

2018 Regular Session

HOUSE BILL NO. 598

BY REPRESENTATIVE HAVARD

TAX/AD VALOREM TAX: Authorizes a local taxing authority to enter into advance payment agreements with certain property owners for payment of ad valorem taxes

1 AN ACT

2 To enact R.S. 47:2138, to provide with respect to ad valorem tax; to authorize a local taxing
3 authority to enter into certain agreements concerning payment of ad valorem taxes;
4 to establish requirements for the agreements and taxpayers who may participate in
5 agreements; to provide for the use of monies paid under an agreement; to authorize
6 a local taxing authority to issue ad valorem tax credits under certain circumstances;
7 to provide with respect to the application of certain tax credits; to authorize the
8 payment of interest; to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:2138 is hereby enacted to read as follows:

11 §2138. Advance tax payment agreement; ad valorem tax; credits

12 A. Agreement. (1) A local taxing authority, hereinafter referred to as
13 "taxing authority", may enter into an advance tax payment agreement with a taxpayer
14 to provide for the advance payment of certain ad valorem taxes in exchange for the
15 issuance of tax credits by the taxing authority to the taxpayer, hereinafter referred to
16 as "agreement". An agreement may require the taxing authority to pay interest
17 associated with the tax credits at a rate not to exceed the effective judicial interest
18 rate established under R.S. 13:4202(B).

19 (2) For purposes of this Section, "taxpayer" means the owner of a property
20 that is under contract for the ad valorem property tax exemption authorized under

1 Article VII, Section 21(F) of the Constitution of Louisiana and who is a party to the
 2 agreement which requires the taxpayer to make advance payment of ad valorem
 3 taxes.

4 B. Tax credits. As provided in the agreement, the taxpayer shall be entitled
 5 to ad valorem tax credits issued by the taxing authority in an amount equal to the
 6 amount of advance tax payments made under the agreement plus interest. The tax
 7 credits may be applied only to tax liabilities which become due on the taxpayer's
 8 property that was the subject of the exemption contract under Article VII, Section
 9 21(F) of the Constitution of Louisiana.

10 Section 2. This Act shall become effective upon signature by the governor or, if not
 11 signed by the governor, as provided by Article III, Section 18 of the Constitution of
 12 Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act
 13 shall become effective on the day following such approval.

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 598 Engrossed

2018 Regular Session

Havard

Abstract: Authorizes a local taxing authority to enter into agreements for advance payment of certain property taxes in exchange for property tax credits for property under contract for the industrial tax exemption.

Proposed law authorizes a local taxing authority to enter into an advance tax payment agreement with a taxpayer that owns property that is under an industrial tax exemption contract, which agreement would provide for the advance payment of property taxes in exchange for issuance of ad valorem tax credits to the taxpayer. The agreement may include the payment of interest on the amount of advance taxes paid.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:2138)