

2016 First Extraordinary Session

HOUSE BILL NO. 39

BY REPRESENTATIVE STOKES

TAX/EXCISE: Levies an automobile rental tax (Item #25)

1 AN ACT

2 To amend and reenact R.S. 47:551, relative to automobile rental tax; to levy an automobile
3 rental tax; to provide for collection and distribution of the tax; to provide for certain
4 definitions; to authorize promulgation of rules; to provide for an effective date; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:551 is hereby amended and reenacted to read as follows:

8 §551. Imposition of tax

9 A. There is hereby levied ~~for the period from August 1, 1990 through June~~
10 ~~30, 2012~~, a state tax of two and one-half percent and a local tax of one-half of one
11 percent of the gross proceeds derived from the lease or rental of an automobile
12 pursuant to an automobile rental contract, less any sales and use tax included in such
13 contract. The tax shall be in addition to any tax, fee, or license imposed directly or
14 indirectly. The tax shall not apply to any automobile rented by an insurance
15 company as a replacement vehicle for a policyholder or by an automobile dealer as
16 a replacement vehicle while a customer's vehicle is being serviced or repaired, nor
17 shall the tax apply to any individual or business who rents a vehicle as a replacement
18 vehicle while his vehicle is being repaired if the individual presents to the renter
19 upon return of the rented vehicle a copy of the repair or service invoice.

1 B. The tax shall be payable to the secretary of the Department of Revenue.
2 The tax shall be collected and payment enforced pursuant to the provisions of
3 Chapter 2 of Subtitle II of Title 47 of the Revised Statutes of 1950 insofar as such
4 provisions are not in conflict with this Section. The secretary is authorized to
5 promulgate rules and regulations necessary for the proper administration and
6 enforcement of this Chapter.

7 C. For purposes of this Chapter "automobile rental contract" shall mean all
8 agreements for the rental of an automobile without a driver designated to carry less
9 than nine passengers for a period of not more than twenty-nine calendar days. Rental
10 agreements for a period of more than twenty-nine calendar days shall not be subject
11 to the tax, unless the actual period of the rental agreement is less than twenty-nine
12 days as a result of the exercise of a cancellation clause.

13 D.(1) The local tax as provided in Subsection A of this Section shall be
14 remitted to the secretary of the Department of Revenue who shall collect said tax as
15 an agent of local government. The secretary may assess a collection fee, not to
16 exceed one-half of one percent of the proceeds of the tax, as reimbursement for the
17 actual cost of collection.

18 (2) The secretary shall distribute monthly the proceeds of the tax to the
19 central local sales and use tax collector or, if none, the parish governing authority.
20 The central local sales and use tax collector or governing authority shall distribute
21 at no charge the tax proceeds received from the secretary to each political
22 subdivision in the parish which levies a sales and use tax in accordance with each
23 such political subdivision's pro rata share of local sales and use tax receipts collected
24 to the total of all such taxes collected within the parish.

25 (3) The local tax as provided in Subsection A of this Section which is
26 collected in Jefferson Parish shall be distributed as follows:

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

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

4 (4) The local tax as provided in Subsection A of this Section which is
5 collected in Orleans Parish shall be distributed for road repairs and beautification
6 projects.

7 Section 2. This Act shall become effective April 1, 2016.

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 39 Original

2016 First Extraordinary Session

Stokes

Abstract: Levies a state tax of 2.5% and a local tax of .5% of the gross proceeds on the rental of automobiles.

Proposed law levies a 2.5% state and .5% local automobile rental tax on the proceeds derived from an automobile rental contract. The tax is in addition to any other tax, fee, or license.

Proposed law prohibits the tax being levied on the following:

- (1) Rentals by an insurance company as a replacement vehicle for a policyholder.
- (2) Rentals by an automobile dealer while a customer's vehicle is being serviced or repaired.
- (3) Rentals by an individual while the individual's vehicle is being serviced or repaired.

Proposed law requires the tax collected to be remitted to the secretary of the Dept. of Revenue (DOR). Further requires the secretary of DOR to distribute local sales tax collected and remitted to the corresponding local sales tax collector or governing authority.

Proposed law requires the local tax collected in Jefferson Parish to be distributed as follows:

- (1) One-third to the city of Kenner for arts and recreation.
- (2) Two-thirds to the Jefferson Performing Arts Society for programs on the east and west bank, with one-third of that amount distributed to the Westwego Performing Arts Center.

Proposed law requires the local tax collected in Orleans Parish to be distributed for road repairs and beautification projects.

Effective April 1, 2016.

(Amends R.S. 47:551)