

2016 Regular Session

HOUSE BILL NO. 749

BY REPRESENTATIVE STOKES

TAX/LOCAL: Provides for a rental car tax for Jefferson Parish

1 AN ACT

2 To enact R.S. 47:551.1, relative to special districts; to authorize the establishment of an  
3 automobile rental tax district in Jefferson Parish; to provide for the boundaries,  
4 governance, and powers of the district; to authorize the levy of a tax on the lease or  
5 rental of certain automobiles under certain circumstances; to provide for the use of  
6 the avails of the tax; to provide for an effective date; and to provide for related  
7 matters.

8 Notice of intention to introduce this Act has been published  
9 as provided by Article III, Section 13 of the Constitution of  
10 Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:551.1 is hereby enacted to read as follows:

13 §551.1. Automobile rental tax district; Jefferson Parish

14 A. Jefferson Parish is hereby authorized to create an automobile rental tax  
15 district as follows:

16 (1) The boundaries of the district shall be coterminous with the boundaries  
17 of the parish.

18 (2) The governing authority of the district shall be the parish governing  
19 authority.

1           B.(1) The district may be authorized to levy an automobile rental tax, not to  
2           exceed one half of one percent of the gross proceeds derived from the lease or rental  
3           of an automobile pursuant to an automobile rental contract, less any sales and use tax  
4           included in the contract. The tax shall be in addition to any tax, fee, or license  
5           imposed directly or indirectly. The tax shall not apply to any automobile rented by  
6           an insurance company as a replacement vehicle for a policyholder or by an  
7           automobile dealer as a replacement vehicle while a customer's vehicle is being  
8           serviced or repaired, nor shall the tax apply to any individual or business who rents  
9           a vehicle as a replacement vehicle while his vehicle is being repaired if the  
10           individual presents to the renter upon return of the rented vehicle a copy of the repair  
11           or service invoice.

12           (2) For purposes of this Section "automobile rental contract" shall mean all  
13           agreements for the rental of an automobile without a driver designated to carry less  
14           than nine passengers for a period of not more than twenty-nine calendar days. Rental  
15           agreements for a period of more than twenty-nine calendar days shall not be subject  
16           to the tax, unless the actual period of the rental agreement is less than twenty-nine  
17           days as a result of the exercise of a cancellation clause.

18           C. The avails of the tax in Jefferson Parish shall be distributed as follows:

19           (a) One-third of the tax shall be distributed to the city of Kenner for arts and  
20           recreation.

21           (b) Two-thirds of the tax shall be distributed to the Jefferson Performing Arts  
22           Society for programs on the east and west bank and one-third of that amount shall  
23           be distributed to the Westwego Performing Arts Center.

24           D. The parish shall prescribe in the ordinance creating the district any other  
25           purposes of the district. The parish and the district may enter into a cooperative  
26           endeavor agreement providing for cooperative efforts to exercise any authorized  
27           governmental function of the parish.

28           Section 2. The provisions of this Act shall become effective July 1, 2016; if vetoed  
29 by the governor and subsequently approved by the legislature, this Act shall become

- 1 effective on July 1, 2016, or on the day following such approval by the legislature,  
2 whichever is later.
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## 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)]

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Stokes

HB No. 749

**Abstract:** Authorizes Jefferson Parish to create an automobile rental tax district.

Proposed law authorizes the creation of an automobile rental tax district in Jefferson Parish as follows:

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

Proposed law authorizes the district to levy an automobile rental tax not to exceed 1/2 of 1% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less sales and use tax included in the 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, designated to carry less than nine passengers, for a rental period of not more than 29 calendar days. 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 any tax imposed by Jefferson Parish be used as follows:

- (1) 1/3 of the tax shall be distributed to the city of Kenner for arts and recreation.
- (2) 2/3 of the tax shall be distributed to the Jefferson Performing Arts Society for programs on the east and west bank and 1/3 of that amount shall be distributed to the Westwego Performing Arts Center.

Effective July 1, 2016.

(Adds R.S. 47:551.1)