SLS 202ES-50

ORIGINAL

2020 Second Extraordinary Session

SENATE BILL NO. 4

BY SENATOR CATHEY

TAX EXEMPTIONS. Exempts purchases of certain farm equipment from the state sales and use tax during a declared state of emergency or disaster. (gov sig) (Item #26)

1	AN ACT
2	To enact R.S. 47:302(BB)(113), 305.25(D), 321(P)(114), 321.1(I)(114), and 331(V)(114),
3	relative to tax exemptions; to provide an exemption from state sales and use tax for
4	certain farm equipment during a declared state of emergency or disaster; to require
5	the purchaser to provide certification; to provide for effectiveness; and to provide for
6	related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:302(BB)(113), 305.25(D), 321(P)(114), 321.1(I)(114), and
9	331(V)(114) are hereby enacted to read as follows:
10	§302. Imposition of tax
11	* * *
12	BB. Notwithstanding any other provision of law to the contrary, including but
13	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
14	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
15	levied pursuant to the provisions of this Section, except for the retail sale, use,
16	consumption, distribution, or storage for use or consumption of the following:
17	* * *

Page 1 of 5 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	<u>113. Beginning November 1, 2020, through June 30, 2021, certain farm</u>
2	equipment as provided for in R.S. 47:305.25(D).
3	* * *
4	§305.25. Exclusions and exemptions; farm equipment
5	* * *
6	D. Notwithstanding any provision of this Section to the contrary, from
7	November 1, 2020, through June 30, 2021, the tax imposed by R.S. 47:302(A),
8	321(A), 321.1(A), and 331(A) with respect to the sale and use of farm equipment
9	shall apply only to that portion of the sale price in excess of five hundred
10	thousand dollars for each item of farm equipment. The purchaser or his
11	representative shall provide on any exemption certificate required for this
12	exemption a certification that the purchaser is a farmer or is purchasing for an
13	agricultural facility. For the purpose of this Subsection, "farm equipment"
14	includes the following:
15	(1) Rubber tired farm tractors, cane harvesters, cane loaders, cotton
16	pickers, combines, haybalers, and attachments and sprayers.
17	(2) Clippers, cultivators, discs, plows, and spreaders.
18	(3) Irrigation wells, drives, motors, and equipment.
19	(4) Other farm implements and equipment used for agricultural
20	purposes in the production of food and fiber.
21	(5) On the farm facilities used to dry or store grain or any materials used
22	to construct such on the farm facilities.
23	(6) Polyroll tubing for commercial farm irrigation.
24	(7) Equipment used in poultry production.
25	(8) Replacement parts.
26	(9) Hydraulic oil and lubricants used for agricultural purposes.
27	(10) Labor costs on repairs of agricultural equipment.
28	* * *
29	§321. Imposition of tax

Page 2 of 5 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	* * *
2	P. Notwithstanding any other provision of law to the contrary, including but
3	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
4	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
5	levied pursuant to the provisions of this Section, except for the retail sale, use,
6	consumption, distribution, or storage for use or consumption of the following:
7	* * *
8	<u>114. Beginning November 1, 2020, through June 30, 2021, certain farm</u>
9	equipment as provided for in R.S. 47:305.25(D).
10	* * *
11	§321.1. Imposition of tax
12	* * *
13	I. Notwithstanding any other provision of law to the contrary, including but
14	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
15	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
16	levied pursuant to the provisions of this Section, except for the retail sale, use,
17	consumption, distribution, or storage for use or consumption of the following:
18	* * *
19	114. Beginning November 1, 2020, through June 30, 2021, certain farm
20	equipment as provided for in R.S. 47:305.25(D).
21	* * *
22	§331. Imposition of tax
23	* * *
24	V. Notwithstanding any other provision of law to the contrary, including but
25	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
26	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
27	levied pursuant to the provisions of this Section, except for the retail sale, use,
28	consumption, distribution, or storage for use or consumption of the following:
29	* * *

* * *

Page 3 of 5 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

114 D

20 2021

I	<u>114. Beginning November 1, 2020, through June 30, 2021, certain farm</u>
2	equipment as provided for in R.S. 47:305.25(D).
3	* * *
4	Section 2. This Act shall become effective upon signature by the governor or, if not
5	signed by the governor, upon expiration of the time for bills to become law without signature
6	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
7	vetoed by the governor and subsequently approved by the legislature, this Act shall become
8	effective on the day following such approval.

1 2020 /1

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

DIGEST

SB 4 Original

2020 Second Extraordinary Session

Cathey

<u>Proposed law</u> provides for a state sales tax exemption for certain farm equipment during a declared state of emergency or disaster.

<u>Proposed law</u> provides that the state sales tax on farm equipment applies only to that portion of the sale price in excess of \$500,000 for each item of farm equipment.

<u>Proposed law</u> requires a purchaser or his representative to provide on any exemption certificate required for this exemption, a certification that the purchaser is a farmer or is purchasing for an agricultural facility.

Proposed law provides "farm equipment" includes the following:

- (1) Rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers, combines, haybalers, and attachments and sprayers.
- (2) Clippers, cultivators, discs, plows, and spreaders.
- (3) Irrigation wells, drives, motors, and equipment.
- (4) Other farm implements and equipment used for agricultural purposes in the production of food and fiber.
- (5) On the farm facilities used to dry or store grain or any materials used to construct such on the farm facilities.
- (6) Polyroll tubing for commercial farm irrigation.
- (7) Equipment used in poultry production.
- (8) Replacement parts.
- (9) Hydraulic oil and lubricants used for agricultural purposes.
- (10) Labor costs on repairs of agricultural equipment.

Page 4 of 5

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<u>Present law</u> provides for the exclusive list of sales and use tax exemptions that are effective through June 30, 2025, for each of the four major state sales tax levies.

<u>Proposed law</u> adds the state sales tax exemption for purchases of certain farm equipment to the list of effective sales tax exemptions for all sales tax periods beginning on or after November 1, 2020, and ending on or before June 30, 2021.

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

(Adds R.S. 47:302(BB)(113), 305.25(D), 321(P)(114), 321.1(I)(114), and 331(V)(114))