

Sales/Use:

Louisiana: Manufacturer's Caustic Chemicals Deemed Eligible for Pollution Control System Exclusion

Docket No. 11389D, La. Bd. of Tax App. (4/14/21). The Louisiana Board of Tax Appeals (Board) recently held in a taxpayer's favor that its purchased sodium hydroxide used to reduce the toxicity of several manufacturing waste streams (known as "caustic") in compliance with state and federal pollution control laws, as well as with its air emission, water discharge and waste disposal permits, qualified for state sales tax exclusion as a pollution control device or system (PCDS). In doing so, the Board explained that the Louisiana Department of Environmental Quality incorrectly determined that caustic, because it is a chemical, is not a PCDS eligible for the state sales tax exclusion. Instead, according to the Board, caustic is a procedure for pollution control and therefore constitutes a pollution control system that is eligible for the PCDS state sales tax exclusion. Accordingly, the Board found that the Louisiana Department of Revenue incorrectly denied the taxpayer's underlying refund claim. Please contact us with any questions.

URL:
[http://labta.louisiana.gov/pdfs/Monsanto%20Co.%20v.%20Robinson,%20Docket%20No.%2011389D%20\(La.%20Bd.%20Tax%20App.%2004-14-21\)%20\(Order%20with%20Written%20Reasons\)%20\(with%20page%2012\).pdf](http://labta.louisiana.gov/pdfs/Monsanto%20Co.%20v.%20Robinson,%20Docket%20No.%2011389D%20(La.%20Bd.%20Tax%20App.%2004-14-21)%20(Order%20with%20Written%20Reasons)%20(with%20page%2012).pdf)

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