

## RÉSUMÉ DIGEST

ACT 425 (HB 330)

2023 Regular Session

Mike Johnson

### Agricultural Fencing Materials – Sales Tax Exemption

Existing 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 existing 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%

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

New law provides that no state or local sales and use tax, except the 2.00% state levy imposed by existing 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 prior law (R.S. 47:305.77).

New law provides the following definitions for purposes of new 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. The term also means electric fence wire, insulated posts, power sources, grounding systems, warning signs, and other components of electric agricultural fencing.
- (2) "Commercial farmer" has the same meaning as provided in existing law (R.S. 47:301).

New law establishing the state and local sales and use tax exemption for purchases of agricultural fencing materials applies to taxable periods beginning on or after Aug. 1, 2023. New law limits the exemption's duration, however, by providing that the exemption shall not apply to any taxable period after June 30, 2029.

### Agricultural Fencing Materials – Sales Tax Rebate

Prior law (R.S. 47:305.77) provided 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. Allowed farmers to apply for the rebate until Dec. 31, 2023, and provided that no rebates shall be issued for applications submitted after that date. Effective Aug. 1, 2024, new law repeals prior law.

### Effectiveness

New law establishing the state and local sales and use tax exemption for purchases of agricultural fencing materials becomes effective August 1, 2023.

New law repealing the state sales and use tax rebate for purchases of agricultural fencing materials becomes effective August 1, 2024.

(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)