
DIGEST

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HB 114 Original

2021 Regular Session

DeVillier

Abstract: Provides a four-year phase-in of an ad valorem property tax exemption for business inventory and requires that the decrease in taxes associated with the exemption 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 Jan. 1, 2023, for property 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, 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 Nov. 8, 2022.

(Adds Const. Art. VII, §21(O))