

2015 Regular Session

HOUSE BILL NO. 778

BY REPRESENTATIVE ST. GERMAIN

TAX/SALES-USE, STATE: Imposes a one cent state sales and use tax for ten years dedicated to the construction of highways and bridges constituting major economic development corridors and capitalization of the Louisiana State Transportation Infrastructure Bank

1 AN ACT

2 To enact Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:340, relative to state sales and use tax; to provide for the
4 levy and collection of a one percent sales and use tax; to provide for the period of
5 time during which the tax shall be imposed; to require the deposit of monies into
6 certain special treasury funds; to establish a special treasury fund; to provide for the
7 deposit, use, and investment of monies in the fund; to provide for the specific
8 highway and bridge projects for which monies from the fund may be appropriated;
9 to provide for an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes
12 of 1950, comprised of R.S. 47:340, is hereby enacted to read as follows:

13 CHAPTER 2-E. ADDITIONAL SALES AND USE TAX

14 §340. Imposition of tax

15 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and
16 collected pursuant to Chapter 2 of Subtitle II of this Title, there is hereby levied an
17 additional tax upon the sale at retail, the use, the consumption, the distribution, and
18 the storage for use or consumption in this state of each item or article of tangible
19 personal property, as defined in Chapter 2 of Subtitle II of this Title, as follows:

20 (1) At the rate of one percent of the sales price of each item or article of
21 tangible personal property when sold at retail in this state, the tax to be computed on

1 gross sales for the purpose of remitting the amount of tax to the state, and to include
2 each and every retail sale.

3 (2) At the rate of one percent of the cost price of each item or article of
4 tangible personal property when the same is not sold but is used, consumed,
5 distributed, or stored for use or consumption in this state, provided that there shall
6 be no duplication of the tax.

7 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
8 collected pursuant to Chapter 2 of Subtitle II of this Title, there is hereby levied a tax
9 upon the lease or rental within this state of each item or article of tangible personal
10 property, as defined in Chapter 2 of Subtitle II of this Title, as follows:

11 (1) At the rate of one percent of the gross proceeds derived from the lease
12 or rental of tangible personal property, as defined in Chapter 2 of Subtitle II of this
13 Title, where the lease or rental of such property is in an established business, or part
14 of an established business, or the same is incidental or germane to the business.

15 (2) At the rate of one percent of the monthly lease or rental price paid by a
16 lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the owner
17 of the tangible personal property.

18 C. In addition to the tax levied on sales of services by R.S. 47:302(C),
19 321(C), and 331(C) and collected pursuant to Chapter 2 of Subtitle II of this Title,
20 there is hereby levied a tax upon all sales of services in this state, as defined in
21 Chapter 2 of Subtitle II of this Title, at the rate of one percent of the amounts paid
22 or charged for such services.

23 D. The taxes levied in this Chapter shall be collected and paid in the same
24 manner as the taxes collected under Chapter 2 of Subtitle II of this Title. The
25 provisions of Chapter 2 of Subtitle II of this Title shall also apply for purposes of
26 definitions, tax exemptions, tax exclusions, tax credits, collection, penalties,
27 adjudication, and any other administrative purpose.

28 E. The taxes levied in this Chapter shall be effective from July 1, 2015,
29 through July 1, 2025.

1 F. Use of tax collections. (1) Beginning July 1, 2015, after satisfaction of
2 the requirements of the Bond Security and Redemption Fund, as provided in Article
3 VII, Section 9(B) of the Constitution of Louisiana, the first one hundred million
4 dollars from the avails of the taxes imposed in this Chapter which are collected in
5 2015, and in each calendar year thereafter, shall be deposited by the state treasurer
6 into the Louisiana State Transportation Infrastructure Bank Fund. Thereafter, all
7 monies derived from such taxes shall be deposited into the Major Economic
8 Development Corridors Fund.

9 (2) There is hereby established the Major Economic Development Corridors
10 Fund, hereinafter referred to as "fund", as a special fund in the state treasury. The
11 fund is established to provide for the design and construction of the specific highway
12 and bridge projects enumerated in Subsection G of this Section. Monies in this fund
13 shall be subject to appropriation exclusively for such purposes, and shall not be used
14 for the payment of salaries or other administrative functions. Monies in the fund
15 shall be invested in the same manner as the state general fund, any earnings from
16 such investment shall be credited to the fund, and any unexpended and
17 unencumbered monies remaining in the fund at the end of a fiscal year shall remain
18 to the credit of the fund.

19 G. Monies may be appropriated from the Major Economic Development
20 Corridors Fund for purposes of the following construction projects:

21 (1) Two lane elevated roadway on Louisiana Highway 1 South from Golden
22 Meadow, Louisiana, to Leeville, Louisiana.

23 (2) Four lane Louisiana Highway 3127 from Louisiana Highway 3213 to
24 Louisiana Highway 70.

25 (3) Four lane Louisiana Highway 1 from White Castle to Donaldsonville.

26 (4) New bridge over the Mississippi River connecting Louisiana Highway
27 1 to Louisiana Highway 30.

28 (5) Upgrade of U.S. Highway 90 to interstate standards (I-49) from I-10 in
29 Lafayette to Broussard.

1 (6) Replacement and widening of the I-10 Bridge over the Calcasieu River.

2 (7) Two additional lanes for I-12 in the following segments: Louisiana
3 Highway 21 to Airport Road, Satsuma to I-55, and Hammond to Mandeville.

4 (8) Reconstruction and improvement of the Alexandria/Pineville Beltway
5 from Louisiana Highway 28 East to Louisiana Highway 28 West including
6 relocation of Louisiana Highway 28 South.

7 (9) Six lane I-20 from Louisiana Highway 546 to Louisiana Highway 594.

8 (10) Four lane freeway (I-49 North Intercity Connector) from I-20 to I-220.

9 (11) Replacement of the Belle Chasse Tunnel with a four lane bridge on
10 Louisiana Highway 23.

11 (12) Completion of Napoleon Avenue Container Phases II and III at the Port
12 of New Orleans.

13 (13) Reconstruction of the interchange at Loyola Drive and I-10.

14 (14) Four lane U.S. Highway 84 from Archie to Ferriday.

15 (15) Reconstruction of the New Orleans Rail Gateway.

16 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
17 and subsequently approved by the legislature, this Act shall become effective on July 1,
18 2015, or on the day following such approval by the legislature, 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)]

HB 778 Original

2015 Regular Session

St. Germain

Abstract: Levies a 1% state sales and use tax for 10 years to be used for construction of specific highway and bridge projects that are part of the major economic development corridors of the state, and investment in the La. State Transportation Infrastructure Bank.

Present law imposes a total of 4% in state sales and use taxes upon the sale at retail, use, consumption, distribution, and storage for use or consumption, lease, or rental in La. of tangible personal property. Further the tax is also imposed on certain specific services.

Proposed law retains present law but imposes an additional 1% state sales and use tax from July 1, 2015, through July 1, 2025, upon the same tax base as is subject to the 4% state sales and use taxes levied under present law.

Proposed law provides that the additional 1% tax levied in proposed law shall be paid, collected, and administered under the same provisions as the sales and use taxes levied under present law. Further, provisions of present law concerning definitions, tax exemptions, tax exclusions, tax credits, penalties, and adjudication shall apply to the taxes levied by proposed law.

Proposed law dedicates the first \$100 million of the avails of the taxes levied by proposed law for deposit into the La. State Transportation Infrastructure Bank Fund and the remainder of the avails into the Major Economic Development Corridors Fund, which fund is established by proposed law.

Proposed law provides with respect to the investment and retention of year end balances for monies in the Major Economic Development Corridors Fund. Further, proposed law restricts appropriations from the fund to support of the following specific construction projects:

- (1) Two lane elevated roadway on La. Highway 1 South from Golden Meadow, La., to Leesville, La..
- (2) Four lane La. Highway 3127 from La. Highway 3213 to La. Highway 70.
- (3) Four lane La. Highway 1 from White Castle to Donaldsonville.
- (4) New bridge over the Mississippi River connecting La. Highway 1 to La. Highway 30.
- (5) Upgrade of U.S. Highway 90 to interstate standards (I-49) from I-10 in Lafayette to Broussard.
- (6) Replacement and widening of the I-10 Bridge over the Calcasieu River.
- (7) Two additional lanes for I-12 in the following segments: La. Highway 21 to Airport Road, Satsuma to I-55, and Hammond to Mandeville.
- (8) Reconstruction and improvement of the Alexandria/Pineville Beltway from La. Highway 28 East to La. Highway 28 West including relocation of La. Highway 28 South.
- (9) Six lane I-20 from La. Highway 546 to La. Highway 594.
- (10) Four lane freeway (I-49 North Intercity Connector) from I-20 to I-220.
- (11) Replacement of the Belle Chasse Tunnel with a four lane bridge on La. Highway 23.
- (12) Completion of Napoleon Avenue Container Phases II and III at the Port of New Orleans.
- (13) Reconstruction of the interchange at Loyola Drive and I-10.
- (14) Four lane U.S. Highway 84 from Archie to Ferriday.
- (15) Reconstruction of the New Orleans Rail Gateway.

Effective July 1, 2015.

(Adds R.S. 47:340)