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**HOUSE COMMITTEE AMENDMENTS**

2016 First Extraordinary Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 101 by Representative Jackson

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**AMENDMENT NO. 1**

On page 1, line 9, after "305.57(A)" and before "305.60" insert "305.59"

**AMENDMENT NO. 2**

On page 7, between lines 17 and 18, insert the following:

(I) A person whose principal activity is manufacturing, as defined in this Subparagraph, and who is assigned by the Louisiana Workforce Commission a North American Industrial Classification System code within the agricultural, forestry, fishing, and hunting Sector 11, the manufacturing Sectors 31-33, the information Sector 511110 as they existed in 2002, or industry code 423930 as a recyclable material merchant wholesaler engaged in manufacturing activities, which must include shredding facilities, as determined by the secretary of the Department of Revenue."

**AMENDMENT NO. 3**

On page 15, at the beginning of line 3, after "(j)" insert the following:

"Solely for purposes of the sales and use tax levied by the state or any political subdivision whose boundaries are coterminous with those of the state, the term "lease or rental" shall not include the lease or rental in this state of manufacturing machinery and equipment used or consumed in this state to manufacture, produce, or extract unblended biodiesel."

**AMENDMENT NO. 4**

On page 27, at the beginning of line 3, after "(y)" insert the following:

(i) Solely for the purposes of sales and use taxes levied by the state or any political subdivision whose boundaries are coterminous with those of the state, the term "sale at retail" shall not include the sale of manufacturing machinery and equipment used or consumed in this state to manufacture, produce, or extract unblended biodiesel.

(ii) As used in this Subparagraph, the following words and phrases have the meaning ascribed to them:

(aa) "Manufacturing machinery and equipment" means tangible property used or consumed, or held for use or consumption, as an integral part of a biodiesel manufacturing, production, or extraction facility, process, or item of equipment. Property shall be considered to be an integral part of such biodiesel manufacturing, production, or extraction facility, process, or item of equipment only if such property is used or consumed directly in the manufacturing, production, or extraction process or is part of, physically attached to, or otherwise directly associated with such property. Property, the installation of which is reasonably necessary for the proper installation, operation, maintenance of property which directly results in such manufacturing, production, or extraction shall be considered as directly associated with such property.

(bb) "Unblended biodiesel" means a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of the definition provided for in D 6751 of the

1 American Society of Testing and Materials (ATDM D 6751), before such fuel is  
2 blended with a petroleum-based diesel fuel.

3 (z) Solely for the purposes of sales and use taxes levied by the state or any  
4 political subdivision whose boundaries are coterminous with those of the state, the  
5 term "sale at retail" shall not include the sale of any alternative substance when such  
6 alternative substance is used as a fuel by a manufacturer. "Alternative substance"  
7 means any substance other than oil and natural gas and any product of oil and natural  
8 gas. "Alternative substance" shall include petroleum coke, landfill gas, reclaimed  
9 or waste oil, unblended biodiesel, or tire-derived fuel, but not coal, lignite, refinery  
10 gas, nuclear fuel, or electricity. "Manufacturer" means a person whose principal  
11 activity is manufacturing and who is assigned by the Louisiana Workforce  
12 Commission a North American Industrial Classification System code with the  
13 agricultural, forestry, fishing, and hunting Sector 11 or the manufacturing Sectors 31-  
14 33 as they existed in 2002."

15 AMENDMENT NO. 5

16 On page 34, after line 10, insert the following:

17  
18 "(k)(i) For purposes of the imposition of the sales tax levied by the state and  
19 any political subdivision whose boundaries are coterminous with those of the state,  
20 the sales price of machinery and equipment purchased by a manufacturer for use in  
21 a plant facility predominately and directly in the actual manufacturing for  
22 agricultural purposes or the actual manufacturing process of an item of tangible  
23 personal property, which is for ultimate sale to another and not for internal use, at  
24 one or more fixed locations within Louisiana shall be reduced as follows:

25 (aa) For the period ending on June 30, 2005, the sales price shall be reduced  
26 by five percent.

27 (bb) For the period beginning July 1, 2005, and ending on June 30, 2006, the  
28 sales price shall be reduced by nineteen percent.

29 (cc) For the period beginning July 1, 2006, and ending on June 30, 2007, the  
30 sales price shall be reduced by thirty-five percent.

31 (dd) For the period beginning July 1, 2007, and ending on June 30, 2008, the  
32 sales price shall be reduced by fifty-four percent.

33 (ee) For the period beginning July 1, 2008, and ending on June 30, 2009, the  
34 sales price shall be reduced by sixty-eight percent.

35 (ff) For all periods beginning on or after July 1, 2009, the sales price shall  
36 be reduced by one hundred percent.

37 (ii) For purposes of this Subparagraph, "machinery and equipment",  
38 "manufacturer", "manufacturing", "manufacturing for agricultural purposes", "plant  
39 facility", and "used directly" shall have the same meaning as defined in R.S.  
40 47:301(3)(i)(ii).

41 (iii) No person shall be entitled to purchase, use, lease, or rent machinery or  
42 equipment as defined herein without payment of the tax imposed by R.S. 47:302,  
43 321, and 331 before receiving a certificate of exclusion from the secretary of the  
44 Department of Revenue certifying that he is a manufacturer as defined herein.

45 (iv) The secretary of the Department of Revenue is hereby authorized to  
46 adopt rules and regulations in order to administer the exclusion provided for in this  
47 Subparagraph."

48 AMENDMENT NO. 6

49 On page 46, delete line 19 in its entirety and insert the following:

50 "~~(m)(i)(1)(i)~~ Notwithstanding any other provision of law to the contrary, for  
51 purposes of the sales and use tax levied by the state or any political subdivision  
52 whose boundaries are coterminous with those of the state, the term "tangible personal  
53 property" shall not include machinery and equipment used by a motor vehicle  
54 manufacturer with a North American Industry Classification System (NAICS) Code

1 beginning with 3361, or by a glass container manufacturer with a NAICS Code of  
 2 327213. This exclusion shall be subject to the definitions and requirements of Item  
 3 (3)(i)(ii) of this Section."

4 AMENDMENT NO. 7

5 On page 46, at the beginning of line 27, insert "(ii)"

6 AMENDMENT NO. 8

7 On page 47, after line 10, insert the following:

8 "~~(n)~~(i) (m)(i)" For purposes of the imposition of the sales and use tax levied  
 9 by the state, the term "tangible personal property" shall not include machinery and  
 10 equipment purchased by the owner of a radio station located within the state that is  
 11 licensed by the Federal Communications Commission for radio broadcasting, if the  
 12 owner is either of the following:

13 (aa) An individual domiciled in the state who owns a business with  
 14 substantially all of its assets located in the state and substantially all of its payroll  
 15 paid in the state.

16 (bb) A business entity with substantially all of its assets located in the state  
 17 and substantially all of its payroll paid in the state; provided that the business entity  
 18 is not owned or controlled or is otherwise an affiliate of a multi-state business entity  
 19 and is not owned or controlled by an individual who is not domiciled in the state.

20 (ii) "Radio broadcasting" means the sound transmission made via  
 21 electromagnetic waves for direct sound reception by the general public.

22 ~~(o)~~(i) (n)(i)" For purposes of the imposition of the sales and use tax levied  
 23 by the state and any political subdivision whose boundaries are coterminous with  
 24 those of the state, the term "tangible personal property" shall not include machinery  
 25 and equipment as defined in and subject to the requirements of R.S. 47:301(3)(i)(ii)  
 26 which is purchased by a utility regulated by the Public Service Commission or the  
 27 council of the City of New Orleans. For the purposes of this Paragraph, the term  
 28 "utility" shall mean a person regulated by the Public Service Commission or the  
 29 council of the City of New Orleans who is assigned a North American Industrial  
 30 Classification System Code 22111, Electric Power Generation, as it existed in 2002.  
 31 Such utility shall also be considered a "manufacturer" for purposes of R.S.  
 32 47:301(3)(i)(ii).

33 (ii) For purposes of this Subparagraph, a political subdivision whose  
 34 boundaries are not coterminous with those of the state may provide for a sales and  
 35 use tax exclusion for machinery and equipment as defined in and subject to the  
 36 requirements of R.S. 47:301(3)(i)(ii) which is purchased by a utility regulated by the  
 37 Public Service Commission or the council of the city of New Orleans."

38 AMENDMENT NO. 9

39 On page 48, at the beginning of line 11, change "~~(p)~~(m)" to "~~(p)~~(n)"

40 AMENDMENT NO. 10

41 On page 48, at the beginning of line 14, change "~~(q)~~(n)" to "~~(q)~~(o)"

42 AMENDMENT NO. 11

43 On page 50, after line 7, insert the following:

44 "(k) Solely for purposes of the sales and use tax levied by the state or any  
 45 political subdivision whose boundaries are coterminous with those of the state, the  
 46 term "use" shall not include the purchase, the use, the consumption, the distribution,  
 47 the storage for use or consumption, or the exercise of any right or power over

1 manufacturing machinery and equipment used or consumed in this state to  
2 manufacture, produce or extract unblended biodiesel.

3 (1) Solely for the purposes of sales and use taxes levied by the state or any  
4 political subdivision whose boundaries are coterminous with those of the state, the  
5 term "use" shall not include the use, the consumption, the distribution, the storage  
6 for use or consumption in this state, or the exercise of any right or power over an  
7 alternative substance as that term is defined in Subparagraph (10)(z) of this Section  
8 when such alternative substance is used as a fuel by a manufacturer. "Manufacturer"  
9 means a person whose principal activity is manufacturing and who is assigned by the  
10 Louisiana Workforce Commission a North American Industrial Classification  
11 System code with the agricultural, forestry, fishing, and hunting Sector 11 or the  
12 manufacturing Sectors 31-33 as they existed in 2002."