

2015 Regular Session

HOUSE BILL NO. 80

BY REPRESENTATIVE CARMODY

FUNDS/FUNDING: Creates the Better Highways and Higher Education Fund and dedicates a certain portion of state sales and use taxes from out-of-state vendors into the fund

1 AN ACT

2 To enact Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to

3 be comprised of R.S. 47:339, relative to state sales and use tax; to provide for a

4 dedication of certain state sales and use tax collections to the Better Highways and

5 Higher Education Fund; to establish the Better Highways and Higher Education Fund

6 as a special fund in the state treasury; to provide for disposition, appropriation, and

7 use of monies in the fund; to provide for an effective date; and to provide for related

8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes  
11 of 1950, comprised of R.S. 47:339, is hereby enacted to read as follows:

12 CHAPTER 2-E. BETTER HIGHWAYS AND HIGHER EDUCATION FUND

13 §339. Dedication of increased sales tax collections from Internet and mail order  
14 sales; Better Highways and Higher Education Fund

15 A.(1) The secretary of the Department of Revenue shall provide written  
16 notification to the commissioner of administration and to the chairs of the House  
17 Committee on Appropriations and the Senate Committee on Finance of the effective  
18 date of any federal law which the secretary determines will directly or indirectly

1 cause or require vendors located out-of-state to collect and remit Louisiana state  
2 sales and use tax on Internet, mail order, or other sales into the state.

3 (2) Of the proceeds of state sales and use taxes collected during each fiscal  
4 year after the effective date of the federal law, the secretary and the Louisiana  
5 Legislative Auditor shall agree on a reasonable estimate of the amount of the  
6 proceeds remitted by vendors located out-of-state as a direct or indirect result of the  
7 federal law. An "indirect result of the federal law" includes those remittances which  
8 may have begun to be collected in months prior to the effective date of the federal  
9 law, but which the secretary and legislative auditor determine would not have been  
10 collected but for the imminent passage of the law.

11 B.(1) The estimated amount of state sales and use taxes collected from  
12 vendors located out-of-state on Internet, mail order, or other sales into the state  
13 because of a federal law as provided for in Subsection A of this Section shall be  
14 deposited upon receipt in the state treasury.

15 (2) After compliance with the requirements of Article VII, Section 9(B) of  
16 the Constitution of Louisiana relative to the Bond Security and Redemption Fund  
17 and prior to any money being placed into the general fund or any other fund, an  
18 amount equal to that deposited as required by Paragraph (1) of this Subsection shall  
19 be credited by the treasurer to a special fund hereby created in the state treasury to  
20 be known as the Better Highways and Higher Education Fund. Monies in the fund  
21 shall be appropriated by the legislature to be used solely as provided for in  
22 Subsection C of this Section.

23 (3) The monies in the fund shall be invested by the treasurer in the same  
24 manner as money in the state general fund and interest earned on the investment of  
25 the money shall be credited to the fund after compliance with the requirements of  
26 Article VII, Section 9(B) relative to the Bond Security and Redemption Fund. All  
27 unexpended and unencumbered monies in the fund at the end of the year shall remain  
28 in the fund.

1           C. Monies in the Better Highways and Higher Education Fund shall be  
2           appropriated by the legislature each fiscal year to be used solely as follows:

3           (1) Fifty percent shall be appropriated to the Transportation Trust Fund to  
4           be expended solely and exclusively for the costs of construction or maintenance of  
5           projects in the Highway Priority Program.

6           (2) Fifty percent shall be appropriated to the Board of Supervisors for the  
7           University of Louisiana System, the Board of Supervisors of Louisiana State  
8           University and Agricultural and Mechanical College, the Board of Supervisors of  
9           Southern University and Agricultural and Mechanical College, the Board of  
10          Supervisors of Community and Technical Colleges, their respective institutions, the  
11          Louisiana Universities Marine Consortium, and the Office of Student Financial  
12          Assistance in the amounts and for the purposes as specified in a plan and formula for  
13          the distribution of these funds as approved by the Board of Regents pursuant to  
14          Article VIII, Section 5(D)(4) of the Constitution of Louisiana.

15          Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor  
16          and subsequently approved by the legislature, this Act shall become effective on July 1,  
17          2015, 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)]

HB 80 Original

2015 Regular Session

Carmody

**Abstract:** Dedicates a certain portion of state sales tax revenues collected from out-of-state vendors on Internet and mail order sales into the Better Highways and Higher Education Fund and dedicates the monies in the fund to the Transportation Trust Fund and to public postsecondary institutions.

Proposed law requires the secretary of the Dept. of Revenue to notify the commissioner of administration and the chairs of the House Appropriations and Senate Finance Committees of any change in federal law which would require out-of-state vendors to collect and remit state sales tax on their Internet, mail order, or other sales to the state. Requires the secretary and the La. Legislative Auditor to agree on a reasonable estimate of the amount of the state sales tax proceeds collected each fiscal year as a "direct or indirect" result of the enactment of the federal law.

Proposed law requires the estimated amount to be credited to a special fund created in the state treasury to be known as the Better Highways and Higher Education Fund. Monies in

the fund are required to be appropriated by the legislature each fiscal year to be used solely as follows:

- (1) 50% to the Transportation Trust Fund for the costs of construction or maintenance of projects in the Highway Priority Program.
- (2) 50% to the higher education management boards, their respective institutions, LUMCON, and the Office of Student Financial Assistance in amounts and for purposes specified in a plan and formula for the distribution of these funds as approved by the Board of Regents pursuant to present constitution.

Proposed law requires monies in the fund to be invested by the treasurer in the same manner as money in the state general fund and interest earned on the investment of monies must be credited to the fund. All unexpended and unencumbered money in the fund at the end of the year must remain in the fund.

Effective July 1, 2015.

(Adds R.S. 47:339)