

Regular Session, 2012

HOUSE BILL NO. 934

BY REPRESENTATIVES LIGI, LOPINTO, TALBOT, AND WILLMOTT AND
SENATORS ALARIO, APPEL, AND MARTINY

TAX/LEASE: Authorizes Jefferson Parish to create an automobile rental tax district

1 AN ACT

2 To enact R.S. 47:551.1, relative to special districts; to authorize the establishment of an
3 automobile rental tax district by Jefferson parish; to provide for the boundaries,
4 governance, and powers of the district; to authorize the levy of a tax on the lease or
5 rental of certain automobiles under certain circumstances; to provide for the use of
6 the avails of the tax; to provide for an effective date; and to provide for related
7 matters.

8 Notice of intention to introduce this Act has been published
9 as provided by Article III, Section 13 of the Constitution of
10 Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:551.1 is hereby enacted to read as follows:

13 §551.1. Automobile rental tax district; Jefferson parish

14 A. Jefferson parish is hereby authorized to create an automobile rental tax
15 district as follows:

16 (1) The boundaries of the district shall be coterminous with the boundaries
17 of the parish.

18 (2) The governing authority of the district shall be the parish governing
19 authority.

1 B.(1) The district may be authorized to levy an automobile rental tax, not to
2 exceed one half of one percent of the gross proceeds derived from the lease or rental
3 of an automobile pursuant to an automobile rental contract, less any sales and use tax
4 included in such contract. The tax shall be in addition to any tax, fee, or license
5 imposed directly or indirectly. The tax shall not apply to any automobile rented by
6 an insurance company as a replacement vehicle for a policyholder or by an
7 automobile dealer as a replacement vehicle while a customer's vehicle is being
8 serviced or repaired, nor shall the tax apply to any individual or business who rents
9 a vehicle as a replacement vehicle while his vehicle is being repaired if the
10 individual presents to the renter upon return of the rented vehicle a copy of the repair
11 or service invoice.

12 (2) For purposes of this Section "automobile rental contract" shall mean all
13 agreements for the rental of an automobile without a driver designated to carry less
14 than nine passengers for a period of not more than twenty-nine calendar days. Rental
15 agreements for a period of more than twenty-nine calendar days shall not be subject
16 to the tax, unless the actual period of the rental agreement is less than twenty-nine
17 days as a result of the exercise of a cancellation clause.

18 C. The avails of the tax in Jefferson Parish shall be distributed as follows:

19 (a) One-third of the tax shall be distributed to the city of Kenner for arts and
20 recreation.

21 (b) Two-thirds of the tax shall be distributed to the Jefferson Performing Arts
22 Society for programs on the east and west bank and one-third of that amount shall
23 be distributed to the Westwego Performing Arts Center.

24 D. The parish shall prescribe in the ordinance creating the district any other
25 purposes of the district. The parish and the district may enter into a cooperative
26 endeavor agreement providing for cooperative efforts to exercise any authorized
27 governmental function of the parish.

28 Section 2. The provisions of this Act shall become effective June 30, 2012; if vetoed
29 by the governor and subsequently approved by the legislature, this Act shall become

- 1 effective on July 1, 2012, or on the day following such approval by the legislature,
2 whichever is later.

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)]

Ligi

HB No. 934

Abstract: Authorizes Jefferson Parish to create an automobile rental tax district.

Proposed law authorizes the creation of an automobile rental tax district in Jefferson Parish as follows:

- (1) The boundaries of the district shall be coterminous with the boundaries of the parish.
- (2) The governing authority of the district shall be the parish governing authority.

Proposed law provides that the district may be authorized to levy an automobile rental tax, not to exceed 1/2 of 1% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract.

Proposed law excludes the following transactions from any tax that may be imposed:

- (1) Automobiles rented by an insurance company as a replacement vehicle for a policyholder.
- (2) Automobiles rented by an automobile dealer as a replacement vehicle while a customer's vehicle is being repaired.
- (3) An automobile rental by an individual or business who rents a vehicle as a replacement vehicle while his vehicle is being repaired if the individual presents to the renter upon return of the rented vehicle a copy of the repair or service invoice.

Proposed law defines "automobile rental contract" to mean an agreement for the rental of an automobile without a driver, designated to carry less than nine passengers, for a rental period of not more than 29 calendar days. Rental agreements in excess of 29 days shall not be subject to the tax, unless the actual period of the rental agreement is less than 29 days as a result of the exercise of a cancellation clause.

Proposed law authorizes the parish to prescribe in the ordinance creating the district any other purposes of the district.

Proposed law requires that the avails of any tax imposed by Jefferson Parish be used as follows:

- (1) 1/3 of the tax shall be distributed to the city of Kenner for arts and recreation.
- (2) 2/3 of the tax shall be distributed to the Jefferson Performing Arts Society for programs on the east and west bank and 1/3 of that amount shall be distributed to the Westwego Performing Arts Center.

Effective June 30, 2012.

(Adds R.S. 47:551.1)