

2015 Regular Session

HOUSE BILL NO. 615

BY REPRESENTATIVE STOKES

TAX/LOCAL: (Constitutional Amendment) Authorizes local governments to impose a tax on motor fuels

A JOINT RESOLUTION

Proposing to amend Article VI, Section 29(A) and Article VII, Sections 4(C) and 27(A) of the Constitution of Louisiana and to add Article VI, Section 29.1 of the Constitution of Louisiana, to authorize a parish governing authority to levy and collect a sales tax on motor fuels; to require approval of the electors; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. 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 Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VI, Section 29(A) and to add Article VI, Section 29.1 of the Constitution of Louisiana, to read as follows:

§29. Local Governmental Subdivisions and School Boards; Sales Tax

Section 29.(A) Sales Tax Authorized. Except as otherwise authorized in a home rule charter as provided for in Section 4 of this Article, the governing authority of any local governmental subdivision or school board may levy and collect a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors voting thereon in an election held for that purpose. The rate thereof, when combined with the rate of all other sales and use taxes, exclusive of state sales and use taxes and any tax levied pursuant

1 to the taxing authority granted in Section 29.1 of this Article, levied and collected
2 within any local governmental subdivision, shall not exceed three percent.

3 * * *

4 §29.1. Parish Motor Fuels Tax; sales tax

5 Section 29.1. Except as otherwise authorized in a home rule charter as
6 provided for in Section 4 of this Article, a parish governing authority may levy and
7 collect a tax upon the retail sale of motor fuels, if approved by a majority of the
8 electors voting thereon in an election held for that purpose.

9 * * *

10 Section 2. 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, Sections 4(C) and 27(A) of the Constitution of Louisiana, to read as
14 follows:

15 §4. Income Tax; Severance Tax; Political Subdivisions

16 Section 4.

17 * * *

18 (C) Political Subdivisions; Prohibitions. A political subdivision of the state
19 shall not levy a severance tax, income tax, or inheritance tax, or. No political
20 subdivision other than a parish governing authority shall levy a tax on motor fuel.

21 * * *

22 §27. Transportation Trust Fund

23 Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be
24 established in the state treasury as a special permanent trust fund the Transportation
25 Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as
26 defined herein which are a portion of the avails received in each year from all taxes
27 levied on gasoline and motor fuels and on special fuels (said avails being referred to
28 as the "revenues") as provided herein. After satisfying pledges respecting that
29 portion of the revenues attributable to the tax rates in effect at the time of such

1 pledges for the payment of obligations for bonds or other evidences of indebtedness
2 on the effective date of this Section, the treasurer shall allocate such portion of the
3 revenues received in each year as necessary to pay all principal, interest, premium,
4 if any, and other obligations incident to the issuance, security, and payment in
5 respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the
6 revenues remaining shall be deposited in the Bond Security and Redemption Fund
7 in the state treasury. After (1) the payment of any obligations for bonds or other
8 evidences of indebtedness in existence on the effective date of this Section which are
9 secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C)
10 hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall
11 deposit in and credit to the trust fund all of the revenues remaining (the "excess
12 revenues") from the avails of all taxes levied on gasoline and motor fuels and on
13 special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails of
14 twelve cents per gallon of said taxes received on and after January 1, 1990; for the
15 fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said
16 taxes; for the fiscal year beginning on July 1, 1991, and thereafter, the avails of all
17 taxes levied on gasoline and motor fuels and on special fuels. Purchases of gasoline,
18 diesel fuel, or special fuels which are subject to excise tax under Chapter 7 of
19 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt from
20 the state sales tax and any sales tax levied by a political subdivision as defined by
21 Article VI, Section 44(2), except for a tax levied pursuant to the taxing authority
22 granted in Section 29.1 of Article VI of this constitution. All monies appropriated
23 by the Federal Highway Administration and the Federal Aviation Administration, or
24 their successors, either reimbursed or paid directly, shall be paid directly or
25 deposited in and credited to the trust fund.

* * *

27 Section 2. Be it further resolved that this proposed amendment shall be submitted
28 to the electors of the state of Louisiana at the statewide election to be held on October 24,
29 2015.

1 Section 3. Be it further resolved that on the official ballot to be used at the election,
2 there shall be printed a proposition, upon which the electors of the state shall be permitted
3 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
4 follows:

5 Do you support an amendment to authorize a parish governing authority to
6 levy and collect a sales tax on the retail sale of motor fuels? (Amends Article
7 VI, Section 29(A) and Article VII, Section 4(C) and 27(A); Adds Article VI,
8 Section 29.1)

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 615 Original

2015 Regular Session

Stokes

Abstract: Authorizes a parish governing authority to levy and collect a sales tax on the retail sale of motor fuels, subject to voter approval.

Present constitution prohibits the levy of a severance tax, income tax, inheritance tax or tax on motor fuels by a political subdivision.

Proposed constitutional amendment changes present constitution by authorizing a parish governing authority, subject to voter approval, to levy a sales tax on motor fuels.

Present constitution authorizes parish and municipal governing authorities and school boards to levy and collect a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors voting thereon in an election held for that purpose. The total of such taxes levied and collected within any parish or municipality is limited to 3%.

Proposed constitutional amendment retains present constitution and adds an exception for a tax levied by a parish governing authority on the sale of motor fuels pursuant to proposed constitutional amendment from the 3% limit on sales taxes in a parish.

Present constitution establishes the Transportation Trust Fund as a special treasury fund and requires that all state taxes levied on gasoline and motor fuels be deposited annually into the fund. The current state excise taxes on gasoline and motor fuels total 20 cents per gallon. Monies in the fund are used to provide for construction and maintenance of roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program, ports, airports, transit, state police for traffic control purposes, and the Parish Transportation Fund. Further, present constitution prohibits the levy of any state or local sales tax on gasoline and motor fuels.

Proposed constitutional amendment changes present constitution by adding an exception to that prohibition for a tax levied by a parish governing authority on the sale of motor fuels pursuant to the proposed constitutional amendment.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 24, 2015.

(Amends Const. Art. VI, §29(A) and Art. VII, §§4(C) and 27(A); Adds Const. Art. VI, §29.1)