
3	through June 30, 2025, there shall be no exemptions and no exclusions to the tax			
4	levied pursuant to the provisions of this Section, except for the retail sale, use,			
5	consumption, distribution, or storage for use or consumption of the following:			
6	* * *			
7	(120) Items or services used by commercial farmers for energy efficiency			
8	improvements and renewable energy systems acquired by commercial farmers as			
9	provided in R.S. 47:305.79.			
10	* * *			
11	§321.1. Imposition of tax			
12	* * *			
13	I. 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:			
18	* * *			
19	(120) Items or services used by commercial farmers for energy efficiency			
20	improvements and renewable energy systems acquired by commercial farmers as			
21	provided in R.S. 47:305.79.			
22	* * *			
23	§331. Imposition of tax			
24	* * *			
25	V. Notwithstanding any other provision of law to the contrary, including but			
26	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,			
27	through June 30, 2025, there shall be no exemptions and no exclusions to the tax			

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1	levied pursuant to the provisions of this Section, except for the retail sale, use,
2	consumption, distribution, or storage for use or consumption of the following:
3	* * *
4	(120) Items or services used by commercial farmers for energy efficiency
5	improvements and renewable energy systems acquired by commercial farmers as
6	provided in R.S. 47:305.79.
7	* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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2023 Regular Session

Travis Johnson

Abstract: Establishes a state sales and use tax exemption for energy efficiency improvements and acquisition of renewable energy systems by commercial farmers who have received grants or loans through the Rural Energy for America Program.

<u>Present law</u> imposes a state sales and use tax on the sale, use, lease, or rental of tangible personal property, which tax is composed of the following provisions of <u>present law</u> imposing levies in the following amounts:

R.S. 47:302	 2.00%
R.S. 47:321	 1.00%
R.S. 47:321.1	 0.45%
R.S. 47:331	 0.97%
R.S. 51:1286	 0.03%

<u>Proposed law</u> exempts from the state sales and use tax the purchase, use, lease, or rental of any of the following by commercial farmers who have received grant funding or a guaranteed loan through the Rural Energy for America Program of the U.S. Dept. of Agriculture:

- (1) Items or services used for energy efficiency improvements.
- (2) Renewable energy systems.

<u>Proposed law</u> provides that for purposes of <u>proposed law</u>, "energy efficiency improvement" and "renewable energy system" have the meanings provided in federal regulations relative to the Rural Energy for America Program (7 CFR 4280.103).

<u>Proposed law</u> authorizes the secretary of the Dept. of Revenue to promulgate administrative rules as necessary to implement the provisions of <u>proposed law</u>.

(Adds R.S. 47:302(BB)(119), 305.79, 321(P)(120), 321.1(I)(120), and 331(V)(120))