

2015 Regular Session

HOUSE BILL NO. 657

BY REPRESENTATIVE IVEY

TAX/SALES & USE: Dedicates a portion of the avails of the 1% state sales and use tax for assistance to certain political subdivisions

1 AN ACT

2 To amend and reenact R.S. 47:318(A) and to enact Subpart S of Part II-A of Chapter 1 of
3 Subtitle 39 of The Louisiana Revised Statutes of 1950, comprised of R.S.
4 39:100.146, relative to state sales and use tax; to provide for a dedication of certain
5 sales and use tax revenues for support of certain political subdivisions; to establish
6 a special fund; to provide for the deposit, use, and investment of monies in the fund;
7 to provide with respect to distributions from the fund; to provide for effectiveness;
8 and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Subpart S of Part II-A of Chapter 1 of Subtitle 39 of The Louisiana
11 Revised Statutes of 1950, comprised of R.S. 39:100.146 is hereby enacted to read as follows:

12 SUBPART S. PROPERTY TAX SUPPORT FUND

13 §100.146. Property Tax Support Fund; dedication of sales and use tax

14 A. There is hereby established in the state treasury a special fund to be
15 known as the Property Tax Support Fund, hereinafter referred to as "fund". The
16 purpose of the fund is for the receipt and distribution of that portion of state sales and
17 use tax revenues dedicated for purposes of this fund in Subsection B of this Section.
18 Appropriations from the fund are authorized solely for distribution to political
19 eligible subdivisions pursuant to the provisions of Subsection C of this Section.

1 Unexpended and unencumbered monies remaining in the fund at the end of the fiscal
2 year shall remain in the fund. Investment earnings on monies in the fund shall be
3 credited to the fund.

4 B. From the monies remaining after satisfaction of the requirements of the
5 Bond Security and Redemption Fund, the state treasurer shall deposit in and credit
6 to the fund an amount equal one-half of the annual avails of the state sales and use
7 tax imposed pursuant to R.S. 47:331.

8 C. From monies appropriated each year the state treasurer shall make
9 distributions to eligible political subdivisions. The monies shall be distributed
10 according to a formula based on the proportion that each parish's total ad valorem tax
11 collections from 2013, 2014, and 2015, bears to the total of all such parish
12 collections from 2013, 2014, and 2015.

13 Section 2. R.S. 47:318 is hereby amended and reenacted to read as follows:

14 §318. Disposition of collections

15 A. All monies collected under this Chapter shall be immediately paid into
16 the state treasury, upon receipt, and first credited to the Bond Security and
17 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
18 Louisiana; then after satisfaction of the requirements of R.S. 39:100.146 for the
19 Property Tax Support Fund, an amount equal to four-tenths of one percent of all
20 monies collected under this Chapter, and Chapters 2-A and 2-B of this Subtitle, and
21 R.S. 51:1286 shall be used as provided in this Section.

22 * * *

23 Section 3. This Act shall take effect and become operative if and when the proposed
24 amendment of Article VII of the Constitution of Louisiana contained in the Act which
25 originated as House Bill No. ____ of this 2015 Regular Session of the Legislature is adopted
26 at a statewide election and becomes effective.

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)]

HB 657 Original

2015 Regular Session

Ivey

Abstract: Dedicates one-half of the avails of the existing 0.97% state sales and use tax for deposit for distribution to eligible political subdivisions according to a formula based on a parish's total ad valorem tax collections as compared to the total of all collections in the state; also establishes the Property Tax Support Fund as a special treasury fund for purposes of the dedication.

Present law imposes three separate state sales and use tax levies (2%, 1%, and .97%) upon the sale at retail, the use, the consumption, the distribution, the storage, lease, or rental of tangible personal property in this state, as well as certain services.

Proposed law dedicates the avails of one-half of 0.97% sales and use taxes levied by present law for appropriation exclusively for purposes of the distribution of such revenues to eligible political subdivisions.

Proposed law establishes in the state treasury the Property Tax Support Fund ("fund"). The purpose of the fund is for the receipt and distribution of monies dedicated for the support of the local taxing authorities in the state that on January 1, 2015, levied an ad valorem tax. Appropriations from the fund are authorized solely for distribution to eligible political subdivisions. Unexpended and unencumbered monies remaining in the fund at the end of the fiscal year shall remain in the fund. Investment earnings on monies in the fund shall be credited to the fund.

Proposed law requires that from the monies remaining after satisfaction of the requirements of the Bond Security and Redemption Fund, the state treasurer shall deposit into the fund an amount equal one-half of the annual avails of the state sales and use tax imposed pursuant to R.S. 47:331.

Proposed law provides that monies appropriated from the fund each year, the state treasurer shall make distributions to eligible political subdivisions. The distribution shall be made in accordance with a formula based on the proportion that each parish's total ad valorem tax collections from 2013, 2014, and 2015, bears to the total of such collections from all parishes in 2013, 2014, and 2015.

Present law provides for dedications of monies from the avails of the state sales and use taxes as follows:

- (1) Monies necessary to satisfy the requirements of the Bond Security and Redemption Fund as provided in present constitution;
- (2) Of the monies remaining thereafter, an amount equal to four-tenths of one percent of all monies from state sales and use taxes collected shall be deposited into the Marketing Fund and used for purposes of economic development as provided by present law.
- (3) All monies remaining thereafter are deposited into the state general fund.

Proposed law retains present law except adds the dedication for the Property Tax Support Fund after satisfaction of the requirement of the Bond Security and Redemption Fund and before deposits into the Marketing Fund.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. _____ of this 2015 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:318; Adds R.S. 39:100.146)