

2021 Regular Session

HOUSE BILL NO. 693

BY REPRESENTATIVES DAVIS AND FREIBERG AND SENATOR WARD

TAX/SALES-USE, STATE: Dedicates a portion of the avails of state sales and use tax to the Construction Subfund of the Transportation Trust Fund and extends .4% of current state sales and use tax

1 AN ACT

2 To amend and reenact R.S. 47:321.1(D) and to enact R.S. 47:331.1, relative to state sales
3 and use tax; to dedicate the avails of state sales and use taxes; to levy a state sales
4 and use tax; to provide for the use of certain tax proceeds; to provide for
5 effectiveness; to provide for certain requirements and limitations; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:321.1(D) is hereby amended and reenacted to read as follows:

9 §321.1. Imposition of tax

10 * * *

11 D.(1) The tax levied herein shall be collected from the dealer or wholesaler
12 as provided for and as defined by Chapter 2 of this Subtitle; shall be paid at the time
13 and in the manner provided therein; shall be in addition to all other taxes, whether
14 levied in the form of sales, excise, license, or privilege taxes; and shall be in addition
15 to taxes levied under the provisions of ~~Chapter 2~~ Chapters 2, 2-B, and 3 of this
16 Subtitle.

17 (2) The avails of the tax levied in this Section shall be deposited into the
18 Construction Subfund of the Transportation Trust Fund provided for in Article VII,
19 Section 27(B)(2) of the Constitution of Louisiana, referred to in this Paragraph as the
20 "subfund", as follows:

1 (a) For Fiscal Year 2021-2022, ten percent of the avails shall be deposited
2 into the subfund.

3 (b) For Fiscal Year 2022-2023, twenty percent of the avails shall be
4 deposited into the subfund.

5 (c) For Fiscal Year 2023-2024, thirty percent of the avails shall be deposited
6 into the subfund.

7 (d) For Fiscal Year 2024-2025, forty percent of the avails shall be deposited
8 into the subfund.

9 (3) The Department of Transportation and Development shall utilize the
10 monies deposited into the Construction Subfund pursuant to the provisions of this
11 Subsection as follows:

12 (a) Eighty percent of the monies shall be utilized on highway and bridge
13 preservation projects included in the Highway Priority Program in accordance with
14 the Department of Transportation and Development's definitions of such projects.

15 (b) Twenty percent of the monies shall be utilized on Highway Priority
16 Program projects classified as capacity projects in accordance with the Department
17 of Transportation and Development's definitions of such projects. The following
18 mega projects shall be prioritized by the secretary of the Department of
19 Transportation and Development and constructed based on the completion of each
20 project's federally mandated environmental process and requirements:

21 (i) Replacement of the I-10 Calcasieu River bridge and I-10 improvements
22 from the I-210 interchange west of the river to the I-210 interchange east of the river.

23 (ii) A new Mississippi River Bridge at Baton Rouge with freeway-level
24 connections from the interstate west of Baton Rouge to the interstate east of Baton
25 Rouge.

26 (iii) Upgrades to US 90 to interstate standards from the I-10 and I-49
27 interchange at Lafayette to New Orleans.

28 (iv) Widening of I-12 to six lanes and associated improvements where this
29 interstate is not yet upgraded from Baton Rouge to the Mississippi state line.

1 (1) At the rate of four tenths of one percent of the gross proceeds derived
2 from the lease or rental of tangible personal property, as defined in Chapter 2 of this
3 Subtitle, where the lease or rental of such property is in an established business, or
4 part of an established business, or the same is incidental or germane to the business.

5 (2) At the rate of four tenths of one percent of the monthly lease or rental
6 price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or
7 rentee to the owner of the tangible personal property.

8 C. In addition to the tax levied on sales of services by R.S. 47:302(C),
9 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,
10 there is hereby levied a tax upon all sales of services in this state, as those services
11 are defined by Chapter 2 of this Subtitle, at the rate of four tenths of one percent of
12 the amounts paid or charged for the services.

13 D. The tax levied herein shall be collected from the dealer or wholesaler as
14 provided for and as defined by Chapter 2 of this Subtitle. The tax shall be paid at the
15 time and in the manner provided in this Subtitle. The tax shall be in addition to all
16 other taxes, whether levied in the form of sales, excise, license, or privilege taxes and
17 shall be in addition to taxes levied under the provisions of Chapters 2, 2-A, and 3 of
18 this Subtitle.

19 E. The avails of the tax levied in this Section shall be deposited into the
20 Construction Subfund of the Transportation Trust Fund provided for in Article VII,
21 Section 27(B)(2) of the Constitution of Louisiana, hereinafter referred to in this
22 Subsection as the "subfund", as follows:

23 (1) For Fiscal Year 2025-2026, fifty percent of the avails shall be deposited
24 into the subfund.

25 (2) For Fiscal Year 2026-2027, sixty percent of the avails shall be deposited
26 into the subfund.

27 (3) For Fiscal Year 2027-2028, seventy percent of the avails shall be
28 deposited into the subfund.

- (1) 80% of the monies to be utilized on highway and bridge preservation projects included in the Highway Priority Program.
- (2) 20% of the monies to be utilized on Highway Priority Program projects classified as capacity projects.

Proposed law, with respect to capacity projects, requires the secretary to prioritize and construct the following mega projects based on the completion of each project's federally mandated environmental process and requirements:

- (1) Replacement of the I-10 Calcasieu River bridge and I-10 improvements from the I-210 interchange west of the river to the I-210 interchange east of the river.
- (2) A new Mississippi River Bridge at Baton Rouge with freeway-level connections from the interstate west of Baton Rouge to the interstate east of Baton Rouge.
- (3) Upgrades to US 90 to interstate standards from the I-10 and I-49 interchange at Lafayette to New Orleans.
- (4) Widening of I-12 to six lanes and associated improvements where this interstate is not yet upgraded from Baton Rouge to the Mississippi state line.
- (5) A new, four lane Jimmie Davis Bridge on LA 511 across the Red River in Shreveport-Bossier.
- (6) Widening to six lanes and associated improvements to I-20 at Monroe from LA 546 to LA 594.
- (7) US 90, Port of New Orleans access improvements with improved and maintained interstate lighting in New Orleans.
- (8) Alexandria-Pineville Beltway, Segments E, F, G, H, and I from LA 28 East to LA 28 West.

Proposed law levies a state sales and use tax at a rate of .4% beginning July 1, 2025. Further provides that the levy will terminate after June 30, 2031.

Proposed law provides that a percentage of the new levy will be dedicated annually to the subfund as follows:

- (1) For FY 2025-2026, 50% of the avails shall be deposited into the subfund.
- (2) For FY 2026-2027, 60% of the avails shall be deposited into the subfund.
- (3) For FY 2027-2028, 70% of the avails shall be deposited into the subfund.
- (4) For FY 2028-2029, 80% of the avails shall be deposited into the subfund.
- (5) For FY 2029-2030, 90% of the avails shall be deposited into the subfund.
- (6) For FY 2030-2031, 100% of the avails shall be deposited into the subfund.

Effective July 1, 2021, except that levy of new tax is effective July 1, 2025.

(Amends R.S. 47:321.1(D); Adds R.S. 47:331.1)