

RÉSUMÉ DIGEST

ACT 327 (SB 268)

2024 Regular Session

Cathey

New law 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 are essential to the continued prosperity of the people of the state.

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

New law provides that the amount of the rebate is equal to the amount of state sales tax in Louisiana 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, including injection wells, in connection with a qualified lithium recovery project in Louisiana.

New law defines "qualified lithium recovery project" as a lithium recovery and processing project that is or will be evaluated, developed, constructed, and operated in La. and that is or will be 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.

New law requires an applicant claiming the rebate to apply to the secretary of the Dept. 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.

New law requires the Dept. of Revenue to verify each applicant's eligibility for the rebate and certify the list of eligible applicants and approved rebate amounts.

New law authorizes the secretary of the Dept. of Revenue to promulgate rules in accordance with the Administrative Procedure Act, as are necessary to implement the provisions of the rebate.

New law limits the total amount of tax rebates granted by the department for the life of the program to \$100,000.

New law prohibits a taxpayer from receiving any other incentive for any expenditures for which the taxpayer has received a tax rebate pursuant to new law.

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

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

Effective May 28, 2024.

(Adds R.S. 47:305.81)