
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 542 Original

2019 Regular Session

Steve Carter

Abstract: Increases the per gallon tax on gasoline, diesel, and special fuels and levies an annual tax on electric and hybrid vehicles and dedicated a portion of the tax to the Construction Subfund of the Transportation Trust Fund.

Present law levies a temporary 0.45% state sales and use tax that will expire on June 30, 2025, and is deposited into the state general fund.

Proposed law retains present law tax levy and expiration date.

Proposed law dedicates a portion of the avails of the temporary tax to the Construction Subfund of the Transportation Trust Fund (TTF) beginning July 1, 2020.

Proposed law increases the portion dedicated to the TTF each year for the life of the temporary tax such that by the last year of the tax 100% of the temporary tax is deposited into the TTF.

Proposed law provides that avails of the temporary sales tax dedicated to the TTF may be used only for project delivery, construction, and maintenance of state preservation and bridge projects.

Proposed law requires that a minimum of fifty percent of the temporary sales tax dedicated to the TTF be allocated equally among the nine multi-parish highway districts.

Present law provides for the levy of a tax of 4¢ per gallon of gasoline, diesel, and special fuels. Present law requires the proceeds of this 4¢ per gallon tax on these motor fuels to be credited to the Transportation Infrastructure Model for Economic Development (TIMED) account in the Transportation Trust Fund for use solely on projects in the TIMED program.

Proposed law retains present law with respect to the levy of a tax of 4¢ per gallon of gasoline, diesel, and special fuels.

Present law provides for the levy of a tax of 16¢ per gallon tax on gasoline, diesel, and special fuels.

Proposed law, with respect to the 16¢ per gallon tax on gasoline, diesel, and special fuels in present law, reduces the amount of the tax levied on gasoline, diesel, and special fuels beginning Aug. 1, 2019, from 16¢ per gallon to 13¢ per gallon, and requires a further reduction in the amount of the per gallon tax in present law as follows:

- (1) On July 1, 2021, reduces the 13¢ rate of the tax by 1¢ per gallon bringing the amount of the per gallon tax from 13¢ per gallon to 12¢ per gallon.
- (2) On July 1, 2023, reduces the 13¢ rate of the tax by 3¢ per gallon bringing the amount of the per gallon tax from 12¢ per gallon to 10¢ per gallon.
- (3) On July 1, 2025, reduces the 13¢ rate of the tax by 5¢ per gallon bringing the amount of the per gallon tax from 10¢ per gallon to 8¢ per gallon.

New, Additional Tax on Gasoline and Special Fuels

Proposed law, beginning Aug. 1, 2019, levies a *new, additional tax* on gasoline and special fuels of 9¢ per gallon, and increases the amount of the tax through 2031 as follows:

- (1) On July 1, 2021, increases the amount of the *new, additional tax* by 3¢ per gallon bringing the amount of the per gallon tax from 9¢ per gallon to 12¢ per gallon.
- (2) On July 1, 2023, increases the amount of the *new, additional tax* by 7¢ per gallon bringing the amount of the per gallon tax from 12¢ per gallon to 16¢ per gallon.
- (3) On July 1, 2025, increases the amount of the *new, additional tax* by 11¢ per gallon bringing the amount of the per gallon tax from 16¢ per gallon to 20¢ per gallon.
- (4) On July 1, 2027, increases the amount of the *new, additional tax* by 13¢ per gallon bringing the amount of the per gallon tax from 20¢ per gallon to 22¢ per gallon.
- (5) On July 1, 2029, increases the amount of the *new, additional tax* by 15¢ per gallon bringing the amount of the per gallon tax from 22¢ per gallon to 24¢ per gallon.
- (6) On July 1, 2031, increases the amount of the *new, additional tax* by 17¢ per gallon bringing the amount of the per gallon tax from 24¢ per gallon to 26¢ per gallon.

Net Effect of Proposed Law on the Tax Rate on Gasoline and Special Fuels

The total net effect on the 16¢ per gallon tax rate on gasoline and special fuels as a result of the reduction in the amount of the tax rate in present law and the levy of the *new, additional tax* per gallon on gasoline and special fuels as provided for in proposed law is as follows:

- (1) Aug. 1, 2019, thru June 30, 2021 - total tax rate of 22¢ per gallon.
- (2) July 1, 2021, thru June 30, 2023 - total rate of 24¢ per gallon.
- (3) July 1, 2023, thru June 30, 2025 - total rate of 26¢ per gallon.
- (4) July 1, 2025, thru June 30, 2027 - total rate of 28¢ per gallon.

- (5) July 1, 2027, thru June 30, 2029 - total rate of 30¢ per gallon.
- (6) July 1, 2029, thru June 30, 2031 - total rate of 32¢ per gallon.
- (7) Beginning July 1, 2031 - total rate of 34¢ per gallon.

New, Additional Tax on Diesel

Proposed law, beginning Aug. 1, 2019, levies a *new, additional tax* on diesel of 7¢ per gallon, and increases the amount of the tax through 2031 as follows:

- (1) On July 1, 2021, increases the amount of the *new, additional tax* by 3¢ per gallon bringing the amount of the per gallon tax from 7¢ per gallon to 10¢ per gallon.
- (2) On July 1, 2023, increases the amount of the *new, additional tax* by 7¢ per gallon bringing the amount of the per gallon tax from 10¢ per gallon to 14¢ per gallon.
- (3) On July 1, 2025, increases the amount of the *new, additional tax* by 11¢ per gallon bringing the amount of the per gallon tax from 14¢ per gallon to 18¢ per gallon.
- (4) On July 1, 2027, increases the amount of the *new, additional tax* by 13¢ per gallon bringing the amount of the per gallon tax from 18¢ per gallon to 20¢ per gallon.
- (5) On July 1, 2029, increases the amount of the *new, additional tax* by 15¢ per gallon bringing the amount of the per gallon tax from 20¢ per gallon to 22¢ per gallon.
- (6) On July 1, 2031, increases the amount of the *new, additional tax* by 17¢ per gallon bringing the amount of the per gallon tax from 22¢ per gallon to 24¢ per gallon.

Net Effect of Proposed Law on the Tax Rate on Diesel

The total net effect on the 16¢ per gallon tax rate on diesel as a result of the reduction in the amount of the tax rate in present law and the levy of the *new, additional tax* per gallon tax on diesel as provided for in proposed law is as follows:

- (1) Aug. 1, 2019, thru June 30, 2021 - total tax rate of 20¢ per gallon.
- (2) July 1, 2021, thru June 30, 2023 - total rate of 22¢ per gallon.
- (3) July 1, 2023, thru June 30, 2025 - total rate of 24¢ per gallon.
- (4) July 1, 2025, thru June 30, 2027 - total rate of 26¢ per gallon.
- (5) July 1, 2027, thru June 30, 2029 - total rate of 28¢ per gallon.

- (6) July 1, 2029, thru June 30, 2031 - total rate of 30¢ per gallon.
- (7) Beginning July 1, 2031 - total rate of 32¢ per gallon.

Electric Vehicles and Hybrid Vehicles

Proposed law levies an annual tax of \$300 per year on each electric vehicle and an annual \$200 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay registration license tax in accordance with present law. Further requires the commissioner of motor vehicles to collect the tax levied in proposed law every two years at the same time and in the same manner as the registration license tax pursuant to present law.

Proposed law, beginning July 1, 2025, prohibits the avails of the taxes levied on gasoline, diesel, and special fuels from being utilized by the Dept. of Transportation and Development (DOTD) to pay expenses associated with employee health care, retirement, or other related benefits.

Proposed law requires the avails of the *new, additional taxes* levied on gasoline, diesel, and special fuels and the annual taxes levied on electric and hybrid vehicles to be deposited into the Construction Subfund of the Transportation Trust Fund pursuant to the requirements of present constitution. Further requires DOTD to utilize the avails of the taxes levied pursuant to proposed law which are deposited into the Construction Subfund as follows:

- (1) 60% on preservation projects in accordance with the department's definitions of such projects.
- (2) 40% on highway priority program projects classified as capacity projects in accordance with the department's definitions of such projects. Further requires the following projects to be prioritized and constructed based on the completion of each project's federally mandated environmental process and requirements:
 - (a) Replacement of the I-10 Calcasieu River bridge and I-10 improvements from the I-210 interchange west of the river to the I-20 interchange east of the river.
 - (b) A new Mississippi River Bridge at Baton Rouge with freeway-level connections from the interstate west of Baton Rouge to the interstate east of Baton Rouge.
 - (c) Upgrades to US 90 to interstate standards from the I-10 and I-49 interchange at Lafayette to New Orleans.
 - (d) Widening of I-12 to six lanes and associated improvements where this interstate is not yet upgraded from Baton Rouge to the Mississippi state line.
 - (e) Widening to six lanes and rehabilitation of I-20, where it is not yet upgraded, from Industrial Drive in Bossier City to Monkhouse Drive in Shreveport.
 - (f) Widening to six lanes and associated improvements to I-20 at Monroe from LA 546

to LA 594.

- (g) US 90, Port of New Orleans access improvements at New Orleans.

Effective Aug. 1, 2019.

(Amends R.S. 47:321.1(G), 818.12(A) and (B) and 818.111(A); Adds R.S. 47:818.12(E), 818.12.1, 818.111(G), 818.111.1, and 2811)