

2019 Regular Session

HOUSE BILL NO. 596

BY REPRESENTATIVES STEFANSKI, BOURRIAQUE, DAVIS, DEVILLIER,
DWIGHT, HORTON, ROBERT JOHNSON, LACOMBE, AND JIM MORRIS

TAX/SALES-USE-EXEMPT: Defines a commercial farmer for purposes of certain sales
and use tax exemptions

1 AN ACT

2 To amend and reenact R.S. 47:301(30), relative to sales and use tax; to define commercial
3 farmer; to require the submission of certain information; to require the Department
4 of Revenue to make certain determinations; to provide for an effective date; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(30) is hereby amended and reenacted to read as follows:

8 §301. Definitions

9 As used in this Chapter the following words, terms, and phrases have the
10 meanings ascribed to them in this Section, unless the context clearly indicates a
11 different meaning:

12 * * *

13 (30)(a) Except as provided in Subparagraph (b) of this Paragraph, the ~~The~~
14 term "commercial farmer" shall mean only those persons occupationally engaged in
15 producing food or agricultural commodities for sale. These terms are limited to
16 those persons, partnerships, or corporations regularly engaged in the commercial
17 production for sale of vegetables, fruits, crops, livestock, poultry, and other food or
18 agricultural products that report farm income and expenses on a federal Schedule F
19 or similar federal tax form, including but not limited to 1065, 1120, and 1120S filed
20 by a person assigned a North American Industry Classification System (NAICS)

1 Code beginning with 11. The Department of Revenue, in consultation with the
2 Department of Agriculture, shall develop and promulgate rules to determine who
3 meets this definition no later than January 1, 2019. Notwithstanding any contrary
4 provision of this Paragraph, the Department of Revenue shall honor existing farmer
5 exemption certificates issued by the department until July 1, 2019.

6 (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,
7 the term "commercial farmer" may include a landowner who is a party of a joint
8 venture and who leases land to a commercial farmer as defined in Subparagraph (a)
9 of this Paragraph. In order to qualify as a commercial farmer, the lessee landowner
10 shall submit documentation of the joint venture arrangement and a report of farm
11 income and expenses from the joint venture on a federal Schedule F form or similar
12 federal tax form to the Department of Revenue in order for the secretary of the
13 department to make a determination that the taxpayer is a commercial farmer.

14 Section 2. This Act shall become effective on July 1, 2019.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 596 Engrossed

2019 Regular Session

Stefanski

Abstract: Expands the definition of commercial farmer to include a landowner who is a party to a joint venture and leases land to a commercial farmer.

Present law provides for sales and use exemptions and exclusions for certain agricultural inputs for commercial farmers who produce food or commodities at a profit and file their farm income and expenses on federal tax forms.

Proposed law retains present law and expands the definition of commercial farmer to include a landowner who is determined by the Dept. of Revenue to be a party to a joint venture and who leases land to a commercial farmer, as defined by present law.

Proposed law requires the Dept. of Revenue to make a determination whether the landowner meets the requirements to be considered a commercial farmer when the landowner submits documentation of the joint venture and the report of farm income and expenses from the joint venture on a federal tax form.

Effective July 1, 2019

(Amends R.S. 47:301(30))