

Regular Session, 2014

HOUSE BILL NO. 778

BY REPRESENTATIVE ST. GERMAIN

FUNDS/FUNDING: Changes restrictions on the deposit of sales tax revenues related to motor vehicles into the Transportation Trust Fund and Transportation Mobility Fund

1 AN ACT

2 To amend and reenact R.S. 48:77(A) and to repeal R.S. 48:77(C), relative to the dedication
3 of certain monies for transportation purposes; to remove the authority to reduce
4 deposits into the Transportation Trust Fund and the Transportation Mobility Fund
5 in certain circumstances; to change the amounts to be deposited into such funds; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 48:77(A) is hereby amended and reenacted to read as follows:

9 §77. Transportation Trust Fund; dedication and uses of certain monies for
10 transportation purposes

11 A. Beginning July 1, ~~2008~~, 2014, from the avails of the taxes imposed by
12 Chapters 2, 2-A, and 2-B of Subtitle II of Title 47 of the Louisiana Revised Statutes
13 of 1950 from the sale, use, lease or rental, the distribution, the consumption, and the
14 storage for use or consumption of motor vehicles which are taxable pursuant to said
15 Chapters 2, 2-A, and 2-B, and after satisfying the requirements of Article VII,
16 Section 9(B) of the Constitution of Louisiana relative to the Bond Security and
17 Redemption Fund, the treasurer shall deposit the following amounts as provided in
18 Subsection B of this Section:

19 (1) For Fiscal Year ~~2008-2009~~, 2014-2015, ten percent of such avails.

20 (2) For Fiscal Year ~~2009-2010~~, 2015-2016, twenty percent of such avails.

- 1 (3) For Fiscal Year ~~2010-2011~~, 2016-2017, thirty percent of such avails.
- 2 (4) For Fiscal Year ~~2011-2012~~, 2017-2018, fifty percent of such avails.
- 3 (5) ~~For Fiscal Year 2012-2013, seventy-five percent of such avails.~~
- 4 (6) ~~For Fiscal Year 2013-2014, eighty-five percent of such avails.~~
- 5 (7) For Fiscal Year ~~2014-2015~~ 2018-2019 and thereafter, all of ~~the~~
- 6 ~~collections~~ such avails.

* * *

8 Section 2. R.S. 48:77(C) is hereby repealed in its entirety.

9 Section 3. This Act shall become effective on July 1, 2014; if vetoed by the governor

10 and subsequently approved by the legislature, this Act shall become effective on July 1,

11 2014, or on the day following such approval by the legislature, whichever is later.

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)]

St. Germain HB No. 778

Abstract: Changes the phase-in of deposits of motor vehicle sales taxes into the Transportation Trust Fund (TTF) and Transportation Mobility Fund (TMF) to provide a five-year phase-in beginning July 1, 2014. Repeals the "trigger language" restricting the deposit of motor vehicles sales taxes into the TTF and TMF in the event of a projected deficit.

Present law phases in deposits of the tax on the sale, use, lease or rental, the distribution, consumption, and the storage of motor vehicles into the TTF and the TMF beginning July 1, 2008. For Fiscal Year (FY) 2014-2015, 100% of the avails are to be deposited into the TTF (93%) and TMF (7%).

Present law directs the treasurer to reduce such deposits if a deficit for the current fiscal year is projected due to a decrease in the official forecast of the Revenue Estimating Conference (REC). Deposits are to be reduced by the amount of the projected deficit less the amount which is authorized to be appropriated from the Budget Stabilization Fund as provided for present constitution. Deposits to the fund shall be reduced until such time as the REC's official forecast equals or exceeds the official forecast in effect prior to the projected deficit, at which time deposits shall resume as provided in present law. Further, any reduction in deposits for any fiscal year shall be made on a pro rata basis for all purposes.

Proposed law repeals present law directing the treasurer to reduce such deposits in the event of a projected deficit.

Proposed law changes the present law from a seven year phase-in in FY 2009 to a five year phase-in beginning in FY 2015 as follows:

<u>Fiscal Year</u>	<u>Tax avails deposited</u>
2014-15	10%
2015-16	20%
2016-17	30%
2017-18	50%
2018-19 and thereafter	100%

Effective July 1, 2014.

(Amends R.S. 48:77(A); Repeals R.S. 48:77(C))