

2016 First Extraordinary Session

HOUSE BILL NO. 84

BY REPRESENTATIVES JACKSON, BOUIE, DAVIS, JIMMY HARRIS, HILFERTY,
AND HUNTER AND SENATOR BARROW

TAX/SALES-USE-EXEMPT: (Constitutional Amendment) Removes the prohibition
against levying a state sales and use tax on the sale of gasoline (Item #36)

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 27(A) of the Constitution of Louisiana, to provide

3 for a state sales tax on motor fuels; to authorize the state to levy and collect a sales

4 tax on motor fuels; to require approval of the electors; to provide for submission of

5 the proposed amendment to the electors; and to provide for related matters.

6 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

7 elected to each house concurring, that there shall be submitted to the electors of the state of

8 Louisiana, for their approval or rejection in the manner provided by law, a proposal to

9 amend Article VII, Section 27(A) of the Constitution of Louisiana, to read as follows:

10 §27. Transportation Trust Fund

11 Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be

12 established in the state treasury as a special permanent trust fund the Transportation

13 Trust Fund (the trust fund) in which shall be deposited the "excess revenues" as

14 defined herein which are a portion of the avails received in each year from all taxes

15 levied on gasoline and motor fuels and on special fuels (said avails being referred to

16 as the "revenues") as provided herein. After satisfying pledges respecting that

17 portion of the revenues attributable to the tax rates in effect at the time of such

18 pledges for the payment of obligations for bonds or other evidences of indebtedness

19 on the effective date of this Section, the treasurer shall allocate such portion of the

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

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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 occurring on November 8,
29 2016.

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 the state to levy and collect a
6 sales tax on the retail sale of motor fuels? (Amends Article VII, Section
7 27(A))

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 84 Engrossed

2016 First Extraordinary Session

Jackson

Abstract: Removes prohibition on the levying and collecting of a sales tax on the retail sale of gasoline by the state.

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¢ 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 removing the prohibition on the state from levying a sales tax on the sale of gasoline and specifically exempts diesel fuel and special fuel from state sales and use taxes.

Provides for submission of the proposed amendment to the voters at the statewide election occurring on Nov. 8, 2016.

(Amends Const. Art. VII, §27(A))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete provisions prohibiting the state from levying a sales tax on the sale of diesel fuel and special fuel, but specifically exempts these fuels from state sales and use taxes.