2020 Regular Session

HOUSE BILL NO. 525

BY REPRESENTATIVE HILFERTY

TAX/AD VALOREM TAX: (Constitutional Amendment) Increases the income threshold for purposes of qualifying for the special assessment level

1	A JOINT RESOLUTION	
2	Proposing to amend Article VII, Section 18(G)(1)(a)(ii) of the Constitution of Louisiana,	
3	relative to the requirement that a person's income not exceed a certain amount in	
4	order to receive the special assessment level for residential property receiving the	
5	homestead exemption; to increase the amount of income allowed in order to qualify	
6	for the special assessment level; to provide for submission of the proposed	
7	amendment to the electors; and to provide for related matters.	
8	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members	
9	elected to each house concurring, that there shall be submitted to the electors of the state of	
10	Louisiana, for their approval or rejection in the manner provided by law, a proposal to	
11	amend Article VII, Section 18(G)(1)(a)(ii) of the Constitution of Louisiana, to read as	
12	follows:	
13	(G) Special Assessment Level.	
14	(1)(a)	
15	* * *	
16	(ii) Any person or persons shall be prohibited from receiving the special	
17	assessment as provided in this Section if such person's or persons' adjusted gross	
18	income, as reported in the federal tax return for the year prior to the application for	
19	the special assessment, exceeds fifty one hundred thousand dollars. For persons	
20	applying for the special assessment whose filing status is married filing separately,	

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

1	the adjusted gross income for purposes of this Section shall be determined by
2	combining the adjusted gross income on both federal tax returns. Beginning for the
3	tax year 2001 <u>2021</u> , and for each tax year thereafter, the fifty <u>one hundred</u> thousand
4	dollar limit shall be adjusted annually by the Consumer Price Index as reported by
5	the United States Government.
6	* * *
7	Section 2. Be it further resolved that this proposed amendment shall be submitted
8	to the electors of the state of Louisiana at the statewide election to be held on November 3,
9	2020.
10	Section 3. Be it further resolved that on the official ballot to be used at the election,
11	there shall be printed a proposition, upon which the electors of the state shall be permitted
12	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
13	follows:
14	Do you support an amendment to increase the maximum amount of income
15	a person may receive and still qualify for the special assessment level for
16	residential property receiving the homestead exemption? (Amends Article
17	VII, Section 18(G)(1)(a)(ii))

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)]

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HB 525 Engrossed	2020 Regular Session	Hilferty

Abstract: Increases the income threshold for qualifying for the special assessment level for residential property receiving the homestead exemption from \$50,000 adjusted annually from tax year 2001 to \$100,000 adjusted annually from tax year 2021.

<u>Present constitution</u> provides that the assessment of residential property receiving the homestead exemption which is owned and occupied by certain enumerated persons shall not be increased above the total assessment of that property for the first year that the owner qualifies for and receives the special assessment level, provided that such person or persons remain qualified for and receive the special assessment level.

Present constitution provides that the special assessment level applies to:

(1) People who are 65 or older.

- (2) People who have a service-connected disability rating of 50% or more by the U.S. Dept. of Veterans Affairs.
- (3) Members of the armed forces of the U.S. or the La. National Guard who owned and last occupied the property who are killed in action, or who are missing in action or are a prisoner of war for a period exceeding 90 days.
- (4) Any person or persons permanently totally disabled as determined by a final non-appealable judgment of a court or as certified by a state or federal administrative agency charged with the responsibility for making determinations regarding disability.

Proposed constitutional amendment retains present constitution.

<u>Present constitution</u> prohibits a person from receiving the special assessment if the person's adjusted gross income, as reported in the federal tax return for the year prior to the application, exceeds \$50,000 (this amount applied for tax year 2001 and is adjusted each tax year based on the Consumer Price Index). Provides that gross income is combined for applicants whose filing status is married filing separately.

<u>Proposed constitutional amendment</u> increases the income threshold for qualifying for the special assessment level for residential property receiving the homestead exemption from \$50,000 adjusted annually based on the Consumer Price Index from tax year 2001 to \$100,000 adjusted annually based on the Consumer Price Index from tax year 2021.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2020.

(Amends Const. Art. VII, §18(G)(1)(a)(ii))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:
- 1. Change the resolution $\underline{\text{from}}$ one that removes the income threshold for qualifying for the special assessment level for residential property receiving the homestead exemption $\underline{\text{to}}$ one that increases the income threshold $\underline{\text{from}}$ \$50,000 adjusted annually from tax year 2001 to \$100,000 adjusted annually from tax year 2021.
- 2. Reinstate the annual certification requirement relative to this income requirement.