

Bond Case Briefs

Municipal Finance Law Since 1971

TAX - LOUISIANA

Beer Industry League of Louisiana v. City of New Orleans

Supreme Court of Louisiana - June 27, 2018 - So.3d - 2018 WL 3216508 - 2018-0280 (La. 6/27/18)

State alcoholic beverage foundation and state restaurant association filed separate petitions against city and city's chief financial officer and director of finance, seeking injunctive relief and declaratory judgment that provisions municipal code allowing for imposition and collection of occupational license tax or excise tax on dealers of alcoholic beverages were unlawful and unenforceable.

After petitions were consolidated, the Orleans Civil District Court, Orleans Parish, granted plaintiffs partial summary judgment, declaring the provisions in question to be unlawful, unconstitutional, and unenforceable. Defendants appealed.

The Supreme Court of Louisiana held that state gallonage tax levied on dealers who handled high alcohol content beverages was an "occupational license tax" authorized by state constitution and, thus, municipal ordinance authorizing similar tax was likewise constitutionally permissible. Such tax indirectly taxed the handling of liquor rather than constituting a property tax upon the liquor itself, was triggered by business conduct consisting of the professional handling of alcohol, and designated specific class of merchants, namely dealers, who were responsible for payment.