

2021 Regular Session

HOUSE BILL NO. 615

BY REPRESENTATIVE FREIBERG

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/GASOLINE TAX: Adjusts the amount of excise tax levied on gasoline, diesel, and special fuels and levies new taxes on gasoline, diesel, special fuels, and electric and hybrid vehicles

1 AN ACT

2 To amend and reenact R.S. 47:818.12(A) and (B) and 818.111(A) and to enact Subpart D

3 of Part V-A of Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes

4 of 1950, to be comprised of R.S. 47:818.141 and Part VI of Chapter 3 of Subtitle IV

5 of Title 47 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.

6 47:2811, and R.S. 48:229.2 and 229.3, relative to transportation projects; to provide

7 for the funding of transportation projects; to adjust motor fuel excise taxes on

8 gasoline, diesel, and certain special fuels; to levy additional motor fuel excise taxes

9 on gasoline, diesel, and certain special fuels; to levy an excise tax on electric and

10 hybrid motor vehicles; to provide for the rate of the taxes; to provide for the

11 collection and disposition of the proceeds; to provide for certain definitions; to

12 provide for the use of certain tax proceeds; to require certain audits; to require online

13 access of certain project information; to require the establishment of a rural bridge

14 repair and replacement program; to provide for requirements and limitations; to

15 provide for an effective date; and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 47:818.12(A) and (B) and 818.111(A) are hereby amended and
18 reenacted and Subpart D of Part V-A of Chapter 7 of Subtitle II of Title 47 of the Louisiana

1 Revised Statutes of 1950, comprised of R.S. 47:818.141 is hereby amended and reenacted
2 to read as follows:

3 §818.12. Taxes levied; rates

4 A.(1) There is hereby levied a tax ~~of sixteen cents~~ at the rate set forth in
5 Paragraph (2) of this Subsection per net gallon on all gasoline as defined in this Part
6 sold, used, or consumed in the state of Louisiana for domestic consumption.

7 (2)(a) Until June 30, 2021, the rate of the tax levied pursuant to the
8 provisions of Paragraph (1) of this Subsection shall be sixteen cents per net gallon.

9 (b) Beginning July 1, 2021, through June 30, 2025, the rate of the tax levied
10 pursuant to the provisions of Paragraph (1) of this Subsection shall be thirteen cents
11 per net gallon.

12 (c) Beginning July 1, 2025, the rate of the tax levied pursuant to the
13 provisions of Paragraph (1) of this Subsection shall be twelve cents per net gallon.

14 B.(1) There is hereby levied a tax ~~of sixteen cents~~ at the rate set forth in
15 Paragraph (2) of this Subsection per net gallon on all diesel fuel as defined in this
16 Part sold, used, or consumed in the state of Louisiana for the operation of motor
17 vehicles, licensed or required to be licensed for highway use.

18 (2)(a) Until June 30, 2021, the rate of the tax levied pursuant to the
19 provisions of Paragraph (1) of this Subsection shall be sixteen cents per net gallon.

20 (b) Beginning July 1, 2021, through June 30, 2025, the rate of the tax levied
21 pursuant to the provisions of Paragraph (1) of this Subsection shall be thirteen cents
22 per net gallon.

23 (c) Beginning July 1, 2025, the rate of the tax levied pursuant to the
24 provisions of Paragraph (1) of this Subsection shall be twelve cents per net gallon.

25 * * *

26 §818.111. Taxes levied; rates; unit of measurement

27 A.(1) There is hereby levied a tax ~~of sixteen cents~~ at the rate set forth in
28 Paragraph (2) of this Subsection per gallon or gallon equivalent on all special fuels
29 including compressed natural gas as defined by R.S. 47:818.2(18), liquefied natural

1 gas as defined by R.S. 47:818.2(43), and liquefied petroleum gas as defined by R.S.
2 47:818.2(44) sold, used, or consumed in the state of Louisiana for the operation of
3 motor vehicles licensed or required to be licensed for highway use.

4 (2)(a) Until June 30, 2021, the rate of the tax levied pursuant to the
5 provisions of Paragraph (1) of this Subsection shall be sixteen cents per gallon or
6 gallon equivalent.

7 (b) Beginning July 1, 2021, through June 30, 2025, the rate of the tax levied
8 pursuant to the provisions of Paragraph (1) of this Subsection shall be thirteen cents
9 per gallon or gallon equivalent.

10 (c) Beginning July 1, 2025, the rate of the tax levied pursuant to the
11 provisions of Paragraph (1) of this Subsection shall be twelve cents per gallon or
12 gallon equivalent.

13 * * *

14 SUBPART D. GOVERNMENT REFORM IN TRANSPORTATION ACT OF 2021;

15 ADDITIONAL TAXES ON GASOLINE, DIESEL

16 FUELS, AND SPECIAL FUELS

17 §818.141. Additional tax levied on gasoline, diesel fuels, and special fuels; rates;
18 use of proceeds; audits of the department's operations, organizational
19 efficiencies, and use of the avails of the taxes deposited into the Construction
20 Subfund of the Transportation Trust Fund; report of findings

21 A.(1) In addition to the taxes levied in R.S. 47:818.12, 818.111, and 820.1,
22 there shall be levied a tax at the rate set forth in Paragraph (2) of this Section per net
23 gallon or gallon equivalent on the following:

24 (a) All gasoline sold, used, or consumed in the state of Louisiana for
25 domestic consumption.

26 (b) All diesel fuel as defined in this Part and all special fuels including
27 compressed natural gas as defined by R.S. 47:818.2(18), liquefied natural gas as
28 defined by R.S. 47:818.2(43), and liquefied petroleum gas as defined by R.S.

1 47:818.2(44) sold, used, or consumed in the state of Louisiana for the operation of
2 motor vehicles, licensed or required to be licensed for highway use.

3 (2) Beginning July 1, 2021, through June 30, 2023, the rate of the tax levied
4 pursuant to the provisions of Paragraph (1) of this Subsection shall be thirteen cents
5 per net gallon or gallon equivalent.

6 (3) Beginning July 1, 2023, through June 30, 2025, the rate of the tax levied
7 pursuant to the provisions of Paragraph (1) of this Subsection shall be fifteen cents
8 per net gallon or gallon equivalent.

9 (4) Beginning July 1, 2025, through June 30, 2027, the rate of the tax levied
10 pursuant to the provisions of Paragraph (1) of this Subsection shall be eighteen cents
11 per net gallon or gallon equivalent.

12 (5) Beginning July 1, 2027, through June 30, 2029, the rate of the tax levied
13 pursuant to the provisions of Paragraph (1) of this Subsection shall be twenty cents
14 per net gallon or gallon equivalent.

15 (6) Beginning July 1, 2029, through June 30, 2031, the rate of the tax levied
16 pursuant to the provisions of Paragraph (1) of this Subsection shall be twenty-two
17 cents per net gallon or gallon equivalent.

18 (7) Beginning July 1, 2031, through June 30, 2033, the rate of the tax levied
19 pursuant to the provisions of Paragraph (1) of this Subsection shall be twenty-four
20 cents per net gallon or gallon equivalent.

21 (8) Beginning July 1, 2033, the rate of the tax levied pursuant to the
22 provisions of Paragraph (1) of this Subsection shall be twenty-six cents per net
23 gallon or gallon equivalent.

24 B.(1) After compliance with the requirements of Article VII, Section 9(B)
25 of the Constitution of Louisiana, the treasurer shall deposit the avails of the taxes
26 levied pursuant to the provisions of this Section into the Construction Subfund of the
27 Transportation Trust Fund pursuant to the requirements of Article VII, Section
28 27(B)(2) of the Constitution of Louisiana. The Department of Transportation and

1 Development shall utilize the avails of the taxes levied pursuant to the provisions of
2 this Section which are deposited into the Construction Subfund as follows:

3 (a) Sixty percent of the avails shall be utilized on highway and bridge
4 preservation projects included in the Highway Priority Program in accordance with
5 the department's definitions of such projects. The total cost of a preservation project
6 shall include the prorated cost associated with third-party services required by the
7 department to create, implement, and maintain an online platform pursuant to the
8 provisions of R.S. 48:229.2.

9 (b) Forty percent of the avails shall be utilized on Highway Priority Program
10 projects classified as capacity projects in accordance with the department's
11 definitions of such projects. The total cost of a capacity project shall include the
12 prorated cost associated with third-party services required by the department to
13 create, implement, and maintain an online platform pursuant to the provisions of R.S.
14 48:229.2. The following mega projects shall be prioritized by the secretary of the
15 Department of Transportation and Development and constructed based on the
16 completion of each project's federally mandated environmental process and
17 requirements:

18 (i) Replacement of the I-10 Calcasieu River bridge and I-10 improvements
19 from the I-210 interchange west of the river to the I-20 interchange east of the river.

20 (ii) A new Mississippi River Bridge at Baton Rouge with freeway-level
21 connections from the interstate west of Baton Rouge to the interstate east of Baton
22 Rouge.

23 (iii) Upgrades to US 90 to interstate standards from the I-10 and I-49
24 interchange at Lafayette to New Orleans.

25 (iv) Widening of I-12 to six lanes and associated improvements where this
26 interstate is not yet upgraded from Baton Rouge to the Mississippi state line.

27 (v) A new, four lane Jimmie Davis Bridge on LA 511 across the Red River
28 in Shreveport-Bossier.

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PART VI. TAX ON ELECTRIC VEHICLES

AND HYBRID VEHICLES

§2811. Imposition of tax; electric vehicles; hybrid vehicles; collection; use of proceeds

A.(1) There is hereby levied a tax of four hundred dollars per year on each electric vehicle which is operated upon the highways of this state and which is required to be registered and to pay registration license tax in accordance with the provisions of Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

(2) There is hereby levied a tax of two hundred seventy-five dollars per year on each hybrid vehicle which is operated upon the highways of this state and which is required to be registered and to pay registration license tax in accordance with the provisions of Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

B. For purposes of this Section, the following terms shall have the following meanings unless the context clearly indicates otherwise:

(1) "Electric vehicle" shall mean a vehicle which is powered by one or more electric motors or energy stored in rechargeable batteries for propulsion.

(2) "Hybrid vehicle" shall mean a vehicle that uses gasoline, diesel fuel, or special fuels in combination with an electric motor for propulsion.

C. The commissioner of motor vehicles shall collect the tax levied pursuant to the provisions of this Section every two years at the same time and in the same manner as the registration license tax pursuant to the provisions of R.S. 47:463.

D. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, and prior to placing monies into the state general fund, the treasurer shall deposit an amount equal to the avails of the tax levied pursuant to the provisions of this Section into the Construction Subfund of the Transportation Trust Fund pursuant to the

1 requirements of Article 7, Section 27(B)(2) of the Constitution of Louisiana. The
2 Department of Transportation and Development shall utilize the avails of the taxes
3 levied pursuant to the provisions of this Section which are deposited into the
4 Construction Subfund in accordance with the provisions of R.S. 47:818.141(B).

5 Section 3. R.S. 48:229.2 and 229.3 are hereby enacted to read as follows:

6 §229.2. Highway Priority Program project information; online public access

7 A. Each project in the Highway Priority Program shall have a designated
8 total cost which shall include a prorated cost associated with third-party services
9 required by the department to create, implement, and maintain an online platform no
10 later than January 1, 2022, through which the public shall have access to real-time
11 project information including, but not limited to the project's scope, cost, and time-
12 line for completion as well as all means of financing for the project. The platform
13 created and implemented by the department shall be developed in consultation with
14 the American Association of State Highway and Transportation Officials.

15 B. The department shall utilize targeted digital technologies to raise public
16 awareness of the online platform, to provide project updates to the public, and to
17 seek the public's input on projects.

18 §229.3. Preservation projects; rural bridge repair and replacement program; non-
19 interstate pavement preservation projects; prioritization; funding

20 The Department of Transportation and Development shall establish a rural
21 bridge repair and replacement program for bridge projects included in the Highway
22 Priority Program in order to preserve bridges located in rural areas of the state. In
23 establishing this program, the department shall prioritize bridge repair and
24 replacement projects which expand public and commercial access to rural
25 communities. Funding for this program shall be provided in accordance with the
26 provisions of R.S. 47:818.141(B)(1)(a).

27 Section 4. This Act may be referred to as the Government Reform in Transportation
28 Act of 2021.

29 5.(A) This Section and Sections 1, 3, and 4 of this Act shall become effective
30 on July 1, 2021.

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(B) Section 2 of this Act shall become effective on July 1, 2025.

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 615 Original

2021 Regular Session

Freiberg

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

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 (TTF) 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 July 1, 2021, through June 30, 2025, from 16¢ per gallon to 13¢ per gallon, and beginning July 1, 2025, from 13¢ per gallon to 12¢ per gallon.

New, Additional Tax on Gasoline, Diesel, and Special Fuels

Proposed law, beginning July 1, 2021, levies a *new, additional tax* on gasoline, diesel, and special fuels at the following rates:

- (1) On July 1, 2021, through June 30, 2023, 13¢ per net gallon or gallon equivalent.
- (2) On July 1, 2023, through June 30, 2025, 15¢ per net gallon or gallon equivalent.
- (3) On July 1, 2025, through June 30, 2027, 18¢ per net gallon or gallon equivalent.
- (4) On July 1, 2027, through June 30, 2029, 20¢ per net gallon or gallon equivalent.
- (5) On July 1, 2029, through June 30, 2031, 22¢ per net gallon or gallon equivalent.
- (6) On July 1, 2031, through June 30, 2033, 24¢ per net gallon or gallon equivalent.
- (7) On July 1, 2033, through June 30, 2029, 26¢ per net gallon or gallon equivalent.

Electric Vehicles and Hybrid Vehicles

Proposed law levies an annual tax of \$400 per year on each electric vehicle and an annual \$275 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 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

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 TTF pursuant to the requirements of present constitution. Further requires the Dept. of Transportation and Development (DOTD) to utilize the avails of the taxes levied pursuant to proposed law which are deposited into the Construction Subfund as follows:

- (1) 60% of the avails to be utilized on highway and bridge preservation projects included in the Highway Priority Program.
- (2) 40% of the avails to be utilized on Highway Priority Program projects classified as capacity projects.

Proposed law, with respect to capacity projects, requires the secretary to prioritize and construct the following mega projects based on the completion of each project's federally mandated environmental process and requirements:

- (1) 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.
- (2) 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.
- (3) Upgrades to US 90 to interstate standards from the I-10 and I-49 interchange at Lafayette to New Orleans.
- (4) 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.
- (5) A new, four lane Jimmie Davis Bridge on LA 511 across the Red River in Shreveport-Bossier.
- (6) Widening to six lanes and associated improvements to I-20 at Monroe from LA 546 to LA 594.
- (7) US 90, Port of New Orleans access improvements with improved and maintained interstate lighting in New Orleans.
- (8) Alexandria-Pineville Beltway, Segments E, F, G, H, and I from La. 28 East to LA 28 West.

Proposed law requires, no later than Jan. 1, 2022, the total cost of projects in the Highway Priority Program to include the prorated cost associated with third-party services required by DOTD to create, implement, and maintain an online platform, through which the public will have access to real-time project information including the project's scope, cost, and time-line for completion as well as all means of financing for the project. Further requires the online platform to be developed in consultation with the American Association of State Highway and Transportation Officials.

Proposed law requires DOTD to utilize targeted digital technologies to raise public awareness of the online platform, to provide project updates to the public, and to seek the public's input on projects.

Proposed law requires the avails of the *new, additional* taxes to be allocated to maximize the state's share of federal funding for construction projects in each fiscal year and prohibits a reduction in funding for the Parish Transportation Fund, the Port Construction and Development Priority Program, or the Statewide Flood Control Program below funding levels for these programs appropriated in the FY 2020-2021 budget.

Proposed law requires the legislative auditor to commence a comprehensive audit of DOTD no later than July 1, 2022, to review the department's operations and organizational efficiency to ensure that DOTD can perform all of its required operations and functions within the funding provided for in present and proposed law 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 its findings and recommendations to the presiding officers of the House and Senate no later than Sept. 30, 2023.

Proposed law requires DOTD to establish a rural bridge repair and replacement program for bridge projects included in the Highway Priority Program. Further requires DOTD to prioritize bridge repair and replacement projects within the program to those which expand public and commercial access to rural communities. Funding for this program shall be provided from the proceeds of the *new, additional taxes* levied on gasoline, diesel, and special fuels.

Authorizes proposed law to be referred to as the Government Reform in Transportation Act of 2021.

Effective July 1, 2021; however, the provisions levying a new annual tax on electric and hybrid vehicles shall become effective on July 1, 2025.

(Amends R.S. 47:818.12(A) and (B) and 818.111(A); Adds R.S. 47:818.141 and 2811 and R.S. 48:229.2 and 229.3)