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The original instrument was prepared by Laura Gail Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Martha Hess.

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SB 271 Reengrossed

DIGEST  
2015 Regular Session

White

Present law provides for taxation of special fuels - including compressed natural gas, liquified natural gas, and liquified petroleum gas - sold, used, or consumed in La. for the operation of motor vehicles licensed or required to be licensed for highway use at the rate of 16¢ per gallon.

Proposed law retains present law.

Present law provides for administrative discount to supplier for filing returns and remitting payment timely. Proposed law reduces rate from one and one-half percent to one-half percent.

Present law allows supplier to allow purchaser who is a validly licensed distributor or importer a deduction. Proposed law reduces deduction from one percent to one-third of one percent.

Present law allows validly licensed distributor or importer that pays the tax due a supplier timely to deduct a discount from the amount due. Present law reduces amount of discount from one percent to one-third of one percent.

Present law specifies that present law 16-cent-per-gallon tax does not apply to compressed natural gas, liquefied natural gas, or liquefied petroleum gas sold to, delivered to, or used by any person who pays an annual fuel tax levied under other provisions of present law enforced by requiring the taxpayer to obtain a decal on his motor vehicle, which is to be enforced when the vehicle is inspected.

Proposed law deletes this exception and method of taxation and removes the provisions allowing for an annual fuel tax enforced by the decal.

Proposed law provides for determinations of a special fuel's energy content in relation to a gallon of gasoline or diesel beginning July 1, 2015. Specifies that for purposes of levying the 16-cent-per-gallon tax:

- (1) The gasoline gallon equivalent shall be 5.660 pounds of compressed natural gas.
- (2) The diesel gallon equivalent shall be 6.060 pounds of liquified natural gas.
- (3) The diesel gallon equivalent shall be 4.2 pounds of liquified petroleum gas.

Proposed law requires the tax to be collected by any person or entity upon the delivery of the fuel into the fuel supply tank of a motor vehicle. However, requires any person or entity to obtain a

license for utilizing, delivering, or selling such fuels and otherwise provides for requirements for collection of the per-gallon tax by the licensed users, dealers, and sellers; application, suspension, cancellation, and revocation of licenses; bond requirements; returns, payments, credits, refunds, and fines, penalties, and interest for failure to pay associated with the tax; records retention and inspection; and investigative and enforcement authority, including authorization for search and seizure and criminal penalties for certain prohibited acts.

Proposed law authorizes and requires the Commissioner of Agriculture to assist the secretary of the Dept. of Revenue in collecting the taxes and any interest or penalties due pursuant to the provisions of proposed law. Requires the commissioner, in consultation with the secretary, to promulgate rules pursuant to the Administrative Procedure Act to provide procedures and processes for the orderly regulation and enforcement of the laws governing taxation of compressed natural gas, liquified natural gas, and liquified petroleum gas.

Proposed law makes such fuels subject to any other tax which may be levied on special fuels by any other provision of law and specifies that it is subject to the Act which originated as HB736 of the 2015 Regular Session of the Legislature, or any other Act of such session, which increases the tax on gasoline or special fuels.

Effective July 1, 2015.

(Amends R.S. 3:4602(12.1) and 4684 and R.S. 47:818.2(intro para), (18), (22), (43), (44), (58), and (63), and 818.22(A) and (B); adds R.S. 3:4690.1 and R.S. 47:818.111-818.132; repeals R.S. 47:818.101-104)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Subjects the fuels to a fee of four thirty-seconds of one cent per gallon.
2. Changes the effective date from January 1, 2016 to July 1, 2015.
3. Proposed law makes such fuels subject to any other tax which may be levied on special fuels by any other provision of law.
4. Requires the tax to be collected by any person or entity upon the delivery of the fuel into the fuel supply tank of a motor vehicle.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Reduces administrative discount to supplier for filing returns and remitting payment timely from one and one-half percent to one-half percent.
2. Reduces deduction supplier allows to purchaser who is a validly licensed distributor or importer from one percent to one-third of one percent.
3. Reduces amount of discount validly licensed distributor or importer who pays supplier timely may deduct from one percent to one-third of one percent.
4. Removes language regarding fee on special fuels and removes the requirement for the fee to be collected upon the delivery of the fuel into the fuel supply tank of a motor vehicle and remitted to the department.