

2015 Regular Session

SENATE BILL NO. 118

BY SENATOR ADLEY

TAX/SALES. Dedicates to the Better Highways and Higher Education Fund state sales tax proceeds collected each fiscal year as a result of a federal law requiring vendors located out-of-state to collect sales tax on their Internet and mail order sales. (gov sig)

1 AN ACT

2 To enact Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to  
3 be comprised of R.S. 47:339, relative to the sales and use tax of the state; to provide  
4 for a dedication of certain sales and use taxes to the Better Highways and Higher  
5 Education Fund; to provide for disposition and appropriation of money in the fund;  
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes  
9 of 1950, to be comprised of R.S. 47:339 is hereby enacted to read as follows:

10 **CHAPTER 2-E. BETTER HIGHWAYS AND HIGHER EDUCATION FUND**

11 **§339. Dedication of increased sales tax collections from Internet and mail**  
12 **order sales; Better Highways and Higher Education Fund**

13 **A.(1) The secretary of the Department of Revenue shall provide written**  
14 **notification to the commissioner of administration and to the chairs of the**  
15 **Senate Committee on Finance and the House Committee on Appropriations of**  
16 **the effective date of any federal law which the secretary determines will directly**  
17 **or indirectly cause or require vendors located out-of-state to collect and remit**

1 Louisiana state sales and use tax on their Internet, mail order, or other sales  
2 into the state.

3 (2) Of the proceeds of state sales and use taxes collected during each  
4 fiscal year after the effective date of such federal law, the secretary and the  
5 Louisiana Legislative Auditor shall agree on a reasonable estimate of the  
6 amount of such proceeds which are remitted by vendors located out-of-state as  
7 a direct or indirect result of the federal law. An "indirect result of the federal  
8 law" includes those remittances which may have begun to be collected in  
9 months prior to the effective date of the federal law, but which the secretary and  
10 legislative auditor determine would not have been collected but for the  
11 imminent passage of such law.

12 B.(1) The estimated amount of state sales and use taxes collected from  
13 vendors located out-of-state on Internet, mail order, or other sales into the state  
14 because of a federal law as provided for in Subsection A of this Section shall be  
15 deposited upon receipt in the state treasury.

16 (2) After compliance with the requirements of Article VII, Section 9(B)  
17 of the Constitution of Louisiana relative to the Bond Security and Redemption  
18 Fund and prior to any money being placed into the general fund or any other  
19 fund, an amount equal to that deposited as required by Paragraph (1) of this  
20 Subsection shall be credited by the treasurer to a special fund hereby created  
21 in the state treasury to be known as the Better Highways and Higher Education  
22 Fund. The money in the fund shall be appropriated by the legislature to be used  
23 solely as provided for in Subsection C of this Section.

24 (3)(a) The money in the fund shall be invested by the treasurer in the  
25 same manner as money in the state general fund and interest earned on the  
26 investment of the money shall be credited to the fund after compliance with the  
27 requirements of Article VII, Section 9(B) relative to the Bond Security and  
28 Redemption Fund.

29 (b) All unexpended and unencumbered money in the fund at the end of

- 1           the year shall remain in the fund.
- 2                    **C. The money in the Better Highways and Higher Education Fund shall**
- 3           **be appropriated by the legislature each fiscal year to be used solely as follows:**
- 4                    **(1) Fifty percent shall be appropriated to the Transportation Trust Fund**
- 5           **to be expended solely and exclusively for the costs of construction and/or**
- 6           **maintenance in Highway Priority Program projects.**
- 7                    **(2) Fifty percent shall be appropriated to public postsecondary**
- 8           **institutions in the same proportion as the institution's average**
- 9           **federally-financed research and development expenditures for the latest three**
- 10           **years according to the data in the "Federally Financed Higher Education R&D**
- 11           **Expenditures" report of the National Science Foundation issued on or before**
- 12           **January first preceding a state fiscal year.**

13           Section 2. This Act shall become effective upon signature by the governor or, if not

14           signed by the governor, upon expiration of the time for bills to become law without signature

15           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

16           vetoed by the governor and subsequently approved by the legislature, this Act shall become

17           effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

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DIGEST

SB 118 Original    2015 Regular Session    Adley

Proposed law requires the secretary of the Department of Revenue and the Louisiana Legislative Auditor to agree on a reasonable estimate of the amount of the total state sales tax proceeds collected each fiscal year which are remitted by vendors located out-of-state as a "direct or indirect" result of the enactment of a federal law which the secretary determines will directly or indirectly cause or require vendors located out-of-state to collect and remit state sales tax on their Internet, mail order, or other sales into the state.

The estimated amount is required to be credited to a special fund created in the state treasury to be known as the Better Highways and Higher Education Fund. The money in the fund is required to be appropriated by the legislature each fiscal year to be used solely as follows:

- (1) 50% must be appropriated to the Transportation Trust Fund to be expended solely and exclusively for the costs of construction and/or maintenance in Highway Priority Program projects.
- (2) 50% must be appropriated to public postsecondary institutions in the same proportion as the institution's average federally-financed research and development

expenditures for the latest three years according to the data in the "Federally Financed Higher Education R&D Expenditures" report of the National Science Foundation issued on or before January first preceding a state fiscal year.

An "indirect result of the federal law" includes those remittances which may have begun to be collected in months prior to the effective date of the federal law, but which the secretary and legislative auditor determine would not have been collected but for the imminent passage of such law.

Proposed law requires the money in the fund to be invested by the treasurer in the same manner as money in the state general fund and interest earned on the investment of the money must be credited to the fund. All unexpended and unencumbered money in the fund at the end of the year must remain in the fund.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:339)