

Regular Session, 2013

HOUSE BILL NO. 463

BY REPRESENTATIVE BROSSETT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/LOCAL: Authorizes the establishment of automobile rental tax districts in certain parishes and dedicates the monies generated from the tax

1 AN ACT

2 To enact R.S. 47:551.1, relative to local taxes; to authorize certain parishes to establish an
3 automobile rental tax district which shall be authorized to levy a local tax on the
4 gross proceeds derived from the lease or rental of an automobile pursuant to an
5 automobile rental contract; to require approval of the electorate of the district; to
6 provide for the boundaries, governance, and powers of such districts; to provide for
7 the use of the avails of the tax; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:551.1 is hereby enacted to read as follows:

10 §551.1. Automobile rental tax district; certain parishes

11 A.(1) The governing authority of a parish having a population in excess of
12 one hundred thirty thousand persons according to the latest federal decennial census
13 may create, by ordinance, an automobile rental tax district, referred to in this Section
14 as a "district". A district shall be a political subdivision of the state as defined in the
15 Constitution of Louisiana.

16 (2) The boundaries of a district shall be coterminous with the boundaries of
17 the parish creating the district.

18 (3) The parish governing authority creating the district shall be the governing
19 authority of the district.

20 B.(1)(a) A district is authorized to levy an automobile rental tax not to
21 exceed three percent of the gross proceeds derived from the lease or rental of an

1 automobile pursuant to an automobile rental contract, less any sales and use tax
2 included in such contract. The tax shall be in addition to any tax, fee, or license
3 imposed directly or indirectly.

4 (b) The tax shall be levied only after the question of its levy has been
5 approved by a majority of the registered voters of the district who vote on the
6 proposition authorizing the tax at an election held for that purpose in accordance
7 with the Louisiana Election Code. The election on the question of the levy of the tax
8 shall be held at the same time as a regularly scheduled election in the parish creating
9 the district.

10 (c) The tax shall not apply to any automobile rented by an insurance
11 company as a replacement vehicle for a policyholder or by an automobile dealer as
12 a replacement vehicle while a customer's vehicle is being serviced or repaired, nor
13 shall the tax apply to any individual or business who rents a vehicle as a replacement
14 vehicle while his vehicle is being repaired if the individual presents to the renter
15 upon return of the rented vehicle a copy of the repair or service invoice.

16 (2) For purposes of this Section "automobile rental contract" means an
17 agreement for the rental, for a period of not more than twenty-nine calendar days, of
18 an automobile, without a driver, designed to carry fewer than nine passengers.
19 Rental agreements for a period of more than twenty-nine calendar days shall not be
20 subject to the tax unless the actual period of the rental agreement is not more than
21 twenty-nine days as a result of the exercise of a cancellation clause.

22 C.(1) The avails of the tax shall be distributed as follows:

23 (a) One-half of the total taxes collected shall be distributed to airports in the
24 parish.

25 (b) One-half of the total taxes collected shall be distributed to the governing
26 authority of the parish.

27 Section 2. This Act shall become effective upon signature by the governor or, if not
28 signed by the governor, upon expiration of the time for bills to become law without signature
29 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

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)]

Brossett

HB No. 463

Abstract: Authorizes the establishment of automobile rental tax districts in certain parishes and dedicates the monies generated from the tax.

Proposed law authorizes the creation of an automobile rental tax district in parishes having a population in excess of 130,000 persons as follows:

- (1) The boundaries of the district shall be coterminous with the boundaries of the parish creating the district.
- (2) The parish governing authority creating the district shall be the governing authority of the district.

Proposed law authorizes such a district to levy an automobile rental tax, not to exceed 3% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract.

Proposed law excludes the following transactions from any tax that may be imposed:

- (1) Automobiles rented by an insurance company as a replacement vehicle for a policyholder.
- (2) Automobiles rented by an automobile dealer as a replacement vehicle while a customer's vehicle is being repaired.
- (3) An automobile rental by an individual or business who rents a vehicle as a replacement vehicle while his vehicle is being repaired if the individual presents to the renter upon return of the rented vehicle a copy of the repair or service invoice.

Proposed law defines "automobile rental contract" to mean an agreement for the rental of an automobile, without a driver, designed to carry fewer than nine passengers. Rental agreements in excess of 29 days shall not be subject to the tax, unless the actual period of the rental agreement is less than 29 days as a result of the exercise of a cancellation clause.

Proposed law requires that the avails of the tax be distributed as follows:

- (1) 1/2 shall be distributed to airports in the parish.
- (2) 1/2 shall be distributed to the governing authority of the parish.

(Adds R.S. 47:551.1)