HLS 21RS-857 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 582

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BY REPRESENTATIVES MCFARLAND AND BUTLER

TAX/GASOLINE TAX: Repeals the existing tax on gasoline, diesel, and special fuels and levies a new tax on these motor fuels and an annual tax on electric and hybrid vehicles

AN ACT

2	To enact R.S. 47:818.12.1, 818.111.1, and Part VI of Chapter 3 of Subtitle IV of Title 47 of
3	the Louisiana Revised Statutes of 1950, comprised of R.S. 47:2811 and to repeal
4	R.S. 47:818.12 and 818.111, relative to transportation projects; to provide for the
5	funding of transportation projects; to repeal certain motor fuel excise taxes levied on
6	gasoline, diesel, and certain special fuels; to levy certain motor fuel excise taxes on
7	gasoline, diesel, and certain special fuels; to levy an excise tax on electric and hybrid
8	motor vehicles; to provide for the rate of the tax; to provide for the collection and
9	disposition of the proceeds; to provide for certain definitions; to require certain
10	audits; to provide for requirements and limitations; to provide for an effective date;
11	and to provide for related matters.
12	Be it enacted by the Legislature of Louisiana:
13	Section 1. R.S. 47:818.12.1, 818.111.1, and Part VI of Chapter 3 of Subtitle IV of
14	Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:2811, are hereby
15	enacted to read as follows:
16	§818.12.1. Tax levied on gasoline and diesel fuels; rates; deposit of proceeds into
17	the Construction Subfund of the Transportation Trust Fund; audits; report of
18	<u>findings</u>
19	A. In addition to the tax levied in R.S. 47:820.1, there shall be levied a tax
20	of sixteen cents per net gallon on the following:

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(1) All gasoline sold, used, or consumed in the state of Louisiana for
2	domestic consumption.
3	(2) All diesel fuel as defined in this Part sold, used, or consumed in the state
4	of Louisiana for the operation of motor vehicles, licensed or required to be licensed
5	for highway use.
6	B. The imposition, collection, payment, and remittance of the tax levied by
7	this Section shall be accomplished in the manner and at the time provided for in this
8	Part.
9	C. After compliance with the requirements of Article VII, Section 9(B) of
10	the Constitution of Louisiana, the treasurer shall deposit the avails of the taxes levied
11	pursuant to the provisions of this Section into the Construction Subfund of the
12	Transportation Trust Fund pursuant to the requirements of Article VII, Section
13	27(B)(2) of the Constitution of Louisiana.
14	D.(1) No later than July 1, 2022, the legislative auditor shall commence a
15	comprehensive audit of the Department of Transportation and Development as
16	<u>follows:</u>
17	(a) To review the department's operations, organizational efficiency, and
18	performance in regard to the department's utilization of operating revenues.
19	(b) To review the department's use of the avails of the taxes deposited into
20	the Construction Subfund of the Transportation Trust Fund pursuant to the
21	provisions of Article VII, Section 27 of the Constitution of Louisiana.
22	(2) The legislative auditor shall present his findings and recommendations
23	no later than September 30, 2023, to the speaker of the House of Representatives and
24	the president of the Senate.
25	* * *

1	§818.111.1. Tax levied on special fuels; rates; deposit of proceeds into the
2	Construction Subfund of the Transportation Trust Fund; audits; report of
3	<u>findings</u>
4	A.(1) In addition to the taxes levied in R.S. 47:820.1, there shall be levied
5	a tax of sixteen cents per net gallon or gallon equivalent on all special fuels including
6	compressed natural gas as defined by R.S. 47:818.2(18), liquefied natural gas as
7	defined by R.S. 47:818.2(43), and liquefied petroleum gas as defined by R.S.
8	47:818.2(44) sold, used, or consumed in the state of Louisiana for the operation of
9	motor vehicles, licensed or required to be licensed for highway use.
10	(2) The tax levied pursuant to the provisions of this Section shall be levied,
11	collected, reported, and paid in the manner set forth in this Subpart.
12	B. After compliance with the requirements of Article VII, Section 9(B) of
13	the Constitution of Louisiana, the treasurer shall deposit the avails of the taxes levied
14	pursuant to the provisions of this Section into the Construction Subfund of the
15	Transportation Trust Fund pursuant to the requirements of Article VII, Section
16	27(B)(2) of the Constitution of Louisiana.
17	C.(1) No later than July 1, 2022, the legislative auditor shall commence a
18	comprehensive audit of the Department of Transportation and Development as
19	<u>follows:</u>
20	(a) To review the department's operations, organizational efficiency, and
21	performance in regard to the department's utilization of operating revenues.
22	(b) To review the department's use of the avails of the taxes deposited into
23	the Construction Subfund of the Transportation Trust Fund pursuant to the
24	provisions of Article VII, Section 27 of the Constitution of Louisiana.
25	(2) The legislative auditor shall present his findings and recommendations
26	no later than September 30, 2023, to the speaker of the House of Representatives and
27	the president of the Senate.
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2	AND HYBRID VEHICLES
3	§2811. Imposition of tax; electric vehicles; hybrid vehicles; collection; use of
4	proceeds
5	A.(1) There is hereby levied a tax of two hundred dollars per year on each
6	electric vehicle which is operated upon the highways of this state and which is
7	required to be registered and to pay registration license tax in accordance with the
8	provisions of Chapter 4 of Subtitle II of this Title.
9	(2) There is hereby levied a tax of one hundred dollars per year on each
10	hybrid vehicle which is operated upon the highways of this state and which is
11	required to be registered and to pay registration license tax in accordance with the
12	provisions of Chapter 4 of Subtitle II of this Title.
13	B. For purposes of this Section, the following terms shall have the following
14	meanings:
15	(1) "Electric vehicle" shall mean a vehicle which is powered by one or more
16	electric motors or energy stored in rechargeable batteries for propulsion.
17	(2) "Hybrid vehicle" shall mean a vehicle that uses gasoline, diesel fuel, or
18	special fuels in combination with an electric motor for propulsion.
19	C. The commissioner of motor vehicles shall collect the tax levied pursuant
20	to the provisions of this Section every two years at the same time and in the same
21	manner as the registration license tax pursuant to the provisions of R.S. 47:463.
22	D. After compliance with the requirements of Article VII, Section 9(B) of
23	the Constitution of Louisiana, the treasurer shall deposit the avails of the tax levied
24	pursuant to the provisions of this Section into the Construction Subfund of the
25	Transportation Trust Fund pursuant to the requirements of Article VII, Section
26	27(B)(2) of the Constitution of Louisiana.
27	Section 2. R.S. 47:818.12 and 818.111 are hereby repealed in their entirety.
28	Section 3. This Act may be referred to as the Government Reform in Transportation
29	Act of 2021.

PART VI. TAX ON ELECTRIC VEHICLES

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Section 4. This Act shall become effective on July 1, 2021.

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 582 Original

2021 Regular Session

McFarland

Abstract: Repeals the 16¢ per gallon tax on gasoline, diesel, and special fuels in <u>present</u> law; levies a new 16¢ per gallon tax on gasoline, diesel, and special fuels; levies an annual tax on electric and hybrid vehicles; and dedicates the proceeds of these new taxes into the Construction Subfund of the Transportation Trust Fund (TTF).

<u>Present law</u> provides for the levy of a tax of 4ϕ per gallon of gasoline, diesel, and special fuels. <u>Present law</u> requires the proceeds of this 4ϕ 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 (TTF) for use solely on projects in the TIMED program.

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

New Tax on Gasoline, Diesel, and Special Fuels

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

<u>Proposed law</u> repeals the 16ϕ per gallon tax on gasoline, diesel, and special fuels and levies a *new* 16ϕ per gallon tax on gasoline, diesel, and special fuels.

Electric Vehicles and Hybrid Vehicles

<u>Proposed law</u> levies an annual tax of \$200 per year on each electric vehicle and an annual tax of \$100 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 <u>present law</u>. Further requires the commissioner of motor vehicles to collect the tax levied in <u>proposed law</u> every two years at the same time and in the same manner as the registration license tax pursuant to <u>present law</u>.

<u>Proposed law</u> defines an "electric vehicle" as a vehicle powered by one or more electric motors or energy stored in rechargeable batteries for propulsion and defines a "hybrid vehicle" as a vehicle that uses gasoline, diesel fuel, or special fuels in combination with an electric motor for propulsion.

Deposit and Use of the Tax Proceeds

<u>Proposed law</u> requires the avails of the *new 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 TTF pursuant to the requirements of present constitution.

<u>Proposed law</u> requires the legislative auditor to commence a comprehensive audit of the Dept. of Transportation and Development (DOTD) no later than July 1, 2022, to review DOTD's operations, organizational efficiency, and performance in regard to the department's utilization of operating revenues and to review DOTD's use of the avails of the taxes deposited into the Construction Subfund of the TTF. Further requires the auditor to present

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his findings and recommendations to the presiding officers of the House and Senate no later than Sept. 30, 2023.

<u>Proposed law</u> is authorized to be referred to as the Government Reform in Transportation Act of 2021.

Effective on July 1, 2021.

(Adds R.S. 47:818.12.1, 818.111.1, and 2811; Repeals R.S. 47:818.12 and 818.111)