

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 486** HLS 23RS 849

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 13, 2023	4:41 PM	Author: HILFERTY
Dept./Agy.: Local government		Analyst: Deborah Vivien
Subject: Disabled Veteran AVT credit applies to TY2023		

TAX/AD VALOREM-EXEMPTION EG SEE FISC NOTE LF RV See Note Page 1 of 1
(Constitutional Amendment) Provides with respect to the applicability of the additional property tax exemptions for certain veterans with disabilities

Current Constitution mandates a disabled veterans exemption to 100% for 100% disabled veterans and exemptions of \$4,500 for veterans with disability ratings of 70-99% (total exemption of \$12,000 with homestead exemption) and \$2,500 for veterans with disability ratings of 50-69% (total exemption of \$10,000). The exemption was approved by voters in November, 2022, without a specific effective date.

Proposed Constitutional amendment clarifies that the exemption is effective for ad valorem taxes due during tax year 2023 and beyond. To be submitted to the electors at the statewide election to be held on October 14, 2023.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Taxes for most parishes are due at the end of the calendar or tax year that was just completed. Orleans parish taxes are due at the beginning of the calendar year or tax year that is commencing. Thus for this exemption to apply to 2023 taxes in Orleans Parish, a refund may be necessary, which may require additional resources.

REVENUE EXPLANATION

The bill appears to provide clarity to the interpretation of the exemption that was approved by voters on November 8, 2022, so that the exemption applies to tax year 2023 taxes.

Orleans parish estimates that about \$1.7 M in 2023 taxes are eligible for this exemption, some or all of which would be refunded back to taxpayers in 2023.

The bill may have a contradictory component in that it states that the exemption applies to property taxes due in tax year 2023, which could include tax year 2022 if a billing deadline was extended into 2023. Then, the bill appears to exclude tax year 2022 by further stating that the exemption shall be applicable only to tax years beginning on or after January 1, 2023. The fiscal note assumes that the clarification is that the exemption will apply to taxes owed for tax year 2023 and beyond.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Interim Legislative Fiscal Officer