



1 to the taxing authority granted in Section 29.1 of this Article, levied and collected  
2 within any local governmental subdivision, shall not exceed three percent.

3 \* \* \*

4 §29.1. Parish Motor Fuels Tax; sales tax

5 Section 29.1.(A) Except as otherwise authorized in a home rule charter as  
6 provided for in Section 4 of this Article, a parish governing authority may levy and  
7 collect a tax upon the retail sale of motor fuels, if approved by a majority of the  
8 electors voting thereon in an election held for that purpose.

9 (B) The avails of any tax levied by a parish governing authority pursuant to  
10 this Section shall not be required to be deposited in the Transportation Trust Fund  
11 and shall be used by the parish governing authority exclusively for construction and  
12 maintenance of the roads and bridges within the parish.

13 \* \* \*

14 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
15 elected to each house concurring, that there shall be submitted to the electors of the state of  
16 Louisiana, for their approval or rejection in the manner provided by law, a proposal to  
17 amend Article VII, Sections 4(C) and 27(A) of the Constitution of Louisiana, to read as  
18 follows:

19 §4. Income Tax; Severance Tax; Political Subdivisions

20 Section 4.

21 \* \* \*

22 (C) Political Subdivisions; Prohibitions. A political subdivision of the state  
23 shall not levy a severance tax, income tax, or inheritance tax; or. No political  
24 subdivision other than a parish governing authority shall levy a tax on motor fuel.

25 \* \* \*

26 §27. Transportation Trust Fund

27 Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be  
28 established in the state treasury as a special permanent trust fund the Transportation  
29 Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as

1 defined herein which are a portion of the avails received in each year from all taxes  
2 levied on gasoline and motor fuels and on special fuels (said avails being referred to  
3 as the "revenues") as provided herein. The avails of any tax levied by a parish  
4 governing authority pursuant to Section 29.1 of Article VI of this constitution shall  
5 not be considered "excess revenues" and shall not be required to be deposited in the  
6 Transportation Trust Fund. After satisfying pledges respecting that portion of the  
7 revenues attributable to the tax rates in effect at the time of such pledges for the  
8 payment of obligations for bonds or other evidences of indebtedness on the effective  
9 date of this Section, the treasurer shall allocate such portion of the revenues received  
10 in each year as necessary to pay all principal, interest, premium, if any, and other  
11 obligations incident to the issuance, security, and payment in respect of bonds as  
12 authorized in Paragraph (C) hereof. Thereafter, the portion of the revenues  
13 remaining shall be deposited in the Bond Security and Redemption Fund in the state  
14 treasury. After (1) the payment of any obligations for bonds or other evidences of  
15 indebtedness in existence on the effective date of this Section which are secured by  
16 revenues; (2) payments in respect of bonds authorized in Paragraph (C) hereof; and  
17 (3) credit to the Bond Security and Redemption Fund, the treasurer shall deposit in  
18 and credit to the trust fund all of the revenues remaining (the "excess revenues")  
19 from the avails of all taxes levied on gasoline and motor fuels and on special fuels,  
20 as follows: for the fiscal year beginning July 1, 1989, the avails of twelve cents per  
21 gallon of said taxes received on and after January 1, 1990; for the fiscal year  
22 beginning on July 1, 1990, the avails of fourteen cents per gallon of said taxes; for  
23 the fiscal year beginning on July 1, 1991, and thereafter, the avails of all taxes levied  
24 on gasoline and motor fuels and on special fuels. Purchases of gasoline, diesel fuel,  
25 or special fuels which are subject to excise tax under Chapter 7 of Subtitle II of Title  
26 47 of the Louisiana Revised Statutes of 1950 shall be exempt from the state sales tax  
27 and any sales tax levied by a political subdivision as defined by Article VI, Section  
28 44(2), except for a tax levied pursuant to the taxing authority granted in Section 29.1  
29 of Article VI of this constitution. All monies appropriated by the Federal Highway

1 Administration and the Federal Aviation Administration, or their successors, either  
2 reimbursed or paid directly, shall be paid directly or deposited in and credited to the  
3 trust fund.

4 \* \* \*

5 Section 2. Be it further resolved that this proposed amendment shall be submitted  
6 to the electors of the state of Louisiana at the statewide election to be held on November 8,  
7 2016.

8 Section 3. Be it further resolved that on the official ballot to be used at the election,  
9 there shall be printed a proposition, upon which the electors of the state shall be permitted  
10 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
11 follows:

12 Do you support an amendment to authorize a parish governing authority to  
13 levy and collect a sales tax on the retail sale of motor fuels? (Amends Article  
14 VI, Section 29(A) and Article VII, Sections 4(C) and 27(A); Adds Article VI,  
15 Section 29.1)

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 578 Original

2016 Regular Session

James

**Abstract:** Authorizes a parish governing authority to levy and collect a sales tax on the retail sale of motor fuels, subject to voter approval.

Present constitution prohibits the levy of a severance tax, income tax, inheritance tax or tax on motor fuels by a political subdivision.

Proposed constitutional amendment changes present constitution by authorizing a parish governing authority, subject to voter approval, to levy a sales tax on motor fuels.

Present constitution authorizes parish and municipal governing authorities and school boards to levy and collect a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors voting in an election held for that purpose. The total of such taxes levied and collected within any parish or municipality is limited to 3%.

Proposed constitutional amendment retains present constitution and adds an exception for a tax levied by a parish governing authority on the sale of motor fuels pursuant to proposed constitutional amendment from the 3% limit on sales taxes in a parish.

Present constitution establishes the Transportation Trust Fund as a special treasury fund and requires that all state taxes levied on gasoline and motor fuels be deposited annually into the fund. The current state excise taxes on gasoline and motor fuels total 20 cents per gallon. Monies in the fund are used to provide for construction and maintenance of roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program, ports, airports, transit, state police for traffic control purposes, and the Parish Transportation Fund. Further, present constitution prohibits the levy of any state or local sales tax on gasoline and motor fuels.

Proposed constitutional amendment changes present constitution by adding an exception to that prohibition for a tax levied by a parish governing authority on the sale of motor fuels pursuant to the proposed constitutional amendment.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

(Amends Const. Art. VI, §29(A) and Art. VII, §§4(C) and 27(A); Adds Const. Art. VI, §29.1)