
DIGEST

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Brossett

HB No. 476

Abstract: Authorizes the levy of a 3% state sales tax on automobile rental contracts and dedicates the revenues to the Airport Construction and Development Priority Program.

Proposed law authorizes the levy of a 3% sales tax indefinitely 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. The tax shall be in addition to any tax, fee, or license imposed directly or indirectly. The tax shall not apply to any automobile rented by an insurance company as a replacement vehicle for a policyholder or by an automobile dealer as a replacement vehicle while a customer's vehicle is being serviced or repaired, nor shall the tax apply to any 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.

Proposed law provides that the tax shall be payable to the secretary of the Dept. of Revenue. The tax shall be collected and payment enforced pursuant to the provisions of present law. The secretary is authorized to promulgate rules and regulations necessary for the proper administration and enforcement of proposed law.

Proposed law provides that "automobile rental contract" shall mean all agreements for the rental of an automobile without a driver designated to carry less than nine for a period of not more than 29 calendar days. Rental agreements for a period of more than 29 calendar 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 provides that the tax shall be dedicated and used in accordance with the Airport Construction and Development Priority Program pursuant to present law.

(Adds R.S. 47:552)