2021 Regular Session

HOUSE BILL NO. 582

BY REPRESENTATIVES MCFARLAND AND BUTLER

TAX/GASOLINE TAX: Dedicates a portion of the existing tax levied on gasoline and diesel into the Construction Subfund and imposes a one-time road-use fee on electric and hybrid vehicles

1	AN ACT
2	To enact Part II-A of Chapter 3 of Title 32 of the Louisiana Revised Statutes of 1950, to be
3	comprised of R.S. 32:461, and R.S. 47:818.12(E), relative to transportation projects;
4	to provide for the funding of transportation projects; to provide for the excise tax
5	levied on gasoline and diesel; to require a portion of the excise tax levied on gasoline
6	and diesel to be dedicated into the Construction Subfund of the Transportation Trust
7	Fund; to impose a road-use fee on electric and hybrid motor vehicles; to provide for
8	the collection and disposition of the proceeds; to provide for certain definitions; to
9	provide for requirements and limitations; to provide for an effective date; and to
10	provide for related matters.
11	Be it enacted by the Legislature of Louisiana:
12	Section 1. Part II-A of Chapter 3 of Title 32 of the Louisiana Revised Statutes of
13	1950, comprised of R.S. 32:461, is hereby enacted to read as follows:
14	PART II-A. ELECTRIC VEHICLES AND HYBRID VEHICLES
15	§461. Electric vehicles; hybrid vehicles; imposition of a road-use fee; collection;
16	use of proceeds
17	A.(1) There is hereby levied a one-time road use fee of one thousand dollars
18	on each electric vehicle which is operated upon the highways of this state and which
19	is required to be registered and to pay registration license tax in accordance with the
20	provisions of Chapter 4 of Subtitle II of this Title.

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1	(2) There is hereby levied a one-time road use fee of five hundred dollars on (2)
2	each hybrid vehicle which is operated upon the highways of this state and which is
3	required to be registered and to pay registration license tax in accordance with the
4	provisions of Chapter 4 of Subtitle II of this Title.
5	B. For purposes of this Section, the following terms shall have the following
6	meanings:
7	(1) "Electric vehicle" shall mean a vehicle which is powered by one or more
8	electric motors or energy stored in rechargeable batteries for propulsion.
9	(2) "Hybrid vehicle" shall mean a vehicle that uses gasoline, diesel fuel, or
10	special fuels in combination with an electric motor for propulsion.
11	C. The fee imposed pursuant to the provisions of this Section shall be
12	collected by the motor vehicle dealer from the purchaser at the time of sale of a new
13	or used electric vehicle or a new or used hybrid vehicle. The fee shall be collected
14	by the dealer and remitted to the office of motor vehicles in the same manner as all
15	sales and use taxes are collected.
16	D. The commissioner of motor vehicles shall deposit the proceeds of the fee
17	collected pursuant to the provisions of this Section into the treasury. After
18	compliance with the requirements of Article VII, Section 9(B) of the Constitution of
19	Louisiana, the treasurer shall deposit an amount equal to the proceeds of the fee
20	imposed pursuant to the provisions of this Section into the Construction Subfund of
21	the Transportation Trust Fund pursuant to the requirements of Article VII, Section
22	27(B)(2) of the Constitution of Louisiana."
23	Section 2. R.S. 47:818.12(E) is hereby enacted to read as follows:
24	§818.12. Taxes levied; rates
25	* * *
26	E. Beginning July 1, 2021, and each year thereafter, after satisfying all
27	requirements associated with the bonds or any refunding bonds including all required
28	and related payments under any interest rate swap agreements secured by the avails
29	of the tax levied pursuant to the provisions of this Section and issued pursuant to the

1	provisions of Chapter 14-A or Chapter 15 of Subtitle III of Title 39 of the Louisiana
2	Revised Statutes of 1950, including expenses related to the bonds as provided for in
3	the resolution to which the bonds were or will be issued, the treasurer shall deposit
4	one hundred twenty million dollars of the avails of the tax levied pursuant to the
5	provisions of this Section into the Construction Subfund of the Transportation Trust
6	Fund pursuant to the requirements of Article VII, Section 27(B)(2) of the
7	Constitution of Louisiana. The avails of the tax levied in this Section shall continue
8	to be pledged and available to pay the requirements associated with the bonds,
9	refunding bonds, or interest rate swap agreements and all bond related expenses as
10	provided in Article VII, Section 27(D) of the Constitution of Louisiana.
11	* * *
12	Section 3. 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 Engrossed	2021 Regular Session	McFarland
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Abstract: Dedicates \$120M of the avails of the tax levied on gasoline and diesel into the Construction Subfund of the Transportation Trust Fund (TTF) and imposes a one-time \$1,000 road-use fee on electric vehicles and a one-time \$500 road-use fee on hybrid vehicles and dedicates the proceeds of the fees into the Construction Subfund of the TTF.

Dedication of the Tax Levied on Gasoline and Diesel

<u>Present law</u> provides for the levy of a tax of 4¢ per gallon of gasoline, diesel, and special fuels. <u>Present law</u> 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.

<u>Proposed law</u> retains present law with respect to the levy of a tax of 4ϕ per gallon of 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> retains <u>present law</u> regarding the levy of the 16¢ per gallon tax on gasoline, diesel, and special fuels but dedicates, beginning July 1, 2021, \$120M of the avails of the 16¢ per gallon tax on gasoline and diesel into the Construction Subfund of the TTF. However, before the treasurer deposits \$120M of the avails of the tax into the Construction Subfund, all requirements associated with bonds, refunding bonds, and all required and

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related payments under any interest rate swap agreements secured by the avails of the tax must be satisfied. Further provides that the avails of the tax continue to be pledged and available to pay the requirements associated with bonds, refunding bonds, or interest rate swap agreements as provided in <u>present constitution</u>.

Electric Vehicles and Hybrid Vehicles

<u>Proposed law</u> imposes a one-time road use fee of \$1,000 on each electric vehicle and onetime road-use fee of \$500 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 <u>present law</u>. Further requires the fee to be collected by the motor vehicle dealer from the purchaser at the time of sale of a new or used electric vehicle or hybrid vehicle and remitted to the office of motor vehicles in the same manner as all sales and use taxes are collected.

<u>Proposed law</u> requires the commissioner of motor vehicles to deposit the proceeds of the fees collected into the treasury. After compliance with the requirements of the <u>present</u> <u>constitution</u>, the treasurer shall deposit an amount equal to the proceeds of the fee imposed into the Construction Subfund of the TTF.

<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.

Effective on July 1, 2021.

(Adds R.S. 32:461 and R.S. 47:818.12(E))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:

- 1. Delete repeal of the 16ϕ per gallon tax on gasoline, diesel, and special fuels.
- 2. Delete the levy of a new 16¢ per gallon tax on gasoline, diesel, and special fuels.
- 3. Beginning July 1, 2021, dedicate \$120M of the avails of the tax levied on gasoline and diesel in <u>present law</u> into the Construction Subfund of the TTF after all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax are satisfied.
- 4. Delete the annual tax of \$200 per year levied on each electric vehicle and the 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>.
- 5. Impose a one-time road use fee of \$1,000 on each electric vehicle and one-time road use fee of \$500 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 present law.
- 6. Change the collection of the fee <u>from</u> the office of motor vehicles every two years <u>to</u> motor vehicle dealers to be collected from the purchaser at the time of sale of a new or used electric vehicle or hybrid vehicle.

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7. Delete provisions requiring the legislative auditor to commence a comprehensive audit of the Dept. of Transportation and Development to review the department's operations, organizational efficiency, and performance in regard to the department's utilization of operating revenues and to review the use of the avails of the taxes deposited into the Construction Subfund of the TTF.

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