



**Revenue Information Bulletin
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Sales Taxes**

2008 Act Excludes Newspaper Publishers' Manufacturing Equipment from Sales Tax

Act 9 of 2008 Second Extraordinary Session Expresses the Legislative Intent Regarding an Exclusion Originally Enacted in 2007

The sales tax exclusion for newspaper publishers' manufacturing equipment applies to equipment acquired both by publishers with employees who are registered with the Department of Labor, as well as to purchases of such equipment by publishers without employees who are not required to register with the Department of Labor. Act 9 of the 2008 Second Extraordinary Session thus expresses the intent of the Louisiana Legislature in its original enactment of the sales tax exclusion for newspaper publishers' manufacturing equipment by Act 339 of the 2007 Regular Session.

Act 339 had seemed to suggest that the 2007 sales tax exclusion applied only to acquisitions of manufacturing equipment by those newspaper publishers who were not required to register with the Department of Labor. Act 9 redrafted La. R.S. 47:301(3)(i)(ii)(bb), as it had been amended by the 2007 act, so that the exclusion now clearly applies to acquisitions of manufacturing equipment by all newspaper publishers classified within Sector 511110 of the North American Industry Classification System. Section 2 of Act 9 further provides that the act is expressive of the original intent of Act 339, and, therefore, should be applied retroactively, with respect to the sales tax exclusion for newspaper manufacturing equipment, from the July 1, 2007, effective date of Act 339.

Louisiana Revised Statute 47:301(3)(i)(ii) defines the term "machinery and equipment" as tangible personal property or other property that is eligible for depreciation for federal income tax purposes and that is used as an integral part in the manufacturing of tangible personal property for sale. "Machinery and equipment" also includes tangible personal property or other property that is eligible for depreciation for federal income tax purposes and that is used as an integral part of the production, processing, and storing of food and fiber or of timber. Act 339 enacted La. R.S. 47:301(3)(i)(ii)(I)(eee) to provide specifically that eligible "machinery and equipment" shall include the following:

Machinery and equipment used primarily to produce a news publication whether it is ultimately sold at retail or for resale or at no cost. Such machinery and equipment shall include but not be limited to all machinery and equipment used primarily in composing, creating, and other prepress operations, electronic transmission of pages from prepress to press, pressroom operations, and mailroom operations and assembly activities. The term "news publication" shall mean any

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publication issued daily or regularly at average intervals not exceeding three months, which contains reports of varied character, such as political, social, cultural, sports, moral, religious, or subjects of general public interest, and advertising supplements and any other printed matter ultimately distributed with or a part of such publications.

During the period July 1, 2007, through June 30, 2008, the sale, use, consumption, distribution, storage for use or consumption, lease, or rental of eligible manufacturing equipment, including the manufacturing equipment of newspaper publishers, was excluded from tax on 54 percent of the acquisition price. During the period July 1, 2008, through June 30, 2009, the excludible percentage of the sales, purchase, lease, or rental price increased to 68 percent. As of July 1, 2009, the sale, use, consumption, distribution, storage for use or consumption, lease, or rental of eligible manufacturing equipment will be totally excluded from the tax.

Questions can be directed to the Department's Taxpayer Services Division at 225-219-7356.

Cynthia Bridges
Secretary