

1 consumption in the production of goods or services for sale, and goods utilized in
2 marketing and distribution activities, referred to hereinafter as "property", shall be
3 exempt in accordance with the following:

4 (a) For taxes payable in 2015, the value of the exemption shall be equal to
5 fifty percent of the assessed value of the property.

6 (b) For taxes payable in 2016, the value of the exemption shall be equal to
7 sixty-five percent of the assessed value of the property.

8 (c) For taxes payable in 2017, the value of the exemption shall be equal to
9 eighty percent of the assessed value of the property.

10 (d) Beginning January 1, 2018, the property will be fully exempt from
11 taxation.

12 (2) Notwithstanding any provision of this constitution to the contrary, the
13 property assessment of property for which this exemption has been claimed shall not
14 be treated as taxable property for purposes of any subsequent reappraisals and
15 valuation for millage adjustment purposes under Article VII, Section 23(B) of this
16 constitution. The decrease in the total amount of ad valorem tax collected by a
17 taxing authority as a result of the exemption shall be absorbed by the taxing authority
18 and shall not create any additional tax liability for taxpayers in the taxing district as
19 a result of any subsequent reappraisal and valuation or millage adjustment.
20 Implementation of the exemption authorized in this Paragraph shall neither trigger
21 nor be cause for a reappraisal of property or an adjustment of millages pursuant to
22 the provisions of Article VII, Section 23(B) of this constitution.

23 * * *

24 Section 2. This Act shall take effect and become operative if and when the proposed
25 amendment of Article VII of the Constitution of Louisiana contained in the Act which
26 originated as House Bill No. ___ of this 2015 Regular Session of the Legislature is adopted
27 at a statewide election and becomes effective.

1 Section 3. Be it further resolved that this proposed amendment shall be submitted
2 to the electors of the state of Louisiana at the statewide election to be held on October 24,
3 2015.

4 Section 4. Be it further resolved that, after approval of the electors of this state, this
5 amendment shall become effective October 24, 2015.

6 Section 5. Be it further resolved that on the official ballot to be used at the election,
7 there shall be printed a proposition, upon which the electors of the state shall be permitted
8 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
9 follows:

10 Do you support an amendment to gradually exempt from ad valorem
11 property tax items constituting business inventory; and further, to require
12 that any decrease in taxes resulting from the exemption be absorbed by the
13 taxing authority, without any increase in tax liability for taxpayers and
14 without triggering reappraisal of property or adjustment of millages?

15 (October 24, 2015) (Adds Article VII, Sec. 21(M))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 620 Original

2015 Regular Session

Stokes

Abstract: Four year phase-in of an ad valorem property tax exemption for items constituting business inventory, and requires that the decrease in taxes associated with the exemption shall 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. Further, those taxes are subject to a variety of exemptions provided by the present constitution.

Proposed constitutional amendment adds an exemption to be phased in over four years (50%, then 65%, then 80%, then 100%) beginning Nov. 1, 2015 for items 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.

Proposed constitutional amendment further provides that notwithstanding any other provision of the present constitution, valuation of the property exempted by the proposed constitutional amendment shall be 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 shall be absorbed by the taxing authority, with no increase in tax liability for taxpayers. Additionally, implementation of the exemption shall neither trigger nor be cause for a reappraisal of property, or an adjustment of millages pursuant to the provisions of the present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 24, 2015.

Effective October 24, 2015, if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2015 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds Const. Art. 21(M))