

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 463** HLS 13RS 946  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 16, 2013 4:46 PM	<b>Author:</b> BROSSETT
<b>Dept./Agy.:</b> Local Governments / Revenue	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Authorize Local Auto Rental Excise Tax	

TAX/LOCAL OR INCREASE LF RV See Note Page 1 of 1

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

Current law no longer imposes a state-level 3% excise tax on short-term auto rentals, as of FY13. A state-level tax was in affect for 22 year from FY91 through FY12. The state portion of that tax was a 2.5% levy and the local portion was 0.5%. The Department of Revenue collected the entire 3% levy and distributed the local portion back to the parish of rental.

Proposed law authorizes up to a 3% levy on short-term auto rentals by parishes with more than 130,000 of population as of the latest federal decennial census, but only after approval of a majority of the registered voters of a parish at a regularly scheduled election in the parish. The avails of the tax are to be distributed to airports in the parish (1/2) and to the parish governing authority (1/2).

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Local governments considering to exercise this authority would have to account for collections costs relative to potential collections in that consideration.

**REVENUE EXPLANATION**

The bill authorizes up to a 3% local levy in nine parishes (by population: Caddo, Calcasieu, EBR, Jefferson, Lafayette, Orleans, Ouachita, Rapides, and St. Tammany). When levied at the state-level, this tax generated approximately \$4.5 million to \$5 million per year for state government in those parishes, and \$900,000 to \$1 million per year for the parishes themselves. The bill would authorize up to this entire amount (\$5.4 million to \$6 million per year) for these parishes, split 50/50 between the parish government and airports within each parish. The collections authorized by this bill would be distributed among these nine parishes in the following approximate shares: Caddo 7.2%, Calcasieu 2.5%, EBR 12.1%, Jefferson 52.1%, Lafayette 5.7%, Orleans 5.1%, Ouachita 2.3%, Rapides 3.5%, and St. Tammany 1.9%.

The requirement of a local election at a regularly scheduled parish election means that parishes interested in continuing the tax will not be able to collect the tax for a full year in FY14.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**John D. Carpenter**  
**Legislative Fiscal Officer**