

# **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 Article 6, §29 (A) Article 6, §29 (B) Louisiana Revised Statutes 33:2711 33:2741 47:303 B (3) (b) 33:2721.6	Resolutions 37828, 5/28/97 41217, 8/22/01 44190, 6/8/05 Ordinances 10127, 12/14/94 10904, 5/28/97 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	2003		2004		2005		2006	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
January	1,196,396	7.75%	1,177,934	7.48%	1,243,654	6.78%	1,762,486	7.65%
February	1,172,854	15.34%	1,182,761	15.00%	1,268,304	13.70%	1,794,750	15.44%
March	1,307,466	23.80%	1,346,758	23.56%	1,467,200	21.71%	2,134,592	24.71%
April	1,249,367	31.89%	1,280,628	31.70%	1,380,829	29.24%	1,845,380	32.72%
May	1,338,457	40.56%	1,260,673	39.71%	1,400,215	36.88%	1,904,270	40.99%
June	1,313,656	49.06%	1,351,960	48.30%	1,441,626	44.74%	1,980,040	49.58%
July	1,227,603	57.01%	1,257,632	56.29%	1,326,941	51.98%	1,773,384	57.28%
August	1,230,776	64.98%	1,329,403	64.73%	1,334,939	59.26%	1,923,232	65.63%
September	1,327,058	73.57%	1,246,515	72.66%	1,772,891	68.93%	1,848,195	73.65%
October	1,257,460	81.71%	1,280,583	80.79%	1,834,788	78.94%	1,876,085	81.80%
November	1,221,715	89.62%	1,282,011	88.94%	1,720,304	88.33%	1,866,155	89.90%
December	1,603,670	100.00%	1,740,827	100.00%	2,140,220	100.00%	2,326,323	100.00%
TOTAL% Chg	15,446,478	2.85%	15,737,685	1.89%	18,331,911	16.48%	23,034,892	25.65%

VEHICLE SALES AND USE TAX			ACCOUNT NUMBER 338 .. 339 .. 413000					
MONTH	2003		2004		2005		2006	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
January	188,754	9.81%	153,034	8.40%	155,990	7.87%	214,797	8.37%
February	139,870	17.08%	126,347	15.34%	136,731	14.77%	188,430	15.72%
March	150,549	24.90%	151,878	23.68%	160,298	22.86%	251,911	25.53%
April	158,159	33.12%	161,093	32.53%	144,173	30.13%	190,362	32.95%
May	172,309	42.08%	142,987	40.38%	154,552	37.93%	221,437	41.58%
June	161,908	50.49%	164,320	49.40%	165,602	46.29%	228,957	50.51%
July	173,211	59.49%	158,840	58.12%	169,067	54.82%	209,390	58.67%
August	170,772	68.37%	170,356	67.48%	152,899	62.53%	250,665	68.44%
September	170,951	77.25%	153,184	75.89%	156,481	70.43%	225,649	77.23%
October	174,542	86.32%	139,743	83.56%	181,622	79.59%	214,693	85.60%
November	123,854	92.76%	142,288	91.38%	195,735	89.47%	177,106	92.50%
December	139,274	100.00%	157,033	100.00%	208,685	100.00%	192,412	100.00%
TOTAL% Chg	1,924,153	0.05%	1,821,103	-5.36%	1,981,835	8.83%	2,565,809	29.47%

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	2003		2004		2005		2006
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT
REVENUES:							
Taxes:							
City-Parish							
Sales & Use Taxes	15,446,478	84.38%	15,737,685	84.72%	18,331,911	82.61%	23,034,892
Vehicle Tax	1,924,153	10.51%	1,821,103	9.80%	1,981,835	8.93%	2,565,809
Total Sales & Use and Vehicle Taxes	17,370,631	94.89%	17,558,788	94.52%	20,313,746	91.54%	25,600,701
Audit Collections	152,164	0.83%	159,348	0.86%	114,211	0.51%	357,080
Debt Service Fund Revenues:							
2006A \$92.7M Road & Street Impro.	0	0.00%	0	0.00%	0	0.00%	(2,219,747)
2006B \$92.2M Road & Street Impro.	0	0.00%	0	0.00%	0	0.00%	(2,557,103)
Int. & Penalties - Delinquent Taxes							
City-Parish	143,175	0.78%	152,529	0.82%	156,580	0.71%	249,314
Total Taxes	17,665,970	96.50%	17,870,665	96.20%	20,584,537	92.76%	21,430,245
Miscellaneous Revenues:							
Interest Earnings	640,703	3.50%	705,322	3.80%	1,606,271	7.24%	2,709,792
Contributions from Private Business	0	0.00%	0	0.00%	0	0.00%	0
Total Miscellaneous Revenues	640,703	3.50%	705,322	3.80%	1,606,271	7.24%	2,709,792
TOTAL REVENUES AND							
OTHER FINANCING SOURCES	18,306,673	100.00%	18,575,987	100.00%	22,190,808	100.00%	24,140,037
% Change		0.74%		1.47%		19.46%	8.78%