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## DIGEST

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HB 153 Original

2023 Regular Session

DeVillier

**Abstract:** Provides for a four-year phase-in, from 2024 through 2027, of an ad valorem property tax exemption for business inventory and requires that the decrease in taxes associated with the exemption be absorbed by the taxing authority, causing neither increases in tax liability for taxpayers nor reappraisal.

Present constitution authorizes local governments and other political subdivisions to levy ad valorem property taxes on movable and immovable property within their jurisdictions. Stipulates, however, that those taxes are subject to a variety of exemptions provided in present constitution.

Proposed constitutional amendment adds a property tax exemption, to be phased-in over four years, for property constituting business inventory including goods which are held for sale, goods in production or for ultimate consumption in the production of goods or services for sale, and goods utilized in marketing and distribution activities. Establishes the following schedule for phasing-in the exemption for property constituting business inventory:

- (1) For taxes payable in 2024, 50% of the assessed value of the property is exempt from taxation.
- (2) For taxes payable in 2025, 65% of the assessed value of the property is exempt from taxation.
- (3) For taxes payable in 2026, 80% of the assessed value of the property is exempt from taxation.
- (4) For taxes payable in 2027 and thereafter, 100% of the assessed value of the property shall be exempt from taxation.

Proposed constitutional amendment provides that notwithstanding any provision of present constitution, property exempted by proposed constitutional amendment is excluded from valuation in the parish assessment, and the decrease in the total amount of ad valorem tax collected by a taxing authority as a result of the exemption is absorbed by the taxing authority, with no increase in tax liability for taxpayers.

Proposed constitutional amendment provides, additionally, that implementation of the exemption shall neither trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to certain provisions of present constitution (Const. Art. VII, §23(B)).

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2023.

(Adds Const. Art. VII, §21(O))