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DIGEST

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HB 330 Engrossed

2023 Regular Session

Mike Johnson

**Abstract:** Establishes a state and local sales and use tax exemption for the purchase of certain agricultural fencing materials by commercial farmers; repeals a state sales tax rebate for purchases by commercial farmers of agricultural fencing materials used to replace or repair enclosures in federally declared disaster areas that were damaged or destroyed by hurricanes in 2020 or 2021.

Present law 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 present law 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%

Present law provides for numerous exclusions and exemptions from state sales tax and local sales tax.

Proposed law provides that no state or local sales and use tax, except the 2.00% levy imposed by present law (R.S. 47:302), shall apply to the purchase by commercial farmers of agricultural fencing materials. Stipulates, however, that no exemption shall be granted for any purchase for which a sales tax rebate was issued in accordance with present law (R.S. 47:305.77).

Proposed law provides the following definitions for purposes of proposed law:

- (1) "Agricultural fencing materials" means gates, hog wire fencing, barbed wire fencing, lumber or steel used as posts or rails, nails, screws, hinges, and concrete consisting of premixed dry mortar used for the purpose of fencing agricultural livestock.
- (2) "Commercial farmer" has the same meaning as provided in present law (R.S. 47:301).

Proposed law establishing the state and local sales and use tax exemption becomes effective Aug. 1, 2023, and applies to taxable periods beginning on or after that date.

Present law (R.S. 47:305.77) provides for a state sales and use tax rebate for agricultural fencing

materials purchased on or before Dec. 31, 2022, by commercial farmers recovering from certain hurricanes that impacted this state in 2020 and 2021. Allows farmers to apply for the rebate until Dec. 31, 2023, and provides that no rebates shall be issued for applications submitted after that date. Effective Aug. 1, 2024, proposed law repeals present law.

(Amends R.S. 47:337.9(D)(35); Adds R.S. 47:305.79, 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36); Repeals R.S. 47:305.77)

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete all instances of "lease or rental" in proposed law.
2. Delete proposed law providing a tax exemption for the acquisition of trailers. Delete the defined term "trailer" and its corresponding definition from proposed law.
3. Revise the definition of "agricultural fencing materials" for purposes of proposed law.
4. Remove the tax exemption provided for in proposed law from present law establishing a state sales tax levy of 2.00% (R.S. 47:302); retain the exemption, as otherwise provided in proposed law, within the levies in present law comprising the remainder of the state's overall sales tax (R.S. 47:321, 321.1, and 331 and R.S. 51:1286 which provide, collectively for a 2.45% sales tax).
5. Make technical changes.