

2024 Third Extraordinary Session

HOUSE BILL NO. 21

BY REPRESENTATIVE BOURRIAQUE

TAX/SALES & USE: Requires the secretary of the Department of Revenue to annually estimate revenue derived from aviation fuel collections (Items #8 and 11)

1 AN ACT

2 To enact R.S. 47:306.6, relative to sales and use taxes; to require the secretary of the  
3 Department of Revenue to annually estimate state taxes collected on sales of aviation  
4 fuel; to require monies collected from the avails of aviation fuel taxes to be used for  
5 certain purposes; to provide for certain calculations; to require the secretaries of the  
6 Department of Revenue and the Department of Transportation and Development to  
7 enter into certain agreements; to require the Joint Legislative Committee on the  
8 Budget to review and approve certain agreements; to provide for reporting  
9 requirements and limitations; to provide for termination of certain requirements; to  
10 provide for an effective date; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:306.6 is hereby enacted to read as follows:

13 §306.6. Annual aviation fuel estimates; calculations; agreements with the  
14 Department of Transportation and Development; reporting requirements  
15 A.(1) Annual Estimates. The secretary of the Department of Revenue shall  
16 annually estimate the revenue to be derived from state taxes collected from  
17 purchases of aviation fuel. Monies collected from the avails of the taxes levied on  
18 aviation fuel shall be appropriated to the Department of Transportation and  
19 Development to be used solely for airport-related purposes.

1           (2) The calculation of "annual estimated revenue" shall be determined by  
2           using all of the following:

3           (a) Average price per gallon. The average price per gallon of aviation fuel  
4           shall be determined through a two-year agreement between the secretary of the  
5           Department of Revenue and the secretary of the Department of Transportation and  
6           Development. The average price per gallon shall be based on historical data, current  
7           market fuel prices, and trends provided by relevant reports, including reputable  
8           sources such as government agencies, industry associations, or market analysis firms.

9           (b) Gallons sold data source. The volume of aviation fuel sold in Louisiana  
10           shall be determined based on data provided by the Energy Information  
11           Administration or the Bureau of Transportation Statistics. In the event data from  
12           either of these two organizations is unavailable, the secretary of the Department of  
13           Revenue may utilize other reputable data sources, subject to approval by the Joint  
14           Legislative Committee on the Budget.

15           (c) Sales tax rate. The sales tax rate applied in calculating the annual  
16           estimated revenue shall be based on the current state sales tax rate in effect at the  
17           time of the estimate. If the state sales tax rate changes during the fiscal year, the  
18           annual estimated revenue shall be recalculated using the new sales tax rate.

19           (3) The secretary of the Department of Revenue shall submit the annual  
20           estimated revenue to be derived from state taxes collected from purchases of aviation  
21           fuel to the Revenue Estimating Conference within five calendar days of the annual  
22           estimate being completed by the secretary.

23           B. Reporting requirements. The secretary of the Department of Revenue  
24           shall submit an annual report to the Joint Legislative Committee on the Budget no  
25           later than March thirty-first of each year which contains the following information:

26           (1) The average price per gallon used in the calculation.

27           (2) The total gallons of aviation fuel sold in the state used in the calculation,  
28           as reported by the Energy Information Administration or the Bureau of  
29           Transportation Statistics.

1                   (3) The sales tax rate applied in the calculation.

2                   C. Legislative Oversight. All agreements between the secretary of the  
 3                   Department of Revenue and the secretary of the Department of Transportation and  
 4                   Development required pursuant to the provisions of this Section related to the  
 5                   calculation of the annual estimated revenue derived from sales of aviation fuel shall  
 6                   be reviewed and approved by the Joint Legislative Committee on the Budget prior  
 7                   to the agreement becoming binding between the parties.

8                   D. The provisions of this Section shall be terminated and have no effect on  
 9                   January 1, 2027.

10                  Section 2. This Act shall become effective upon signature by the governor or, if not  
 11 signed by the governor, upon expiration of the time for bills to become law without signature  
 12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 13 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 14 effective on the day following such approval.

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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)]

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HB 21 Original

2024 Third Extraordinary Session

Bourriaque

**Abstract:** Requires the secretary of the Dept. of Revenue to annually estimate the revenue derived from state taxes collected on aviation fuel and to enter into a two-year agreement with the secretary of the Dept. of Transportation and Development.

Proposed law requires the secretary of the Dept. of Revenue (DOR) to annually estimate the revenue derived from state taxes collected on sales of aviation fuel. Further requires the calculation of "annual estimated revenue" to be determined by using all of the following:

- (1) The average price per gallon of aviation fuel determined through a two-year agreement between the secretary of DOR and the secretary of the Dept. of Transportation and Development (DOTD). The average price per gallon shall be based on historical data, current market fuel prices, and trends provided by relevant reports, reputable sources, or market analysis firms.
- (2) The volume of aviation fuel sold in La. based on data provided by the Energy Information Administration or the Bureau of Transportation Statistics. If data from either of these two organizations is unavailable, the secretary of DOR may utilize other reputable data sources.

- (3) The sales tax rate based on the state sales tax rate in effect at the time of the estimate. If the state sales tax rate changes, the revenue estimate shall be recalculated using the new sales tax rate.

Proposed law requires the secretary of DOTD to submit the annual estimated revenue of state taxes derived from purchases of aviation fuel to the Revenue Estimating Conference within five calendar days of the annual estimate being completed by the secretary.

Proposed law requires secretary of DOR to annually submit a report to JLCB no later than March 31st of each year which contains the average price per gallon used in the revenue calculation, the total gallons of aviation fuel sold in La., and the sales tax rate applied in the calculation.

Proposed law requires JLCB to review and approve the following:

- (1) All agreements between the secretaries of DOR and DOTD related to the calculation of aviation fuel tax revenue prior to the agreement becoming binding between the parties.
- (2) Other reputable data sources the secretary of DOR may use when calculating the volume of aviation fuel sold in La. if data from the Energy Information Administration or the Bureau of Transportation Statistics is unavailable.

Proposed law requires monies collected from the avails of the taxes levied on aviation fuel to be used by DOTD solely for airport-related purposes.

Proposed law terminates on Jan. 1, 2027.

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

(Adds R.S. 47:306.6)