

Regular Session, 2007

HOUSE BILL NO. 975 (Substitute for House Bill No. 924 by Representative Odinet)

BY REPRESENTATIVES ODINET, ARNOLD, BADON, BALDONE, CURTIS,
FAUCHEUX, HEATON, HILL, HONEY, KENNEY, MONTGOMERY, RITCHIE,
JANE SMITH, AND TOWNSEND AND SENATORS MOUNT AND NEVERS

VETOED
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Veto Message

AN ACT

To enact R.S. 47:315.5, relative to state sales and use taxes; to provide for a state sales and use tax exemption for certain persons on purchases of tangible personal property required to rebuild, repair, or replace certain storm-damaged property; to authorize the Department of Revenue to issue refunds under certain circumstances; to authorize the Department of Revenue to prescribe certain forms and regulations; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:315.5 is hereby enacted to read as follows:

§315.5. Sales tax exemption; purchases of tangible personal property required to rebuild, repair, or replace certain storm-damaged property; refunds

A.(1) A Louisiana resident whose primary residence was located in the disaster area as defined in this Section on August 29, 2005, who purchases certain tangible personal property between August 29, 2005, and June 30, 2009, shall, upon the submission of a request and supporting documentation to the secretary of the Department of Revenue, be granted an exemption from the sales and use taxes levied by the state of Louisiana for the amount of state sales and use taxes paid on such purchases. The sales and use tax exemption authorized by this Section shall apply only to purchases made by a resident taxpayer in the household claiming the exemption and shall not apply to purchases made on behalf of Louisiana residents.

(2)(a) The sales and use tax exemption authorized by this Section shall be limited to tangible personal property purchased for restoring a primary residence in the disaster area which was damaged by Hurricane Katrina or Rita, or for repairing

1 or replacing tangible personal property located in a primary residence in the disaster
 2 area which was damaged by Hurricane Katrina or Rita.

3 (b) For purposes of this Section, titled assets shall not be considered tangible
 4 personal property.

5 B. For purposes of this Section, the term "disaster area" shall include
 6 Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard,
 7 St. Charles, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne,
 8 Vermilion, and Washington parishes.

9 C. The state sales and use tax exemption authorized by the provisions of this
 10 Section shall be granted in the form of a restricted refund. All refunds granted
 11 pursuant to the provisions of this Section shall be limited to one refund per
 12 household and shall not exceed three thousand dollars. No refund shall be granted
 13 unless a claim for a refund in a documented amount is filed on or before the end of
 14 the third calendar year from the date of purchase of eligible tangible personal
 15 property.

16 D. No exemption shall be allowed under this Section for any purchase for
 17 which a taxpayer receives an exemption, credit, rebate, or other tax incentive granted
 18 by the state under any other provision of law.

19 E. The secretary of the Department of Revenue is authorized to prescribe the
 20 forms and regulations for use in carrying out the provisions of this Section.

21 Section 2. This Act shall become effective on July 1, 2008.

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 PRESIDENT OF THE SENATE

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

House Bill No. 975 authorizes a refund of state sales taxes paid on the replacement of storm-damaged or destroyed property. The bill would require that the state issue refunds to Louisiana residents in 16 hurricane-affected parishes for state sales taxes that they have paid or will have paid during the period August 29, 2005, through June 30, 2009, on purchases needed to repair or replace their hurricane-damaged primary residences and household assets. Each household would be limited to one refund in the maximum amount of \$3,000. The bill provides that no tax refund or exemption can be allowed under House Bill No. 975 for any purchase for which a taxpayer receives an exemption, credit, rebate, or other tax incentive granted by the state under any other provision of law.

Many households that would be eligible for sales tax refund under House Bill No. 975 have already received sales tax refunds from the state under R.S. 47:315.1. That statute provides for the refund of sales taxes that persons residing in presidentially declared disaster areas paid on their destroyed assets. Refunds under that program have averaged over \$2,000 per household. Additionally, the Legislature enacted a sales tax holiday in December 2005, during which time many citizens had the opportunity to purchase replacement items tax free. Although the providing of this type of financial relief to citizens is meritorious, such a refund program would be very costly and difficult to administer and duplicative of other governmental storm-damage assistance programs.

For these reasons, I have vetoed House Bill No. 975 and am returning it to the House of Representatives.