HLS 21RS-420 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 504

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BY REPRESENTATIVE WRIGHT

TAX/SALES-USE-EXEMPT: (Constitutional Amendment) Provides relative to sales and use tax exemptions for gasoline, diesel fuels, special fuels, food for home consumption, certain residential utilities, and prescription drugs

A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 27(A) of the Constitution of Louisiana and to 3 repeal Article VII, Section 2.2 of the Constitution of Louisiana, relative to sales and 4 use tax exemptions; to repeal the state and local sales and use tax exemptions on 5 gasoline, diesel fuel, and special fuels; to repeal the state sales and use tax 6 exemptions for food for home consumption, certain residential utilities, and 7 prescription drugs; to provide for certain requirements and limitations; to provide for 8 submission of the proposed amendment to the electors; and to provide for related 9 matters. 10 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members 11 elected to each house concurring, that there shall be submitted to the electors of the state of 12 Louisiana, for their approval or rejection in the manner provided by law, a proposal to 13 amend Article VII, Section 27(A) of the Constitution of Louisiana, to read as follows: 14 §27. Transportation Trust Fund 15 Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be 16 established in the state treasury as a special permanent trust fund the Transportation 17 Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as 18 defined herein which are a portion of the avails received in each year from all taxes 19 levied on gasoline and motor fuels and on special fuels (said avails being referred to

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as the "revenues") as provided herein. After satisfying pledges respecting that portion of the revenues attributable to the tax rates in effect at the time of such pledges for the payment of obligations for bonds or other evidences of indebtedness on the effective date of this Section, the treasurer shall allocate such portion of the revenues received in each year as necessary to pay all principal, interest, premium, if any, and other obligations incident to the issuance, security, and payment in respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the revenues remaining shall be deposited in the Bond Security and Redemption Fund in the state treasury. After (1) the payment of any obligations for bonds or other evidences of indebtedness in existence on the effective date of this Section which are secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C) hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall deposit in and credit to the trust fund all of the revenues remaining (the "excess revenues") from the avails of all taxes levied on gasoline and motor fuels and on special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails of twelve cents per gallon of said taxes received on and after January 1, 1990; for the fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said taxes; for the fiscal year beginning on July 1, 1991, and thereafter, the avails of all taxes levied on gasoline and motor fuels and on special fuels. Purchases of gasoline, diesel fuel, or special fuels which are subject to excise tax under Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt from the state sales tax and any sales tax levied by a political subdivision as defined by Article VI, Section 44(2). All monies appropriated by the Federal Highway Administration and the Federal Aviation Administration, or their successors, either reimbursed or paid directly, shall be paid directly or deposited in and credited to the trust fund.

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Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of

1 Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal 2 Article VII, Section 2.2 of the Constitution of Louisiana. 3 Section 3. Be it further resolved that this proposed amendment shall be submitted 4 to the electors of the state of Louisiana at the statewide election to be held on November 8, 5 2022. 6 Section 4. Be it further resolved that on the official ballot to be used at the election, 7 there shall be printed a proposition, upon which the electors of the state shall be permitted 8 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as 9 follows: 10 Do you support an amendment to remove the sales and use tax exemptions

DIGEST

for gasoline; diesel fuels; special fuels; food for home consumption; natural

gas, electricity, and water for residential use; and prescription drugs?

(Amends Article VII, Section 27(A); Repeals Article VII, Section 2.2)

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 504 Original

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2021 Regular Session

Wright

Abstract: Repeals the sales and use tax exemptions for gasoline, diesel fuel, and special fuels, food for home consumption, certain utilities for residential use, and prescription drugs.

<u>Present constitution</u> exempts purchases of gasoline, diesel fuel, or special fuels subject to excise tax in <u>present law</u> from state and local sales and use tax.

<u>Proposed constitutional amendment</u> repeals <u>present constitution</u>.

<u>Present constitution</u> provides that food for home consumption; natural gas, electricity, and water sold directly to the consumer for residential use; and prescription drugs are exempt from state sales and use tax.

Proposed constitutional amendment repeals present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2022.

(Amends Const. Art. VII, §27(A); Repeals Const. Art. VII, §2.2)

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