



**Revenue Information Bulletin**  
**No. 03-006-A**  
**December 8, 2003**  
**Sales Tax**

**Two Acts of 2002 Regular Legislative Session Affect the Sales Taxability of Vessel Components, Repairs, Fuel, and Supplies**

The purpose of this Revenue Ruling is to announce that the department will follow the explicit language of Act Nos. 40 and 41 of 2002 Regular Session of the Louisiana Legislature, regarding the sales tax exemptions for ships and ships' supplies, including the language stating that the two acts were intended to "explain and clarify" the prior statute.

Act Nos. 40 and 41 amended R.S. 47:305.1 to make a larger base of purchases eligible for sales tax exemption under R.S. 47:305.1(A) as "component parts" of vessels of 50 tons or greater load displacement, and to include a larger base of maritime activity within the definition of "foreign and interstate coastwise commerce" for purposes of the sales tax exemption under R.S. 47:305.1(B). The two acts were effective upon signature by the Governor on June 25, 2002.

Section 2 of each of the two acts provides as follows:

The provisions of this act are interpretative of R.S. 47:305.1 and are intended to explain and clarify its original intent, notwithstanding the contrary interpretation given in "Archer Daniels Midland Company v. The Parish School Board of the Parish of St. Charles", 01-C-0511 (La. 11/28/01), 802 So.2d 1270, and all cases consistent therewith. Therefore, the provisions of this act shall be applicable to all claims arising or actions filed on and after its effective date.

In keeping with the provisions of Act Nos. 40 and 41, the department will not pursue claims for sales or use taxes on purchases for vessels before June 25, 2002, provided that the purchases are eligible for exemption under R.S. 47:305.1, as interpreted by the courts in *Archer Daniels Midland* or as amended by Act Nos. 40 and 41.<sup>1</sup>

Questions concerning these matters can be directed to the Policy Services Division at 225/219-2780.

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<sup>1</sup> The litigating parties in *Archer Daniels Midland* have filed motions in that case to set aside the original judgment and to have Act Nos. 40 and 41 declared unconstitutional. Should all or any portions of Act Nos. 40 and 41 be declared unconstitutional, the department will provide further guidance to taxpayers.

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