

2021 Regular Session

HOUSE BILL NO. 693

BY REPRESENTATIVES DAVIS AND FREIBERG AND SENATOR WARD

TAX/SALES-USE, STATE: Dedicates a portion of the avails of state sales and use tax to the Construction Subfund of the Transportation Trust Fund and extends .4% of current state sales and use tax

1 AN ACT

2 To amend and reenact R.S. 47:321.1(D) and to enact R.S. 47:331.1, relative to state sales
3 and use tax; to dedicate the avails of state sales and use taxes; to levy a state sales
4 and use tax; to provide for the use of certain tax proceeds; to provide for
5 effectiveness; to provide for certain requirements and limitations; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:321.1(D) is hereby amended and reenacted to read as follows:

9 §321.1. Imposition of tax

10 * * *

11 D. (1) The tax levied herein shall be collected from the dealer or wholesaler
12 as provided for and as defined by Chapter 2 of this Subtitle; shall be paid at the time
13 and in the manner provided therein; shall be in addition to all other taxes, whether
14 levied in the form of sales, excise, license, or privilege taxes; and shall be in addition
15 to taxes levied under the provisions of ~~Chapter 2~~ Chapters 2, 2-B, and 3 of this
16 Subtitle.

17 (2) The avails of the tax levied in this Section shall be deposited into the
18 Construction Subfund of the Transportation Trust Fund provided for in Article VII,

1 Section 27(B)(2) of the Constitution of Louisiana, referred to in this Paragraph as the
2 "subfund", as follows:

3 (a) For Fiscal Year 2021-2022, ten percent of the avails shall be deposited
4 into the subfund.

5 (b) For Fiscal Year 2022-2023, twenty percent of the avails shall be
6 deposited into the subfund.

7 (c) For Fiscal Year 2023-2024, thirty percent of the avails shall be deposited
8 into the subfund.

9 (d) For Fiscal Year 2024-2025, forty percent of the avails shall be deposited
10 into the subfund.

11 (3) The Department of Transportation and Development shall utilize the
12 monies deposited into the Construction Subfund pursuant to the provisions of this
13 Subsection as follows:

14 (a) Eighty percent of the monies shall be utilized on highway and bridge
15 preservation projects included in the Highway Priority Program in accordance with
16 the Department of Transportation and Development's definitions of such projects.

17 (b) Twenty percent of the monies shall be utilized on Highway Priority
18 Program projects classified as capacity projects in accordance with the Department
19 of Transportation and Development's definitions of such projects. The following
20 mega projects shall be prioritized by the secretary of the Department of
21 Transportation and Development and constructed based on the completion of each
22 project's federally mandated environmental process and requirements:

23 (i) Replacement of the I-10 Calcasieu River bridge and I-10 improvements
24 from the I-210 interchange west of the river to the I-210 interchange east of the river.

25 (ii) A new Mississippi River Bridge at Baton Rouge with freeway-level
26 connections from the interstate west of Baton Rouge to the interstate east of Baton
27 Rouge.

28 (iii) Upgrades to US 90 to interstate standards from the I-10 and I-49
29 interchange at Lafayette to New Orleans.

1 tax upon the lease or rental within this state of each item or article of tangible
2 personal property, as defined by Chapter 2 of this Subtitle. The levy of the tax shall
3 be as follows:

4 (1) At the rate of four tenths of one percent of the gross proceeds derived
5 from the lease or rental of tangible personal property, as defined in Chapter 2 of this
6 Subtitle, where the lease or rental of such property is in an established business, or
7 part of an established business, or the same is incidental or germane to the business.

8 (2) At the rate of four tenths of one percent of the monthly lease or rental
9 price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or
10 rentee to the owner of the tangible personal property.

11 C. In addition to the tax levied on sales of services by R.S. 47:302(C),
12 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,
13 there is hereby levied a tax upon all sales of services in this state, as those services
14 are defined by Chapter 2 of this Subtitle, at the rate of four tenths of one percent of
15 the amounts paid or charged for the services.

16 D. The tax levied herein shall be collected from the dealer or wholesaler as
17 provided for and as defined by Chapter 2 of this Subtitle. The tax shall be paid at the
18 time and in the manner provided in this Subtitle. The tax shall be in addition to all
19 other taxes, whether levied in the form of sales, excise, license, or privilege taxes and
20 shall be in addition to taxes levied under the provisions of Chapters 2, 2-A, and 3 of
21 this Subtitle.

22 E. The avails of the tax levied in this Section shall be deposited into the
23 Construction Subfund of the Transportation Trust Fund provided for in Article VII,
24 Section 27(B)(2) of the Constitution of Louisiana, hereinafter referred to in this
25 Subsection as the "subfund", as follows:

26 (1) For Fiscal Year 2025-2026, fifty percent of the avails shall be deposited
27 into the subfund.

28 (2) For Fiscal Year 2026-2027, sixty percent of the avails shall be deposited
29 into the subfund.

1 (3) For Fiscal Year 2027-2028, seventy percent of the avails shall be
2 deposited into the subfund.

3 (4) For Fiscal Year 2028-2029, eighty percent of the avails shall be deposited
4 into the subfund.

5 (5) For Fiscal Year 2029-2030, ninety percent of the avails shall be deposited
6 into the subfund.

7 (6) For Fiscal Year 2030-2031, one hundred percent of the avails shall be
8 deposited into the subfund.

9 F. The provisions of this Section shall be inapplicable, inoperative, and of
10 no effect after June 30, 2031.

11 * * *

12 Section 3. (A) The provisions of this Section and Section 1 of this Act shall become
13 effective on July 1, 2021.

14 (B) The provisions of Section 2 of this Act shall become effective on July 1, 2025.

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 693 Original 2021 Regular Session Davis

Abstract: Annually dedicates a percentage of the avails of the .45% state sales and use tax to the Construction Subfund and specifics the use of the monies.

Present law levies a .45% state sales and use tax. Further provides the levy will expire June 30, 2025.

Present law provides the collections from the .45% sales and use tax are deposited into the state general fund.

Proposed law annually dedicates a percentage of the tax levied in present law to the Construction Subfund of the Transportation Trust Fund (subfund) provided for in present constitution (Art. VII, Sec. 27(B)(2)), as follows:

- (1) For FY 2021-2022, 10% of the avails shall be deposited into the subfund.
- (2) For FY 2022-2023, 20% of the avails shall be deposited into the subfund.
- (3) For FY 2023-2024, 30% of the avails shall be deposited into the subfund.
- (4) For FY 2024-2025, 40% of the avails shall be deposited into the subfund.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscoped are additions.

Proposed law requires the Dept. of Transportation and Development (DOTD) to utilize the monies which are deposited into the Construction Subfund pursuant to present law as follows:

- (1) 60% of the monies to be utilized on highway and bridge preservation projects included in the Highway Priority Program.
- (2) 40% of the monies to be utilized on Highway Priority Program projects classified as capacity projects.

Proposed law, with respect to capacity projects, requires the secretary to prioritize and construct the following mega projects based on the completion of each project's federally mandated environmental process and requirements:

- (1) Replacement of the I-10 Calcasieu River bridge and I-10 improvements from the I-210 interchange west of the river to the I-210 interchange east of the river.
- (2) A new Mississippi River Bridge at Baton Rouge with freeway-level connections from the interstate west of Baton Rouge to the interstate east of Baton Rouge.
- (3) Upgrades to US 90 to interstate standards from the I-10 and I-49 interchange at Lafayette to New Orleans.
- (4) Widening of I-12 to six lanes and associated improvements where this interstate is not yet upgraded from Baton Rouge to the Mississippi state line.
- (5) A new, four lane Jimmie Davis Bridge on LA 511 across the Red River in Shreveport-Bossier.
- (6) Widening to six lanes and associated improvements to I-20 at Monroe from LA 546 to LA 594.
- (7) US 90, Port of New Orleans access improvements with improved and maintained interstate lighting in New Orleans.
- (8) Alexandria-Pineville Beltway, Segments E, F, G, H, and I from La. 28 East to LA 28 West.

Proposed law extends the current state sales and use tax at a rate of .4% beginning July 1, 2025. Further provides that the levy will terminate after June 30, 2031.

Proposed law provides that a percentage of the new levy will be dedicated annually to the subfund as follows:

- (1) For FY 2025-2026, 50% of the avails shall be deposited into the subfund.
- (2) For FY 2026-2027, 60% of the avails shall be deposited into the subfund.
- (3) For FY 2027-2028, 70% of the avails shall be deposited into the subfund.
- (4) For FY 2028-2029, 80% of the avails shall be deposited into the subfund.
- (5) For FY 2029-2030, 90% of the avails shall be deposited into the subfund.
- (6) For FY 2030-2031, 100% of the avails shall be deposited into the subfund.

Effective July 1, 2021, except that levy of new tax is effective July 1, 2025.

(Amends R.S. 47:321.1(D); Adds R.S. 47:331.1)