

# **CAPITAL PROJECT FUNDS**

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**ROAD AND STREET IMPROVEMENT FUND  
GENERAL SALES AND USE TAX**

| REVENUE TYPE | FUND . . OBJECT        |
|--------------|------------------------|
| Taxes        | 338 . . 339 . . 413000 |

**LEGAL AUTHORIZATION**

| FEDERAL | STATE   | LOCAL   |
|---------|---|---|
| N/A     | Louisiana Constitution, 1974<br>Article 6, §29 (A)<br>Article 6, §29 (B)<br>Louisiana Revised Statutes<br>33:2711<br>33:2741<br>47:303 B (3) (b)<br>33:2721.6 | Resolutions<br>37828, 5/28/97<br>41217, 8/22/01<br>44190, 6/8/05<br>Ordinances<br>10127, 12/14/94<br>10904, 5/28/97<br>12303, 4/24/02 |

**INTERPRETATION OF LEGAL AUTHORIZATION:**

**Federal:** N/A

**State:** **Article 6, Section 29 (A)** of the Louisiana Constitution of 1974 authorizes the governing authority of any local governmental subdivision or school board to levy and collect a sales and use tax. **Section 29 (B)** provides that the legislature may authorize the imposition of additional sales and use taxes by local governmental subdivisions or school boards if approved by a majority of the electors voting thereon in an election held for that purpose. **L.R.S. 33:2711** authorizes any incorporated municipality of the state to levy and collect a sales and use tax, and **L.R.S. 33:2741** authorizes the governing body of the parish to levy and collect a sales and use tax in the parish but outside of any incorporated municipality. **L.R.S. 47:303 B (3) (b)** authorizes the Vehicle Commissioner to collect the sales and use tax on vehicles on behalf of the parish or city. **L.R.S. 33:2721.6** states that the combined rate of all sales and use taxes, exclusive of state sales and use taxes levied and collected within any parish or municipality shall not exceed 5%.

**Local:** **Resolution 37828** dated May 28, 1997, amended the 1997 current expense budget so as to create a new capital projects fund and adopt a budget for this new fund for 1997. **Ordinance 10904** of May 28, 1997, amends **Ordinance 10127** of December 14, 1994 (General Sales and Use Tax Ordinance), and re-levies the ½ of 1% road tax for the period July 1, 1997, through June 30, 2002, to be used 60% for new road construction and intersection improvements, and 40% to continue the previously-existing program of road repairs. **Resolution 41217** of August 22, 2001, called for a special election for the purpose of authorizing the continuation of the existing one-half of one percent sales and use tax, for a period of five and one-half years, commencing on July 1, 2002, to and including December 31, 2007, for the purpose of providing funds to continue the road rehabilitation program, and to provide funds for the construction of new public roads and streets in the Parish of East Baton Rouge. The renewal was approved by the voters in the election held on November 17, 2001. **Ordinance 12303** of April 24, 2002, amends **Ordinance 10127** of December 14, 1994 (General Sales and Use Tax Ordinance), and re-levies the ½ of 1% road tax for five and one-half years beginning July 1, 2002, relative to the repair, improvements, and construction of public roads and streets. **Resolution 44190** of June 8, 2005, called for a special election in which voters approved the ½ of 1% road tax for an additional 23 years to be used 70% for road construction, 27% to continue the program of road repairs, and 3% for road beautification projects.

**COLLECTION AND TRANSMITTAL OF FUNDS:**

**Collector:** This tax is paid by the ultimate purchaser or consumer to the dealer from whom he or she purchases or leases the property or service or, in the case of motor vehicles, to the Vehicle Commissioner of the State of Louisiana.

**Transmittal:** Every dealer must remit, by the 20th of each month, the tax arising from sales made during the preceding month.

**Comments:** Collection of this tax for road construction did not begin until July 1, 1997, as authorized by Ordinance 10904. With the renewal on the new five and one-half year tax a new fund number (Fund 339) was created for accounting purposes.

For further details regarding sales and use taxes, see the "General Sales and Use Tax" item in the General Fund section of this book.

### **DISTRIBUTION OF PROCEEDS:**

Taxes collected within each jurisdiction are remitted directly to the jurisdiction for expenditure.

### **PAYOR OF TAX:**

This tax is collectible from **all persons engaged as dealers in the sale at retail, the use, consumption, distribution, and storage of tangible property and the sale of services; those dealers in turn collect from the purchaser or consumer.**

### **COMPUTATION OF FEE:**

The amount of sales and use tax dedicated to streets and roads is **½ of 1% of the retail sales price or of the cost price or of the sale of services**, excluding food for home consumption, prescription drugs, and medical devices, with 40% of these proceeds continuing the overlay program and 60% of the proceeds being used for new roadway construction and intersection improvements. Beginning in 2006 the funds will be used as follows; 70% for road construction, 27% to continue the program of road repairs, and 3% for road beautification projects.

### **REFUND PROCEDURE, RESTRICTIONS, AND RATE LIMITATIONS:**

In the event that purchases are returned to the dealer by the purchaser or consumer after the tax has been remitted to the collector, the dealer is entitled to reimbursement of the amount of tax so collected. If the tax has not yet been remitted by the dealer, the dealer may deduct the same in submitting the return. When the dealer has already remitted the tax, the dealer may submit a sworn statement as to the gross amount of such refunds, and the Finance Director will issue, to the dealer, an official credit memorandum to be applied to subsequent taxes. For further details, see the "General Sales and Use Tax" item in the General Fund Section of this book.

This ½ of 1% sales and use tax may be used only for the repair of streets and roads, construction of new roadways, beautification of roadways, and intersection improvements including necessary engineering services.

This dedicated Parish Street Maintenance and Road and Street Improvement tax is set at the ½ of 1% authorized by the voters. L.R.S. 33:2721.6 provided that the rate of all sales and use taxes levied within any parish or municipality, exclusive of state sales and use taxes, may not exceed 5%.

## MONTHLY COLLECTIONS WITH CUMULATIVE PERCENTAGES FOR THE LAST FOUR YEARS:

| GENERAL SALES AND USE TAX |            |         |            | ACCOUNT NUMBER 338 .. 339 .. 413000 |            |         |            |         |
|---------------------------|------------|---------|------------|-------------------------------------|------------|---------|------------|---------|
| MONTH                     | 2002       |         | 2003       |                                     | 2004       |         | 2005       |         |
|                           | AMOUNT     | %       | AMOUNT     | %                                   | AMOUNT     | %       | AMOUNT     | %       |
| January                   | 1,121,173  | 7.47%   | 1,196,396  | 7.75%                               | 1,177,934  | 7.48%   | 1,243,654  | 6.78%   |
| February                  | 1,176,208  | 15.30%  | 1,172,854  | 15.34%                              | 1,182,761  | 15.00%  | 1,268,304  | 13.70%  |
| March                     | 1,258,143  | 23.68%  | 1,307,466  | 23.80%                              | 1,346,758  | 23.56%  | 1,467,200  | 21.71%  |
| April                     | 1,232,581  | 31.88%  | 1,249,367  | 31.89%                              | 1,280,628  | 31.70%  | 1,380,829  | 29.24%  |
| May                       | 1,260,005  | 40.27%  | 1,338,457  | 40.56%                              | 1,260,673  | 39.71%  | 1,400,215  | 36.88%  |
| June                      | 1,252,947  | 48.62%  | 1,313,656  | 49.06%                              | 1,351,960  | 48.30%  | 1,441,626  | 44.74%  |
| July                      | 1,203,883  | 56.63%  | 1,227,603  | 57.01%                              | 1,257,632  | 56.29%  | 1,326,941  | 51.98%  |
| August                    | 1,229,140  | 64.82%  | 1,230,776  | 64.98%                              | 1,329,403  | 64.73%  | 1,334,939  | 59.26%  |
| September                 | 1,188,238  | 72.73%  | 1,327,058  | 73.57%                              | 1,246,515  | 72.66%  | 1,772,891  | 68.93%  |
| October                   | 1,267,283  | 81.17%  | 1,257,460  | 81.71%                              | 1,280,583  | 80.79%  | 1,834,788  | 78.94%  |
| November                  | 1,264,975  | 89.59%  | 1,221,715  | 89.62%                              | 1,282,011  | 88.94%  | 1,720,304  | 88.33%  |
| December                  | 1,563,289  | 100.00% | 1,603,670  | 100.00%                             | 1,740,827  | 100.00% | 2,140,220  | 100.00% |
| TOTAL% Chg                | 15,017,865 | 3.46%   | 15,446,478 | 2.85%                               | 15,737,685 | 1.89%   | 18,331,911 | 16.48%  |

| VEHICLE SALES AND USE TAX |           |         |           | ACCOUNT NUMBER 338 .. 339 .. 413000 |           |         |           |         |
|---------------------------|-----------|---------|-----------|-------------------------------------|-----------|---------|-----------|---------|
| MONTH                     | 2002      |         | 2003      |                                     | 2004      |         | 2005      |         |
|                           | AMOUNT    | %       | AMOUNT    | %                                   | AMOUNT    | %       | AMOUNT    | %       |
| January                   | 174,377   | 9.07%   | 188,754   | 9.81%                               | 153,034   | 8.40%   | 155,990   | 7.87%   |
| February                  | 141,819   | 16.44%  | 139,870   | 17.08%                              | 126,347   | 15.34%  | 136,731   | 14.77%  |
| March                     | 156,158   | 24.56%  | 150,549   | 24.90%                              | 151,878   | 23.68%  | 160,298   | 22.86%  |
| April                     | 167,839   | 33.29%  | 158,159   | 33.12%                              | 161,093   | 32.53%  | 144,173   | 30.13%  |
| May                       | 183,583   | 42.83%  | 172,309   | 42.08%                              | 142,987   | 40.38%  | 154,552   | 37.93%  |
| June                      | 156,537   | 50.97%  | 161,908   | 50.49%                              | 164,320   | 49.40%  | 165,602   | 46.29%  |
| July                      | 162,551   | 59.42%  | 173,211   | 59.49%                              | 158,840   | 58.12%  | 169,067   | 54.82%  |
| August                    | 179,243   | 68.74%  | 170,772   | 68.37%                              | 170,356   | 67.48%  | 152,899   | 62.53%  |
| September                 | 170,398   | 77.60%  | 170,951   | 77.25%                              | 153,184   | 75.89%  | 156,481   | 70.43%  |
| October                   | 167,072   | 86.29%  | 174,542   | 86.32%                              | 139,743   | 83.56%  | 181,622   | 79.59%  |
| November                  | 132,964   | 93.20%  | 123,854   | 92.76%                              | 142,288   | 91.38%  | 195,735   | 89.47%  |
| December                  | 130,733   | 100.00% | 139,274   | 100.00%                             | 157,033   | 100.00% | 208,685   | 100.00% |
| TOTAL% Chg                | 1,923,274 | 1.74%   | 1,924,153 | 0.05%                               | 1,821,103 | -5.36%  | 1,981,835 | 8.83%   |

When this tax was renewed for an additional five and one-half years, beginning July 1, 2002, a new fund number (Fund 339) was created to account for monies collected under the renewal.

| REVENUE SUMMARY - ROAD AND STREET IMPROVEMENT FUND |            |         |            |         |            | FUND 338 & 339 |            |         |   |   |   |   |
|--|------------|---------|------------|---------|------------|----------------|------------|---------|---|---|---|---|
| REVENUE TYPE                                       | 2002       |         | 2003       |         | 2004       |                | 2005       |         | % | % | % | % |
|  | AMOUNT     | %       | AMOUNT     | %       | AMOUNT     | %              | AMOUNT     | %       |   |   |   |   |
| REVENUES:  |            |         |            |         |            |                |            |         |   |   |   |   |
| Taxes:   |            |         |            |         |            |                |            |         |   |   |   |   |
| City-Parish  |            |         |            |         |            |                |            |         |   |   |   |   |
| Sales & Use Taxes                                  | 15,017,865 | 82.64%  | 15,446,478 | 84.38%  | 15,737,685 | 84.72%         | 18,331,911 | 82.61%  |   |   |   |   |
| Vehicle Tax  | 1,923,274  | 10.58%  | 1,924,153  | 10.51%  | 1,821,103  | 9.80%          | 1,981,835  | 8.93%   |   |   |   |   |
| Total Sales & Use and Vehicle Taxes                | 16,941,139 | 93.23%  | 17,370,631 | 94.89%  | 17,558,788 | 94.52%         | 20,313,746 | 91.54%  |   |   |   |   |
| Audit Collections                                  | 138,467    | 0.76%   | 152,164    | 0.83%   | 159,348    | 0.86%          | 114,211    | 0.51%   |   |   |   |   |
| Int. & Penalties - Delinquent Taxes                |            |         |            |         |            |                |            |         |   |   |   |   |
| City-Parish  | 132,010    | 0.73%   | 143,175    | 0.78%   | 152,529    | 0.82%          | 156,580    | 0.71%   |   |   |   |   |
| Total Taxes  | 17,211,616 | 94.72%  | 17,665,970 | 96.50%  | 17,870,665 | 96.20%         | 20,584,537 | 92.76%  |   |   |   |   |
| Miscellaneous Revenues:                            |            |         |            |         |            |                |            |         |   |   |   |   |
| Interest Earnings                                  | 889,662    | 4.90%   | 640,703    | 3.50%   | 705,322    | 3.80%          | 1,606,271  | 7.24%   |   |   |   |   |
| Contributions from Private Business                | 70,428     | 0.39%   | 0          | 0.00%   | 0          | 0.00%          | 0          | 0.00%   |   |   |   |   |
| Total Miscellaneous Revenues                       | 960,090    | 5.28%   | 640,703    | 3.50%   | 705,322    | 3.80%          | 1,606,271  | 7.24%   |   |   |   |   |
| TOTAL REVENUES AND                                 |            |         |            |         |            |                |            |         |   |   |   |   |
| OTHER FINANCING SOURCES                            | 18,171,706 | 100.00% | 18,306,673 | 100.00% | 18,575,987 | 100.00%        | 22,190,808 | 100.00% |   |   |   |   |
| % Change   |            | -0.42%  |            | 0.74%   |            | 1.47%          |            | 19.46%  |   |   |   |   |