



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 82** SLS 25RS 352

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **REVISED**

Date: April 14, 2025	1:58 PM	Author: REESE
Dept./Agy.: Local Tax Collectors		
Subject: 100% deduction for bank stocks		Analyst: Deborah Vivien

TAX/AD VALOREM

OR DECREASE LF RV See Note

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Provides with respect to ad valorem taxes on shares of bank stock. (1/1/26)

Current law authorizes certain banks to deduct 50% of the assessed value of real estate, improvement, buildings, furniture and fixtures owned by the bank from the assessed value of the bank stock with provisions for valuation defined in law.

Proposed law retains current law and increases the deduction from 50% to 100% of the assessed value of the bank stock.

Effective in tax year 2026.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. It is expected by LFO, though not verified by response, that increasing the bank deduction will require local tax system adjustments that are closely related to the existing deduction with minimal resources required.

REVENUE EXPLANATION

The bill can only serve to decrease local property tax collections as banks are allowed to double a deduction in the amount of the assessment of other property against the taxable assessment of bank stock. The deduction effectively acts as an exemption. Under current experience, the Tax Commission reports that the deduction is about 10% of the assessed value of bank stock. This bill will increase that deduction (exemption) to an estimated 20% of bank stock. Based on tax year 2024 figures, the taxable assessed value of bank stock statewide (net of the existing 50% deduction for other property) is about \$1 B. The deduction is valued at about \$107.6 M and is doubled under the bill which would reduced the assessed value to \$909.0 M from \$1,016.6 M, a reduction of about 10.5%. To illustrate possible magnitude, an average state millage of 109 applied to an estimated \$107.6 M decrease in assessed value translates to an estimated statewide tax reduction of about \$11.7 M. Any entity with a millage or fee based upon bank stock assessments will be impacted by the bill. It is expected that the maximum impact will likely occur at the first opportunity, which will occur in FY 26 for Orleans and FY 27 for the remaining parishes.

Through June 30, 2026, the Louisiana Tax Commission is authorized to the levy a fee of 0.03% of the assessed value of financial institutions that pay ad valorem taxes. Any reduction in assessed value would necessarily reduce deposits to the Tax Commission Expense Dedicated Fund Account (SGR) by about \$30,000 annually. The Fund is used for Tax Commission operations.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☒ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Legislative Fiscal Officer