HLS 17RS-903 ORIGINAL

2017 Regular Session

HOUSE BILL NO. 181

1

BY REPRESENTATIVE ROBBY CARTER

TAX/PROPERTY: (Constitutional Amendment) Phases-in over a 10-year period an exemption for items constituting business inventory

A JOINT RESOLUTION

2 Proposing to add Article VII, Section 21(N) of the Constitution of Louisiana, to provide with 3 respect to ad valorem property tax; to exempt certain items constituting business 4 inventory from ad valorem property tax; to provide for effectiveness; to provide for 5 submission of the proposed amendment to the electors; and to provide for related 6 matters. 7 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members 8 elected to each house concurring, that there shall be submitted to the electors of the state of 9 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add 10 Article VII, Section 21(N) of the Constitution of Louisiana, to read as follows: 11 §21. Other Property Exemptions 12 Section 21. In addition to the homestead exemption provided for in Section 13 20 of this Article, the following property and no other shall be exempt from ad 14 valorem taxation: 15 16 (N) Beginning January 1, 2018, items constituting business inventory, 17 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 18 19 marketing and distribution activities, referred to hereinafter as "property", shall be exempt in accordance with the following: 20

Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(1) For taxes payable in 2018, the value of the exemption shall be equal to
2	ten percent of the assessed value of the property.
3	(2) For taxes payable in 2019, the value of the exemption shall be equal to
4	twenty percent of the assessed value of the property.
5	(3) For taxes payable in 2020, the value of the exemption shall be equal to
6	thirty percent of the assessed value of the property.
7	(4) For taxes payable in 2021, the value of the exemption shall be equal to
8	forty percent of the assessed value of the property.
9	(5) For taxes payable in 2022, the value of the exemption shall be equal to
10	fifty percent of the assessed value of the property.
11	(6) For taxes payable in 2023, the value of the exemption shall be equal to
12	sixty percent of the assessed value of the property.
13	(7) For taxes payable in 2024, the value of the exemption shall be equal to
14	seventy percent of the assessed value of the property.
15	(8) For taxes payable in 2025, the value of the exemption shall be equal to
16	eighty percent of the assessed value of the property.
17	(9) For taxes payable in 2026, the value of the exemption shall be equal to
18	ninety percent of the assessed value of the property.
19	(10) Beginning January 1, 2027, the property shall be fully exempt from
20	taxation.
21	Section 2. Be it further resolved that the provisions of the amendment contained in
22	this Joint Resolution shall be become effective on January 1, 2018, and shall be applicable
23	to taxable years beginning on and after such date.
24	Section 3. Be it further resolved that this proposed amendment shall be submitted
25	to the electors of the state of Louisiana at the statewide election to be held on October 14,
26	2017.
27	Section 4. Be it further resolved that on the official ballot to be used at the election,
28	there shall be printed a proposition, upon which the electors of the state shall be permitted

to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
follows:

Do you support an amendment to gradually exempt items constituting
business inventory from ad valorem property tax over ten years? (January 1,

2018) (Adds Article VII, Section 21(N))

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 181 Original

5

2017 Regular Session

Robby Carter

Abstract: 10-year phase-in of an ad valorem property tax exemption for items constituting business inventory beginning in 2018.

<u>Present constitution</u> authorizes local governments to impose an ad valorem property tax upon movable and immovable property within their jurisdictions.

<u>Proposed constitutional amendment</u> provides for a 10-year phase-in (10% per year) of an exemption from ad valorem property tax for items constituting business inventory. Such items include 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.

Effective Jan. 1, 2018, and is applicable to taxable years beginning on and after such date.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

(Adds Const. Art. VII, §21(N))