
DIGEST

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Brossett

HB No. 463

Abstract: Authorizes the establishment of automobile rental tax districts in certain parishes and dedicates the monies generated from the tax.

Proposed law authorizes the creation of an automobile rental tax district in parishes having a population in excess of 130,000 persons as follows:

- (1) The boundaries of the district shall be coterminous with the boundaries of the parish creating the district.
- (2) The parish governing authority creating the district shall be the governing authority of the district.

Proposed law authorizes such a district to levy an automobile rental tax, not to exceed 3% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract.

Proposed law excludes the following transactions from any tax that may be imposed:

- (1) Automobiles rented by an insurance company as a replacement vehicle for a policyholder.
- (2) Automobiles rented by an automobile dealer as a replacement vehicle while a customer's vehicle is being repaired.
- (3) An automobile rental by an individual or business who rents a vehicle as a replacement vehicle while his vehicle is being repaired if the individual presents to the renter upon return of the rented vehicle a copy of the repair or service invoice.

Proposed law defines "automobile rental contract" to mean an agreement for the rental of an automobile, without a driver, designed to carry fewer than nine passengers. Rental agreements in excess of 29 days shall not be subject to the tax, unless the actual period of the rental agreement is less than 29 days as a result of the exercise of a cancellation clause.

Proposed law requires that the avails of the tax be distributed as follows:

- (1) 1/2 shall be distributed to airports in the parish.
- (2) 1/2 shall be distributed to the governing authority of the parish.

(Adds R.S. 47:551.1)