

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Electric and Hybrid Vehicles (LAC 61:I.5501)

Under the authority of R.S. 47:1511 and 32:461, and in accordance with the Administrative Procedure Act, R.S. 49:950 *et seq.*, the Department of Revenue, Policy Services Division, gives notice that rulemaking procedures have been initiated to propose to adopt LAC 61:I.5501.

Louisiana Revised Statutes 32:461 imposes a road usage fee on all electric and hybrid propelled vehicles operated upon the highways of this state and required to be registered in this state. The proposed Rule provides for proration of the fee and additional guidance regarding by whom the road usage fee is due and notice to be given to owners of electric and hybrid vehicles. The proposed Rule has been promulgated in consultation with the Department of Transportation and Development.

### Title 61

#### REVENUE AND TAXATION

##### Part I. Taxes Collected and Administered by the Secretary of Revenue

##### Chapter 55. Electric and Hybrid Vehicles

##### §5501. Electric and Hybrid Vehicle Road Usage Fee

A. Definitions. The following definitions supplement those contained in R.S. 32:461(B).

*Auto Title Companies*—shall have the same meaning as ascribed in R.S. 32:702(4).

*Dealer*—shall have the same meaning as ascribed in R.S. 32:702(7)(a).

*Public License Tag Agents*—a participant in a system, to include parish governing authorities, licensed new or used motor vehicle dealers or their agents, auto title companies and other entities authorized pursuant to R.S. 32:532.1, to receive and process applications filed for certificates of title, recordation of liens, mortgages, or security interests against motor vehicles, and other actions relative to the transfer of title of vehicles. [See, R.S. 47:532.1]

B. Application

1. The annual road usage fee imposed by R.S. 32:461 on electric and hybrid vehicles operated on the highways in Louisiana applies to:

a. Vehicles registered in Louisiana; and

b. Vehicles registered in another state but which are operated on the highways of Louisiana and required to be registered in Louisiana pursuant to R.S. 47:513, including company vehicles by resident employees, owners with dual- or multiple state residences, or other situations of permanent use.

c. Dealers possessing electric and hybrid vehicles for use on the roads of Louisiana where the vehicle is registered to the Dealer as a demonstrator model or assigned “Dealer” license plates. The road usage fee does not apply to vehicles used only for test drives.

2. An electric vehicle or hybrid vehicle that is a school bus primarily used to transport Louisiana students is exempt from the road usage fee.

C. Reporting Requirements

1. For individuals, the fee shall be reported on the Louisiana individual income tax return or on Form R-19000, *Electric and Hybrid Vehicle Road Usage Fee* on or before the statutory due date of May 15.

2. For businesses or other entities, the fee shall be reported on Form R-19000 on or before the statutory due date of May 15.

3. If the fee is reported to the department on Form R-19000, then payment must be remitted with submission of the form.

D. Prorated fees.

1. A vehicle registered in Louisiana for less than one year shall be subject to a partial fee to include all months of registration for that year, with any portion of a month being counted as a whole. For example, a vehicle registered on any day in March of a year will pay a prorated fee to include March through December of that year, or 10 months.

2. A vehicle registered in another state and required to be registered in Louisiana pursuant to R.S. 47:513 shall be subject to a partial fee based on the number of months it is operated on the highways of Louisiana.

3. The prorated fee schedule shall be as follows:

<b>Electric Vehicles</b>	
<b>Months Registered/Operated in Louisiana</b>	<b>FEE</b>
1	\$9
2	\$18
3	\$28
4	\$37
5	\$46
6	\$55
7	\$64
8	\$73
9	\$82
10	\$92
11	\$101
12	\$110

<b>Hybrid Vehicles</b>	
<b>Months Registered/Operated in Louisiana</b>	<b>FEE</b>
1	\$5
2	\$10
3	\$15
4	\$20
5	\$25
6	\$30
7	\$35
8	\$40
9	\$45
10	\$50
11	\$55
12	\$60

**E. Notification Required**

1. Dealers selling or leasing electric and hybrid vehicles shall provide written notification to the purchaser or lessee at the time of sale, or no later than January 31<sup>st</sup> following the year of purchase or beginning of the lease, of the purchaser’s or lessee’s obligation to remit the road usage fee to the Department of Revenue.

2. Auto title companies and other public license tag agents not provided for in Paragraph 1 of this Subsection that process vehicle transactions, including but not limited to sale, donation, transfer, or for the relocation of vehicles from another state, shall provide written notification to the purchasing or transferee owner of the obligation to remit the road usage fee to the Department of Revenue.

3. The notification required in Paragraphs 1 and 2 shall:

- a. inform the owner or lessee of the amount of the annual fee, \$110 for electric vehicles and \$60 for hybrid vehicles and the prorated fee schedules;
- b. inform the vehicle owner or lessee of the permissible reporting methods outlined in Subsection C; and
- c. inform the vehicle owner or lessee of the May 15 due date of the fee.

4. The notification required by this Subsection shall be provided by hand delivery, U.S. Mail, email, text message, or any means that can be verified through records.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and R.S. 32:461.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 49

**Family Impact Statement**

The Rule will not have a measurable impact on family as defined by R.S. 49:972(D) or on family formation, stability and autonomy as the fee will be off-set against the cost of motor vehicle fuel that would be purchased through ordinary operation of a fuel propelled vehicle. The Rule should have no other known or foreseeable impact on:

- 1. the stability of the family;
- 2. the authority and rights of parents regarding the education and supervision of their children;
- 3. the functioning of the family;
- 4. family earnings and family budget;
- 5. the behavior and personal responsibility of children;
- 6. the ability of the family or a local government to perform this function.

**Poverty Impact Statement**

The Rule has no known impact on poverty as described in R.S. 49:973.

**Small Business Impact Analysis**

The Rule has no known or foreseeable measurable impact on small businesses as described in R.S. 49:974.4.

### **Provider Impact Statement**

The Rule has no known or foreseeable effect on:

1. the staffing levels requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the provider to provide the same level of service;
3. the overall effect on the ability of the provider to provide the same level of service.

### **Public Comments**

All interested persons may submit written data, views, arguments or comments regarding this proposed rule to Johnette L. Martin, Attorney, Policy Services Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., October 24, 2023.

### **Public Hearing**

A public hearing will be held on October 25, 2023 at 10 a.m. in the Calcasieu Room located on the 2nd floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

Kevin J. Richard, CPA  
Secretary of Revenue

## **FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULE RULE TITLE: Electric and Hybrid Vehicle Road Usage Fee**

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the Louisiana Register with the proposed agency rule.

### **I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

Act 578 of the 2022 Regular Legislative Session levies an annual road usage fee not to exceed \$110 per year on each electric vehicle and an annual road usage fee not to exceed \$60 per year on each hybrid vehicle operated on state highways which are required to be registered in Louisiana in accordance with current law. The fee is to be paid by the owner on a calendar year basis and shall be due on or before May 15th for the preceding year in which the vehicle was operated upon the highways of Louisiana. Exempt from the fee are any electric or hybrid vehicles that are school buses used primarily for transporting Louisiana students. It is anticipated that implementation will incur costs of approximately \$61,680 for IT related expenses.

The agency currently has sufficient funds to implement the proposed rule.

### **II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

Per the fiscal note for HB 1031 (Act 578) of the 2022 Regular Session, the law for which this rule is being promulgated, revenue is expected to increase for the constitutionally dedicated Construction Subfund of the Transportation Trust Fund and the Parish Transportation Fund by an indeterminable amount. The law levies a road usage fee not to exceed \$110 per year on each electric vehicle and an annual road usage fee not to exceed \$60 per year on each hybrid vehicle operated on state highways which are required to be registered in Louisiana in accordance with current law.

Due to the limited information available to the Department to identify vehicles subject to the road usage fee, collections will heavily rely on voluntary compliance, which could significantly reduce collections below those anticipated when the law was contemplated.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Owners of electric and hybrid vehicles registered in Louisiana will be directly affected by the imposition of the fees and the additional paperwork, but the anticipated impact will be minimal. Dealers selling or leasing, auto title companies, and other public license tag agents that process electric and hybrid vehicle transactions are required to provide written notification to the purchaser, lessee, or transferee owner of the obligation to remit the road usage fee to the Department of Revenue annually. Since the notification may be provided by hand delivery, U.S. Mail, email, text message, or any other verifiable means, the anticipated costs are expected to be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated or foreseen impact on competition or employment.

Kevin J. Richard, CPA  
Secretary of Revenue

Deborah Vivien  
Chief Economist  
Legislative Fiscal Office

**Title 61**  
**REVENUE AND TAXATION**  
**Part I. Taxes Collected and Administered by the Secretary of Revenue**  
**Chapter 55. Electric and Hybrid Vehicles**

**§5501. Electric and Hybrid Vehicle Road Usage Fee**

A. Definitions. The following definitions supplement those contained in R.S. 32:461(B).

Auto Title Companies—shall have the same meaning as ascribed in R.S. 32:702(4).

Dealer—shall have the same meaning as ascribed in R.S. 32:702(7)(a).

Public License Tag Agents—a participant in a system, to include parish governing authorities, licensed new or used motor vehicle dealers or their agents, auto title companies and other entities authorized pursuant to R.S. 32:532.1, to receive and process applications filed for certificates of title, recordation of liens, mortgages, or security interests against motor vehicles, and other actions relative to the transfer of title of vehicles. [See, R.S. 47:532.1]

B. Application

1. The annual road usage fee imposed by R.S. 32:461 on electric and hybrid vehicles operated on the highways in Louisiana applies to:

a. Vehicles registered in Louisiana; and

b. Vehicles registered in another state but which are operated on the highways of Louisiana and required to be registered in Louisiana pursuant to R.S. 47:513, including company vehicles by resident employees, owners with dual- or multiple state residences, or other situations of permanent use.

c. Dealers possessing electric and hybrid vehicles for use on the roads of Louisiana where the vehicle is registered to the Dealer as a demonstrator model or assigned “Dealer” license plates. The road usage fee does not apply to vehicles used only for test drives.

2. An electric vehicle or hybrid vehicle that is a school bus primarily used to transport Louisiana students is exempt from the road usage fee.

C. Reporting Requirements

1. For individuals, the fee shall be reported on the Louisiana individual income tax return or on Form R-19000, *Electric and Hybrid Vehicle Road Usage Fee* on or before the statutory due date of May 15.

2. For businesses or other entities, the fee shall be reported on Form R-19000 on or before the statutory due date of May 15.

3. If the fee is reported to the department on Form R-19000, then payment must be remitted with submission of the form.

D. Prorated fees.

1. A vehicle registered in Louisiana for less than one year shall be subject to a partial fee to include all months of registration for that year, with any portion of a month being counted as a whole. For example, a vehicle registered on any day in March of a year will pay a prorated fee to include March through December of that year, or 10 months.

2. A vehicle registered in another state and required to be registered in Louisiana pursuant to R.S. 47:513 shall be subject to a partial fee based on the number of months it is operated on the highways of Louisiana.

3. The prorated fee schedule shall be as follows:

<b>Electric Vehicles</b>	
<b><u>Months Registered/Operated in Louisiana</u></b>	<b><u>FEE</u></b>
<u>1</u>	<u>\$9</u>
<u>2</u>	<u>\$18</u>
<u>3</u>	<u>\$28</u>
<u>4</u>	<u>\$37</u>
<u>5</u>	<u>\$46</u>
<u>6</u>	<u>\$55</u>
<u>7</u>	<u>\$64</u>
<u>8</u>	<u>\$73</u>
<u>9</u>	<u>\$82</u>

<b>Hybrid Vehicles</b>	
<b><u>Months Registered/Operated in Louisiana</u></b>	<b><u>FEE</u></b>
<u>1</u>	<u>\$5</u>
<u>2</u>	<u>\$10</u>
<u>3</u>	<u>\$15</u>
<u>4</u>	<u>\$20</u>
<u>5</u>	<u>\$25</u>
<u>6</u>	<u>\$30</u>
<u>7</u>	<u>\$35</u>
<u>8</u>	<u>\$40</u>
<u>9</u>	<u>\$45</u>

<u>10</u>	<u>\$92</u>
<u>11</u>	<u>\$101</u>
<u>12</u>	<u>\$110</u>

<u>10</u>	<u>\$50</u>
<u>11</u>	<u>\$55</u>
<u>12</u>	<u>\$60</u>

E. Notification Required

1. Dealers selling or leasing electric and hybrid vehicles shall provide written notification to the purchaser or lessee at the time of sale, or no later than January 31<sup>st</sup> following the year of purchase or beginning of the lease, of the purchaser's or lessee's obligation to remit the road usage fee to the Department of Revenue.

2. Auto title companies and other public license tag agents not provided for in Paragraph 1 of this Subsection that process vehicle transactions, including but not limited to sale, donation, transfer, or for the relocation of vehicles from another state, shall provide written notification to the purchasing or transferee owner of the obligation to remit the road usage fee to the Department of Revenue.

3. The notification required in Paragraphs 1 and 2 shall:

a. inform the owner or lessee of the amount of the annual fee, \$110 for electric vehicles and \$60 for hybrid vehicles and the prorated fee schedules;

b. inform the vehicle owner or lessee of the permissible reporting methods outlined in Subsection C; and

c. inform the vehicle owner or lessee of the May 15 due date of the fee.

4. The notification required by this Subsection shall be provided by hand delivery, U.S. Mail, email, text message, or any means that can be verified through records.