

2017 Regular Session

HOUSE BILL NO. 632

BY REPRESENTATIVE STEVE CARTER

TAX/GASOLINE TAX: Creates an additional tax on motor fuels and requires the tax on gasoline, diesel fuels, and special fuels to be adjusted annually in accordance with the Consumer Price Index

1 AN ACT

2 To enact R.S. 47:818.12.1 and 818.12.2, relative to motor fuel taxes; to levy an additional  
3 tax on gasoline, diesel fuels, and special fuels; to require the annual adjustment of  
4 such tax in accordance with the Consumer Price Index; to provide for effectiveness  
5 of the index; to place restrictions on revenue generated; to authorize use of new  
6 revenue generated; to require the Department of Transportation and Development to  
7 submit a report of project progress; to provide for termination dates of the tax levied  
8 if the auditor certifies the department is noncompliant; and to provide for related  
9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:818.12.1 and 818.12.2 are hereby enacted to read as follows:

12 §818.12.1. Taxes levied; rates; use of proceeds

13 A. In addition to the taxes levied in R.S. 47:818.12 and 820.1, there shall be  
14 levied a tax of seventeen cents per net gallon on all gasoline, as defined in this Part,  
15 sold, used, or consumed in the state of Louisiana for domestic consumption. The  
16 proceeds of the taxes levied pursuant to the provisions of this Subsection shall be  
17 used in accordance with the provisions of Subsection D of this Section.

18 B. In addition to the taxes levied in R.S. 47:818.12 and 820.1, there shall be  
19 levied a tax of seventeen cents per net gallon on all diesel fuel, as defined in this

1 Part, sold, used, or consumed in the state of Louisiana for the operation of motor  
2 vehicles, licensed or required to be licensed for highway use. The proceeds of the  
3 taxes levied pursuant to the provisions of this Subsection shall be used in accordance  
4 with the provisions of Subsection D of this Section.

5 C. In addition to the taxes levied in R.S. 47:818.111 and 820.1, there shall  
6 be levied a tax of seventeen cents per gallon or gallon equivalent on all special fuels  
7 including compressed natural gas as defined by R.S. 47:818.2(18), liquefied natural  
8 gas as defined by R.S. 47:818.2(43), and liquefied petroleum gas as defined by R.S.  
9 47:818.2(44) sold, used, or consumed in the state of Louisiana for the operation of  
10 motor vehicles licensed or required to be licensed for highway use.

11 D.(1) The Department of Transportation and Development shall use no less  
12 than fifty percent of the proceeds from the taxes levied in accordance with the  
13 provisions of this Section over the first twenty years of collecting the tax to begin  
14 construction of Priority A and B mega-projects designated in the department's most  
15 recently adopted Statewide Transportation Plan.

16 (2) Any Priority A and B mega-project funded by at least a ten percent non-  
17 federal or non-state match shall have priority for completion over any other Priority  
18 A and B mega-projects in the statewide transportation plan.

19 E. The avails of the taxes levied pursuant to the provisions of this Section  
20 appropriated by the legislature to the Department of Transportation and  
21 Development, or its successor, shall not be used by the department as funding for  
22 administrative or operational costs of the department, including but not limited to,  
23 the payment of employee wages and related benefits or employee retirement benefits.

24 F. The department shall annually provide the legislature and the public a list  
25 of projects to be constructed within the Highway Priority Program in the ensuing  
26 fiscal year in an order of priority that is determined after projects are analyzed and  
27 prioritized in accordance with R.S. 48:229.1 and a report that outlines the progress  
28 of the projects funded by the avails of the tax levied pursuant to this Section and R.S.  
29 47:818.12.2.

1           G. Notwithstanding any provision of this Section to the contrary, if the  
2           auditor certifies that the Department of Transportation and Development is not in  
3           substantial compliance with the requirements of R.S. 48:229.2 in any three  
4           consecutive annual audits, the tax levied pursuant to this Section shall terminate  
5           beginning January 1 of the calendar year immediately following the last audit. If a  
6           portion of the revenues of the tax have been pledged to secure bond obligations, then  
7           the tax shall terminate on the date that the bonds have been paid in full as to principal  
8           and interest.

9           §818.12.2. Tax adjustments

10           A. Beginning January 1, 2020, the taxes levied pursuant to the provisions of  
11           R.S. 47:818.12, 818.12.1, 818.111, and 820.1 shall be adjusted annually in  
12           accordance with the Consumer Price Index. However, the total increase authorized  
13           in accordance with the provisions of this Subsection shall not be more than thirteen  
14           cents and in no event shall the taxes levied pursuant to the provisions of R.S.  
15           47:818.12, 818.12.1, 818.111, and 820.1 be less than the total amount of taxes levied  
16           in R.S. 47:818.12, 818.12.1, 818.111, and 820.1.

17           B. The additional avails collected as a result of the annual adjustment of the  
18           tax in accordance with the Consumer Price Index appropriated by the legislature to  
19           the Department of Transportation and Development, or its successor, shall not be  
20           used by the department as funding for administrative or operational costs of the  
21           department, including but not limited to, the payment of employee wages and related  
22           benefits or employee retirement benefits.

23           C. The additional avails collected as a result of the index of the tax levied in  
24           R.S. 47:820.1 shall be used in accordance with the provisions of R.S. 47:820.2.

25           Section 2. The increase in the tax on gasoline, diesel, and special fuels levied by the  
26 provisions of this Section shall become effective on July 1, 2017.

27           Section 3. This Act shall become effective upon signature by the governor or, if not  
28 signed by the governor, upon expiration of the time for bills to become law without signature  
29 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.
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## 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)]

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HB 632 Original

2017 Regular Session

Steve Carter

**Abstract:** Creates an additional tax on gasoline, diesel fuels, and special fuels and requires the current and additional tax to be adjusted annually in accordance with the Consumer Price Index.

Proposed law provides for an additional 17 cent tax on gasoline, diesel fuel, and special fuels.

Proposed law requires the Dept. of Transportation and Development to use at least 50% of the proceeds from the taxes levied in proposed law, over the first 20 years, to begin construction of Priority A and B mega-projects and gives priority for completion to those projects funded by at least a 10% non-federal or non-state match.

Proposed law prohibits the Dept. of Transportation and Development from using the avails of the tax levied in proposed law for administrative or operational costs, including the payment of employee wages and related benefits or employee retirement benefits.

Proposed law requires the Dept. of Transportation and Development annually provide the legislature and public a list of projects to be constructed within the Highway Priority Program in the ensuing fiscal year in an order of priority that is determined after projects are analyzed and prioritized in accordance with present law and requires the department prepare a report that outlines the progress of projects funded by the avails generated by proposed law.

Proposed law provides for termination dates of the tax levied in proposed law if the auditor certifies that the Dept. of Transportation and Development is not in substantial compliance with the requirements of present law in any three consecutive annual audits.

Proposed law requires the taxes levied in present law and the additional taxes levied in proposed law to be adjusted annually in accordance with the Consumer Price Index.

Proposed law prohibits the total increase authorized as a result of the index from being more than 13 cents and prohibits the taxes levied pursuant to proposed law from being less than the total amount of taxes levied in present law and proposed law.

Proposed law prohibits the department from using the avails collected as a result of the index for funding of administrative or operational costs of the department, including the payment of employee wages and related benefits or employee retirement benefits.

Proposed law requires the additional avails collected as a result of the index of the tax levied in present law be used in accordance with the provisions of present law.

The increase in the tax on gasoline, diesel fuel, and special fuels shall become effective beginning July 1, 2017.

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

(Adds R.S. 47:818.12.1 and 818.12.2)