The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle Clapinski.

DIGEST

SB 268 Original

2024 Regular Session

Cathey

<u>Proposed law</u> provides that the purpose of the sales tax rebate is to help ensure energy independence for the United States, using a diversified approach. Further it recognizes that growth and development of the critical energy resources of the state is essential to the continued and to the continued prosperity of the people of the state.

<u>Proposed law</u> establishes a rebate for the state sales tax paid by any company engaged in production from a qualified lithium recovery project, on all equipment, machinery, materials, improvements, and other items purchased in connection with the development, production, operation, storage, processing, or transportation of lithium.

<u>Proposed law</u> provides that the amount of the rebate is equal to the amount of state sales tax actually paid by the applicant in connection with the purchase of equipment, machinery, materials, improvements, and other items for use in connection with the development, production, operation, storage, processing, or transportation of lithium or lithium refined products in connection with a qualified lithium recovery project.

<u>Proposed law</u> defines "lithium recovery project" as a lithium recovery and processing project conducted in accordance with sound engineering principles as used in the industry, which includes the production of brine and separating the lithium from the brine, employing direct lithium extraction or any other processes or technology.

<u>Proposed law</u> requires an applicant claiming the rebate to apply to the secretary of the Department of Revenue for the rebate in a manner and on a form prescribed by the secretary. Further requires an applicant to submit proof of the actual state sales tax paid in connection with qualified purchases as well as any other documentation required by administrative rule.

<u>Proposed law</u> requires the Department of Revenue to verify each applicant's eligibility for the rebate and certify the list of eligible applicants and approved rebate amounts.

<u>Proposed law</u> authorizes the secretary of the Department of Revenue to promulgate rules in accordance with the Administrative Procedure Act, as are necessary to implement the provisions of the rebate.

Proposed law terminates the sales and use tax rebate on December 31, 2025.

Applicable to purchases made on or after July 1, 2024.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:305.81)