
DIGEST

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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)