

2016 First Extraordinary Session

HOUSE BILL NO. 121

BY REPRESENTATIVES JACKSON, BOUIE, DAVIS, JIMMY HARRIS, HILFERTY,  
AND HUNTER

TAX/SALES-USE, STATE: Provides relative to the imposition of state sales tax on certain motor fuels (Items #9 and 36)

1 AN ACT

2 To amend and reenact R.S. 47:301(10)(x) and 305(D)(1)(a) and to enact R.S. 47:301.3,  
3 relative to the state sales and use tax; to provide for certain definitions for purposes  
4 of imposing the state sales and use tax on certain motor fuels; to provide for certain  
5 exemptions relative to sales of gasoline; to impose state sales tax on the sales of  
6 certain motor fuels; to provide for applicability; to provide for effectiveness; and to  
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:301(10)(x) and 305(D)(1)(a) are hereby amended and reenacted  
10 and R.S. 47:301.3 is hereby enacted to read as follows:

11 §301. Definitions

12 As used in this Chapter the following words, terms, and phrases have the  
13 meaning ascribed to them in this Section, unless the context clearly indicates a  
14 different meaning:

15 \* \* \*

16 (10)

17 \* \* \*





Proposed law imposes on the sale of gasoline, the state sales and use taxes levied in R.S. 47:302, 321, and 331 as follows:

- (1) When the price of oil per barrel is less than \$40, all state sales and use tax levies shall apply.
- (2) When the price of oil per barrel is \$40 or greater, and less than \$60, the state sales and use tax levied in R.S. 47:302 shall apply.
- (3) When the price of oil per barrel is \$60 or greater, no state sales and use tax levies shall apply so that sales of gasoline are exempt from state sales and use tax.

Proposed law requires the secretary of the Dept. of Revenue to annually set the base rate of the price of oil per barrel using the average New York Mercantile Exchange for the three months preceding Jan. 1st for purposes of determining the rate of state sales tax that applies to the sale of gasoline for the calendar year.

Proposed law requires the avails the tax collected pursuant to proposed law to be deposited in the Transportation Trust Fund.

Effective when the proposed amendment of Article VII, §27(A) of the La. Const. is adopted at a statewide election and becomes effective.

(Amends R.S. 47:301(10)(x) and 305(D)(1)(a); Adds R.S. 47:301.3)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete diesel fuels and special fuels from imposition of the state sales and use tax.