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## DIGEST

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HB 39 Original

2016 First Extraordinary Session

Stokes

**Abstract:** Levies a state tax of 2.5% and a local tax of .5% of the gross proceeds on the rental of automobiles.

Proposed law levies a 2.5% state and .5% local automobile rental tax on the proceeds derived from an automobile rental contract. The tax is in addition to any other tax, fee, or license.

Proposed law prohibits the tax being levied on the following:

- (1) Rentals by an insurance company as a replacement vehicle for a policyholder.
- (2) Rentals by an automobile dealer while a customer's vehicle is being serviced or repaired.
- (3) Rentals by an individual while the individual's vehicle is being serviced or repaired.

Proposed law requires the tax collected to be remitted to the secretary of the Dept. of Revenue (DOR). Further requires the secretary of DOR to distribute local sales tax collected and remitted to the corresponding local sales tax collector or governing authority.

Proposed law requires the local tax collected in Jefferson Parish to be distributed as follows:

- (1) One-third to the city of Kenner for arts and recreation.
- (2) Two-thirds to the Jefferson Performing Arts Society for programs on the east and west bank, with one-third of that amount distributed to the Westwego Performing Arts Center.

Proposed law requires the local tax collected in Orleans Parish to be distributed for road repairs and beautification projects.

Effective April 1, 2016.

(Amends R.S. 47:551)