

2015 Regular Session

HOUSE BILL NO. 777

BY REPRESENTATIVE ST. GERMAIN

TAX/GASOLINE TAX: Increases the state excise tax on gasoline, diesel, and special fuels for ten years

1 AN ACT

2 To enact R.S. 47:818.12.1 and 818.101.1, relative to the state excise tax; to provide for the
3 excise tax levied on certain fuel; to levy an additional tax on gasoline, diesel fuel,
4 and certain special fuels for a certain period of time; to provide for establishment of
5 the rate of the tax based upon the price of gasoline; to provide for the duties of the
6 legislative auditor; to provide for duties of the secretary of the Department of
7 Revenue; to provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:818.12.1 and 818.101.1 are hereby enacted to read as follows:

10 §818.12.1. Additional temporary taxes levied; rates

11 A. Beginning July 1, 2015, through June 30, 2025, in addition to the taxes
12 levied under R.S. 47:818.12 and 820.1, there is hereby levied a tax of no more than
13 twenty-five cents per gallon on all gasoline sold, used, or consumed in the state of
14 Louisiana for domestic consumption and on all diesel fuel sold, used, or consumed
15 in the state of Louisiana for the operation of motor vehicles, licensed or required to
16 be licensed for highway use. The tax shall be computed, collected, reported, and
17 paid in the same manner as the taxes imposed under R.S. 47:818.12.

18 B. The specific rate of tax imposed each year for the twelve-month period
19 beginning on July first and ending on June thirtieth of the following year shall be
20 known as the "imposed fuel tax rate". This rate shall be determined by the secretary

1 of the Department of Revenue, hereinafter referred to as "secretary", as provided in
2 Subsection C of this Section.

3 C. On or before June 1, 2015, and in each year thereafter, on or before May
4 first, the secretary shall determine the imposed fuel tax rate for the following twelve-
5 month period which begins on July first. The rate shall be based on an average price
6 of regular octane gasoline that is derived from samples of gasoline prices at
7 Louisiana retailers on the last day of each month of the preceding six-month period
8 which ends April thirtieth, hereinafter referred to as "average monthly price". The
9 legislative auditor shall assist the secretary by developing a methodology for the
10 taking of samples of gasoline prices. The imposed fuel tax rate shall be dependent
11 upon the average monthly price, as follows:

12 (1) If the average monthly price is below three dollars per gallon, the
13 imposed fuel tax rate shall be twenty-five cents per gallon.

14 (2) If the average monthly price is above three dollars per gallon and below
15 four dollars per gallon, the imposed fuel tax rate shall be fifteen cents per gallon.

16 (3) If the average monthly price is above four dollars per gallon, the imposed
17 fuel tax rate shall be ten cents per gallon.

18 * * *

19 §818.101.1. Additional temporary taxes levied; rates

20 A. Beginning July 1, 2015, through June 30, 2025, in addition to the tax
21 levied under R.S. 47:818.12 and 820.1, there is hereby levied a tax of no more than
22 twenty-five cents per gallon on all special fuels which includes compressed natural
23 gas as defined by R.S. 47:818.2(18), liquefied natural gas as defined by R.S.
24 47:818.2(42), and liquefied petroleum gas as defined by R.S. 47:818.2(43), all as
25 sold, used, or consumed in the state of Louisiana for the operation of motor vehicles
26 licensed or required to be licensed for highway use. The tax shall be computed,
27 collected, reported, and paid in the same manner as those taxes imposed under R.S.
28 47:818.101.

1 B. The specific rate of tax to be imposed each year for the twelve-month
 2 period beginning on July first and ending on June thirtieth of the following year,
 3 shall be known as the "imposed fuel tax rate". This rate shall be determined by the
 4 secretary of the Department of Revenue as provided in R.S. 47:818.12.1. The
 5 imposed fuel tax rate shall be dependent upon the average monthly price of regular
 6 octane gasoline from the most recent six-month period ending April thirtieth.

7 Section 2. This Act shall become effective upon signature by the governor or, if not
 8 signed by the governor, upon expiration of the time for bills to become law without signature
 9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 11 effective on the day following such approval.

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 777 Original

2015 Regular Session

St. Germain

Abstract: Levies an additional tax of between 10¢ and 25¢ per gallon tax on gasoline, diesel fuel, and special fuels from July 1, 2015, through June 30, 2025.

Present law levies a 16¢ per gallon tax on gasoline, diesel fuel, and special fuels sold, used, or consumed in the state. Present law provides for the levy of an additional 4¢ per gallon tax on these fuels which is dedicated to the TIMED program.

Proposed law retains present law and levies an additional tax on gasoline, diesel fuel, and special fuels from July 1, 2015, through June 30, 2025, with the tax rate ranging between 10¢, 15¢, and 25¢ per gallon, dependent upon the average price of gasoline over the preceding 6 months. The specific rate of tax imposed each year for the 12-month period beginning on July 1st and ending on June 30th of the following year shall be known as the "imposed fuel tax rate".

Proposed law requires the secretary of the Dept. of Revenue (secretary) to annually establish the imposed fuel tax rate for the following 12-month period beginning on July 1st. For the first year, the rate shall be established no later than June 1, 2015, and for each year thereafter, the rate shall be established no later than April 1st.

Proposed law provides for the procedure to be used by the secretary to determine the imposed fuel tax rate as follows:

- (1) The rate shall be based on an average price of regular octane gasoline sold in La. based on the average price of fuel sold on the last day of each month of the preceding six-month period which ends April 30th. The legislative auditor shall assist the secretary by developing a methodology for the sampling of gasoline prices.

- (2) The imposed fuel tax rate shall vary depending on the average monthly price, as follows:
- (a) Tax of 25¢ per gallon if the average monthly price is below \$3 per gallon.
 - (b) Tax of 15¢ per gallon if the average monthly price is above \$3 per gallon and below \$4 per gallon.
 - (c) Tax of 10¢ per gallon if the average monthly price is above \$4 per gallon.

Proposed law provides that the taxes imposed under proposed law shall be computed, collected, reported, and paid in the same manner as the taxes imposed under present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:818.12.1 and 818.101.1)