
The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

DIGEST

Morrell (SB 144)

Proposed law provides for automatic renewals of sales tax exemption certificates for Direct Pay Numbers (R.S. 47:303.1), Sales for Resale by "dealers" (of tangible personal property for resale, R.S. 47:301(10)(a)(i), or sales of services for resale, R.S. 47:301(10)(a)(ii)), and Purchases of Manufacturing Machinery and Equipment (R.S. 47:301(3)(i)(i), 47:301(13)(k)(i), and 47:301(28)(a)) for a period of up to three years. The Department of Revenue [DOR] must notify a qualifying taxpayer of its determination as to whether the certificates will be automatically renewed or whether the taxpayer is denied renewal and must reapply.

The exemption certificate and the resale certificate must be renewed without having to reapply unless the department determines that the taxpayer is no longer qualified for the exemption and the department may suspend a taxpayer's exemption certificate or resale certificate if the taxpayer is no longer qualified as a manufacturer or as a dealer, respectively, or has become delinquent in its sales tax payment or filing responsibilities.

Proposed law requires DOR to promulgate rules and regulations regarding its criteria for determining a taxpayer's ability to renew a sales tax exemption certificate without reapplying.

Effective January 1, 2014.

(Adds R.S. 47:13)

Summary of Amendments Adopted by Senate

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

1. Completely revises the bill, which required all tax exemptions once granted to be renewed without the taxpayer having to reapply, provided the taxpayer remained qualified to receive it. The DOR was required to promulgate regulations to develop a form or other document to be mailed to each taxpayer to indicate the taxpayer's continued qualification for the tax exemption.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.
2. Authorizes DOR to suspend a taxpayer's resale certificate if the taxpayer no longer qualifies as a dealer.
3. Authorizes DOR to suspend a taxpayer's exemption certificate if the taxpayer no longer qualifies as a manufacturer.