

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 24** HLS 13RS 25
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: February 19, 2013 4:35 PM	Author: MACK
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Fuel tax exemption for buses owned by school boards	

TAX/GASOLINE-EXEMPT OR -\$2,000,000 SD RV See Note Page 1 of 1
 Provides for exemption from gasoline and special fuels taxes for school buses owned and operated by municipal and parish school boards

Current law imposes a 20 cent per gallon state fuel tax on all fuel used in on-road circumstances, including school buses that are owned and operated by school boards and all other publicly or privately owned vehicles. School buses operated under contract but not owned by school boards are eligible for a 75% (or 15 cent) refund on state fuel taxes paid. Capitol Area Transit System (CATS) vehicles are fully exempt from the state fuel tax per R.S. 48:1461. All fuel for off-road use is exempt from state fuel tax.

Proposed law provides a state fuel tax exemption for gasoline and diesel used in school buses that are owned and operated by school boards.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$10,000,000)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$10,000,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

According to the Department of Revenue as obtained from the Department of Education, there are 5,626 buses operating in the state that are owned by school boards. Assuming that each bus consumes 1,800 gallons of tax-paid fuel per year as estimated by industry sources, the foregone fuel tax revenue would be \$2,025,350 per year, shown as a \$2M estimate in the table above.

According to the Department of Revenue, the proposed exemption would apply to gasoline and diesel fuel only. Any buses that may be operated with Compressed Natural Gas would still be subject to the fuels tax, even under this bill.

All fuel tax revenue is dedicated to the Transportation Trust Fund from which DOTD projects are funded and which secures bond funding for certain projects. In addition, some of the Transportation Trust Fund dollars are passed down to the local parish transportation funds. With the passage of this bill, only school board owned school buses and CATS vehicles would be exempt from state fuel tax. All other vehicles owned or operated by state or local agencies would continue to be subject to state fuel tax. School buses operating under contract to school boards would continue to be subject to a 5 cents per gallon state fuel tax after the 15 cent refund is claimed.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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