

Regular Session, 2013

HOUSE BILL NO. 476

BY REPRESENTATIVE BROSSETT

TAX/STATE: Levies a state tax on automobile rental contracts and dedicates the revenues

1 AN ACT

2 To enact R.S. 47:552, relative to state sales taxes; to authorize the levy and collection of a
3 state tax on the gross proceeds derived from the lease or rental of an automobile
4 pursuant to an automobile rental contract; to provide for the collection of the tax; to
5 provide for the definition of automobile rental contract; to provide for the dedication
6 of the proceeds; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:552 is hereby enacted to read as follows:

9 §552. Imposition of tax

10 A. There is hereby levied a state tax of three percent of the gross proceeds
11 derived from the lease or rental of an automobile pursuant to an automobile rental
12 contract, less any sales and use tax included in such contract. The tax shall be in
13 addition to any tax, fee, or license imposed directly or indirectly. The tax shall not
14 apply to any automobile rented by an insurance company as a replacement vehicle
15 for a policyholder or by an automobile dealer as a replacement vehicle while a
16 customer's vehicle is being serviced or repaired, nor shall the tax apply to any
17 individual or business who rents a vehicle as a replacement vehicle while his vehicle
18 is being repaired if the individual presents to the renter upon return of the rented
19 vehicle a copy of the repair or service invoice.

1 B. The tax shall be payable to the secretary of the Department of Revenue.

2 The tax shall be collected and payment enforced pursuant to the provisions of
3 Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 insofar
4 as such provisions are not in conflict with this Section. The secretary is authorized
5 to promulgate rules and regulations necessary for the proper administration and
6 enforcement of this Chapter.

7 C. For purposes of this Chapter "automobile rental contract" shall mean all
8 agreements for the rental of an automobile without a driver designated to carry less
9 than nine passengers for a period of not more than twenty-nine calendar days. Rental
10 agreements for a period of more than twenty-nine calendar days shall not be subject
11 to the tax, unless the actual period of the rental agreement is less than twenty-nine
12 days as a result of the exercise of a cancellation clause.

13 D. The tax as provided in Subsection A of this Section shall be dedicated and
14 used in accordance with the Airport Construction and Development Priority Program
15 pursuant to Chapter 7 of Title 2 of the Louisiana Revised Statutes of 1950.

16 Section 2. This Act shall become effective on July 1, 2013; if vetoed by the governor
17 and subsequently approved by the legislature, this Act shall become effective on July 1,
18 2013, or on the day following such approval by the legislature, whichever is later.

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)]

Brossett

HB No. 476

Abstract: Authorizes the levy of a 3% state sales tax on automobile rental contracts and dedicates the revenues to the Airport Construction and Development Priority Program.

Proposed law authorizes the levy of a 3% sales tax indefinitely of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract. The tax shall be in addition to any tax, fee, or license imposed directly or indirectly. The tax shall not apply to any automobile rented by an insurance company as a replacement vehicle for a policyholder or by an automobile dealer as a replacement vehicle while a customer's vehicle is being serviced or repaired, nor shall the tax apply to any 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 provides that the tax shall be payable to the secretary of the Dept. of Revenue. The tax shall be collected and payment enforced pursuant to the provisions of present law. The secretary is authorized to promulgate rules and regulations necessary for the proper administration and enforcement of proposed law.

Proposed law provides that "automobile rental contract" shall mean all agreements for the rental of an automobile without a driver designated to carry less than nine for a period of not more than 29 calendar days. Rental agreements for a period of more than 29 calendar 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 provides that the tax shall be dedicated and used in accordance with the Airport Construction and Development Priority Program pursuant to present law.

(Adds R.S. 47:552)