

2018 Regular Session

HOUSE BILL NO. 178

BY REPRESENTATIVE STEVE CARTER

TAX/GASOLINE TAX: (Constitutional Amendment) Removes the prohibition on the levy of taxes on motor fuel by local governments

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Sections 4(C) and 27(A) and (B)(2) of the Constitution of
3 Louisiana, to remove the prohibition on the levy of taxes on motor fuel by local
4 governments; to provide for submission of the proposed amendment to the electors;
5 and to provide for related matters.

6 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
7 elected to each house concurring, that there shall be submitted to the electors of the state of
8 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
9 amend Article VII, Sections 4(C) and 27(A) and (B)(2) of the Constitution of Louisiana, to
10 read as follows:

11 §4. Income Tax; Severance Tax; Political Subdivisions

12 * * *

13 (C) Political Subdivisions; Prohibitions. A political subdivision of the state
14 shall not levy a severance tax, income tax, or inheritance tax, ~~or tax on motor fuel.~~

15 * * *

16 §27. Transportation Trust Fund

17 Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be
18 established in the state treasury as a special permanent trust fund the Transportation
19 Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as
20 defined herein which are a portion of the avails received in each year from all taxes

1 levied by the state on gasoline and motor fuels and on special fuels (said avails being
2 referred to as the "revenues") as provided herein. After satisfying pledges respecting
3 that portion of the revenues attributable to the tax rates in effect at the time of such
4 pledges for the payment of obligations for bonds or other evidences of indebtedness
5 on the effective date of this Section, the treasurer shall allocate such portion of the
6 revenues received in each year as necessary to pay all principal, interest, premium,
7 if any, and other obligations incident to the issuance, security, and payment in
8 respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the
9 revenues remaining shall be deposited in the Bond Security and Redemption Fund
10 in the state treasury. After (1) the payment of any obligations for bonds or other
11 evidences of indebtedness in existence on the effective date of this Section which are
12 secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C)
13 hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall
14 deposit in and credit to the trust fund all of the revenues remaining (the "excess
15 revenues") from the avails of all taxes levied by the state on gasoline and motor fuels
16 and on special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails
17 of twelve cents per gallon of said taxes received on and after January 1, 1990; for the
18 fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said
19 taxes; for the fiscal year beginning on July 1, 1991, and thereafter, the avails of all
20 taxes levied by the state on gasoline and motor fuels and on special fuels. Purchases
21 of gasoline, diesel fuel, or special fuels which are subject to excise tax under Chapter
22 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt
23 from the state sales tax and any sales tax levied by a political subdivision as defined
24 by Article VI, Section 44(2). All monies appropriated by the Federal Highway
25 Administration and the Federal Aviation Administration, or their successors, either
26 reimbursed or paid directly, shall be paid directly or deposited in and credited to the
27 trust fund.

(B)

* * *

1 (2) There is hereby established in the Transportation Trust Fund a special
2 subfund to be known as the "Construction Subfund", hereinafter referred to as "the
3 subfund", in which shall be deposited the avails of any new taxes that become
4 effective and are levied by the state on gasoline, motor fuels, or special fuels on or
5 after July 1, 2017. The monies in the subfund shall be appropriated and dedicated
6 solely for the direct costs associated with actual project delivery, construction, and
7 maintenance of transportation and capital transit infrastructure projects of the state
8 and local government. The monies in the subfund that are appropriated by the
9 legislature to the Department of Transportation and Development, or its successor,
10 shall not be utilized by the department for the payment of employee wages and
11 related benefits or employee retirement benefits.

* * *

13 Section 2. Be it further resolved that this proposed amendment shall be submitted
14 to the electors of the state of Louisiana at the statewide election to be held on November 6,
15 2018.

16 Section 3. Be it further resolved that on the official ballot to be used at the election,
17 there shall be printed a proposition, upon which the electors of the state shall be permitted
18 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
19 follows:

20 Do you support an amendment to remove the prohibition on the levy of taxes
21 on motor fuel by local governments? (Amends Article VII, Sections 4(C) and
22 27(A) and (B)(2))

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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Abstract: Removes the prohibition on the levy of taxes on motor fuel by local governments.

Present constitution prohibits a local government from levying a tax on motor fuel. Proposed constitutional amendment removes this prohibition.

Present constitution creates a Transportation Trust Fund and a Construction Subfund of the trust fund and provides for deposit of specified revenues from motor fuel taxes into such funds. Dedicates money in these funds to specified purposes relating to transportation infrastructure projects, state police, and flood control. Proposed constitutional amendment provides that only state taxes on motor fuel are dedicated to these funds.

Present constitution, retained by proposed constitutional amendment, also prohibits local governments from levying a severance tax, income tax, or inheritance tax.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 6, 2018.

(Amends Const. Art. VII, §§ 4(C) and 27(A) and (B)(2))