Regular Session, 2014

HOUSE BILL NO. 585

BY REPRESENTATIVES STOKES, ADAMS, BILLIOT, LORUSSO, TALBOT, AND
WILLMOTT AND SENATORS MARTINY AND PETERSON

TAX/LOCAL: Authorizes Jefferson Parish to create an automobile rental tax district

1	AN ACT
2	To enact R.S. 47:551.1, relative to special districts; to authorize the establishment of an
3	automobile rental tax district in Jefferson Parish; to provide for the boundaries,
4	governance, and powers of the district; to authorize the levy of a tax on the lease or
5	rental of certain automobiles under certain circumstances; to provide for the use of
6	the avails of the tax; to provide for an effective date; and to provide for related
7	matters.
8	Notice of intention to introduce this Act has been published
9	as provided by Article III, Section 13 of the Constitution of
10	Louisiana.
11	Be it enacted by the Legislature of Louisiana:
12	Section 1. R.S. 47:551.1 is hereby enacted to read as follows:
13	§551.1. Automobile rental tax district; Jefferson Parish
14	A.(1) The governing authority of Jefferson Parish may create, by ordinance,
15	an automobile rental tax district, referred to in this Section as the "district". The
16	district shall be a political subdivision of the state as defined in the Constitution of
17	Louisiana.
18	(2) The boundaries of the district shall be coterminous with the boundaries
19	of the parish.

1   (3) The parish governing authority shall be the governing authority of the

2   district.

3   B.(1)(a) The district is authorized to levy an automobile rental tax, not to

4   exceed one-half percent of the gross proceeds derived from the lease or rental of an

5   automobile pursuant to an automobile rental contract, less any sales and use tax

6   included in such contract. The tax shall be in addition to any tax, fee, or license

7   imposed directly or indirectly.

8   (b) The tax shall be levied only after the question of its levy has been

9   approved by a majority of the registered voters of the district who vote on the

10   proposition authorizing the tax at an election held for that purpose in accordance

11   with the Louisiana Election Code. The election on the question of the levy of the tax

12   shall be held at the same time as a regularly scheduled election in Jefferson Parish.

13   (c) The tax shall not apply to any automobile rented by an insurance

14   company as a replacement vehicle for a policyholder or by an automobile dealer as

15   a replacement vehicle while a customer's vehicle is being serviced or repaired, nor

16   shall the tax apply to any individual or business who rents a vehicle as a replacement

17   vehicle while a vehicle is being repaired if the individual presents to the renter, upon

18   return of the rented vehicle, a copy of the repair or service invoice.

19   (2) For purposes of this Section "automobile rental contract" means all

20   agreements for the rental, for a period of not more than twenty-nine calendar days

21   of an automobile, without a driver, designed to carry fewer than nine passengers.

22   Rental agreements for a period of more than twenty-nine calendar days are not

23   subject to the tax unless the actual period of the rental agreement is less than twenty-

24   nine days as a result of the exercise of a cancellation clause.

25   C. The avails of the taxes collected shall be distributed as follows:

26   (1) One-third of the revenue shall be distributed to the city of Kenner and

27   used by Kenner for arts and recreation.

28   (2) Two-thirds of the revenue shall be distributed as follows:

29   (a) Four-twelfths to the Westwego Performing Arts Center.

1   (b) Three-twelfths to the Jefferson Performing Arts Society for programs on

2   the east and west banks.

3   (c) Two-twelfths to the Gretna Cultural Center for the Arts.

4   (d) All remaining monies shall be deposited into a dedicated funding account

5   and used exclusively for the operation, administration, and maintenance of cultural

6   facilities in unincorporated areas of Jefferson Parish.

7   D. The parish governing authority shall prescribe in the ordinance creating

8   the district any other purposes of the district. The parish and the district may enter

9   into a cooperative endeavor agreement providing for cooperative efforts to exercise

10   any authorized governmental function of the parish.

11   Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor

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

13 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)]

Stokes   HB No. 585

Abstract: Authorizes Jefferson Parish to create an automobile rental tax district.

Present law (R.S. 47:551) levies, for the period from Aug. 1, 1990, through June 30, 2012, a state tax of 2-1/2% and a "local" tax of ½% on the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract less any sales and use tax included in such contract.

Present 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.

Present law defines "automobile rental contract" to mean an agreement for the rental of an automobile without a driver, designated to carry fewer than nine passengers, for a rental period of not more than 29 calendar days. Provides that 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.

Present law provides that tax is payable to the secretary of the Dept. of Revenue. Requires that the tax be collected and enforced pursuant to the provisions of present law (Chapter 2 of Subtitle II of Title 47 of the La. Revised Statutes of 1950) insofar as the provisions are not in conflict with present law (R.S. 47:551).

Present law requires that the local tax be remitted to the secretary of the Dept. of Revenue who collects the tax as an agent of the local government. Authorizes the secretary to assess a collection fee, not to exceed ½% of the proceeds of the tax, as reimbursement for the actual cost of collection.

Present law requires the secretary to distribute monthly the proceeds of the tax to the central local sales and use tax collector or, if none, the parish governing authority. Requires the central local sales and use tax collector or governing authority to distribute at no charge the tax proceeds received from the secretary to each political subdivision in the parish which levies a sales and use tax. Provides that the distribution shall be in accordance with each political subdivision's pro rata share of local sales and use tax receipts collected to the total of all such taxes collected within the parish.

Present law provides that the local tax collected in Jefferson Parish shall be distributed as follows:

(1)   1/3 to the city of Kenner for arts and recreation.

(2)   2/3 to the Jefferson Performing Arts Society for programs on the east and west banks and 1/3 of that amount shall be distributed to the Westwego Performing Arts Center.

Proposed law retains present law and additionally authorizes the governing authority of Jefferson Parish to create, by ordinance, an automobile rental tax district as a political subdivision of the state. Provides that the boundaries of the district shall be coterminous with the boundaries of the parish. Provides that the parish governing authority shall be the governing authority of the district.

Proposed law authorizes the district, subject to voter approval, to levy an automobile rental tax, not to exceed ½% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract. Requires that the election on the question of the levy of the tax be held at the same time as a regularly scheduled election in the parish.

Proposed law excludes the same transactions as present law (R.S. 47:551) from any tax that may be imposed. Defines "automobile rental contract" to mean the same as defined in present law (R.S. 47:551). Provides that 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 taxes be distributed as follows:

(1)   1/3 to the city of Kenner for arts and recreation.

(2)   2/3 to be distributed as follows:

        (a)   4/12 to the Westwego Performing Arts Center.

        (b)   3/12 to the Jefferson Performing Arts Society for programs on the east and west banks.

(c)   2/12 to the Gretna Cultural Center for the Arts.

(d)   All remaining monies shall be deposited into a dedicated funding account and used exclusively for the operation, administration, and maintenance of cultural facilities in unincorporated areas of Jefferson Parish.

Effective July 1, 2014.

(Adds R.S. 47:551.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill.

1.   Changes the maximum automobile rental tax from 3% to ½%.