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## DIGEST

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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))