HLS 17RS-456 ORIGINAL

2017 Regular Session

HOUSE BILL NO. 553

1

BY REPRESENTATIVE JONES

TAX/GASOLINE TAX: Provides for an additional tax on motor fuels and imposition of a 1/2 cent sales tax on motor fuels.

AN ACT

2 To amend and reenact R.S. 47:301(10)(x), 305(D)(1)(a), and 818.111(A) and to enact R.S. 3 47:301.3 and 818.12.1, relative to motor fuel taxes; to provide for certain definitions 4 for purposes of imposing the state sales and use tax on certain motor fuels; to provide 5 for certain exemptions relative to sales of gasoline; to impose state sales tax on the sale of certain motor fuels; to levy an additional excise tax on gasoline, diesel fuels, 6 7 and special fuels; to provide for the deposit of the avails of the sale tax and 8 additional motor fuels excise tax into the 21st Century Transportation and 9 Infrastructure Fund; to provide for effectiveness; and to provide for related matters. 10 Be it enacted by the Legislature of Louisiana: 11 Section 1. R.S. 47:301(10)(x), 305(D)(1)(a), and 818.111(A) are hereby amended 12 and reenacted and R.S. 47:301.3 and 818.12.1 are hereby enacted to read as follows: 13 §301. Definitions 14 As used in this Chapter the following words, terms, and phrases have the 15 meanings ascribed to them in this Section, unless the context clearly indicates a different meaning: 16 17 18 (10)19

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(x) For purposes of the sales and use tax imposed by the state or any political
2	subdivision whose boundaries are coterminous with those of the state, the terms
3	"retail sale" or "sale at retail" shall not include the following:
4	(i) The sale or purchase by a person of any fuel or gas, including but not
5	limited to butane and propane.
6	(ii) Beginning July 1, 2008, the sale or purchase by any person of butane and
7	propane.
8	* * *
9	§301.3. Gasoline, diesel fuels, and special fuels
10	A. The sales and use tax levied by Chapter 2 of Subtitle II of Title 47 shall
11	apply to the sales of gasoline, diesel fuels, and special fuels as provided in this
12	Section, with the exception that the rate shall be at one half of one per centum
13	(0.5%). For purposes of this Section the terms gasoline, diesel fuels, and special
14	fuels shall have the same meaning they have in Chapter 7 of this Title.
15	B. The avails of the taxes collected under this Section shall be deposited
16	immediately into the state treasury, and after compliance with the requirements of
17	Article VII, Section 9(B) of the Constitution of Louisiana, the state treasurer shall
18	pay the remainder of the monies into the 21st Century Transportation and
19	Infrastructure Fund.
20	* * *
21	§305. Exclusions and exemptions from the tax
22	* * *
23	D.(1) The sale at retail, the use, the consumption, the distribution, and the
24	storage to be used or consumed in the taxing jurisdiction of the following tangible
25	personal property is hereby specifically exempted from the tax imposed by taxing
26	authorities, except as otherwise provided in this Paragraph:
27	(a) Gasoline, for the purpose of sales and use taxes imposed by any political
28	subdivision.
29	* * *

§818.12.1. Taxes levied; rates; use of proceeds
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A. In addition to the taxes levied in R.S. 47:818.12 and 820.1, there is hereby levied a tax of seven cents per net gallon on all gasoline as defined in this Part sold, used, or consumed in the state of Louisiana for domestic consumption. The avails of the taxes levied pursuant to the provisions of this Subsection shall be deposited in accordance with the provisions of Subsection C of this Section.

B. In addition to the taxes levied in R.S. 47:818.12 and 820.1, there is hereby levied a tax of seven cents per net gallon on all diesel fuel as defined in this Part sold, used, or consumed in the state of Louisiana for the operation of motor vehicles, licensed or required to be licensed for highway use. The avails of the taxes levied pursuant to the provisions of this Subsection shall be deposited in accordance with the provisions of Subsection C of this Section.

C. The avails of the taxes collected under this Section shall be deposited immediately into the state treasury, and after compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana, the state treasurer shall pay the remainder of the monies into the 21st Century Transportation and Infrastructure Fund.

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§818.111. Taxes levied; rates; unit of measurement

A.(1) There is hereby levied a tax of sixteen cents per gallon or gallon equivalent on all special fuels including compressed natural gas as defined by R.S. 47:818.2(18), liquefied natural gas as defined by R.S. 47:818.2(43), and liquefied petroleum gas as defined by R.S. 47:818.2(44) sold, used, or consumed in the state of Louisiana for the operation of motor vehicles licensed or required to be licensed for highway use.

(2) In addition to the taxes levied in this Subsection, there is hereby levied a tax of seven cents per gallon or gallon equivalent on all special fuels including compressed natural gas as defined by R.S. 47:818.2(18), liquefied natural gas as defined by R.S. 47:818.2(43), and liquefied petroleum gas as defined by R.S.

1 47:818.2(44) sold, used, or consumed in the state of Louisiana for the operation of 2 motor vehicles licensed or required to be licensed for highway use. The avails of the 3 tax shall be deposited in the 21st Century Transportation and Infrastructure Fund 4 accordance with the provisions of R.S. 47:818.12.1(C). 5 6 Section 2. This Act shall take effect and become operative if and when the proposed amendment of Article VII, Section 27(A) of the Constitution of Louisiana contained in the 7 8 Act which originated as House Bill No. of this 2017 Regular Session of the 9 Legislature is adopted at a statewide election and becomes effective.

## DIGEST

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 553 Original

2017 Regular Session

Jones

**Abstract:** Provides for a  $1/2\phi$  sales tax and an additional  $7\phi$  tax on motor fuels.

<u>Present law</u> provides definitions for purposes of state and local sales and use taxes and excludes sales of fuel, gas, butane, and propane from the definition of "sale at retail" for purposes of imposition of the state sales and use tax.

<u>Proposed law</u> retains <u>present law</u> with respect to the exclusion for purposes of imposition of a sales tax imposed by the state on butane and propane but deletes the exclusion for sales of fuel and gas for purposes of imposition of the state sales tax.

<u>Present law</u> exempts the sale of gasoline from sales tax imposed by a taxing authority.

Proposed law repeals this exemption.

<u>Proposed law</u> imposes on the sale of gasoline, diesel fuel, and special fuels, as defined in <u>present law</u>, a  $1/2 \phi$  sales tax.

<u>Present law</u> provides for a 16¢ per net gallon tax on gasoline, diesel fuels, and special fuels as defined by present law.

<u>Present law</u> provides for a 4¢ per net gallon tax on gasoline, diesel fuel, and special fuels.

<u>Present law</u> additionally exempts gasoline, diesel fuel, and special fuels from the state sales tax

<u>Proposed law</u> adds an additional 7¢ per net gallon tax on gasoline, diesel fuel, and special fuels.

<u>Proposed law</u> further provides that the additional 7¢ per net gallon tax shall be deposited in the 21st Century Transportation and Infrastructure Fund.

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Effective when the proposed amendment of Article VII, §27(A) of the La. Const. is adopted at a statewide election and becomes effective.

(Amends R.S. 47:301(10)(x), 305(D)(1)(a), and 818.111(A); Adds 47:301.1 and 818.12.1)