



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 271** HLS 25RS 396
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 13, 2025	4:54 PM	Author: WILLARD
Dept./Agy.: Local Government/LA Tax Commission		
Subject: Increase the homestead exemption		Analyst: Deborah Vivien

TAX EXEMPTIONS/HOMESTEAD RE SEE FISC NOTE LF RV See Note Page 1 of 1
(Constitutional Amendment) Increases the amount of the homestead exemption

Present constitution provides a statewide homestead exemption of \$7,500 of assessed value. Additional graduated exemptions are authorized for disabled veterans and to first responders based on the \$7,500 exemption amount.

Proposed constitutional amendment retains current law and provides for a local option to decrease the homestead exemption by up to \$5,000 from \$7,500 to \$12,500 of assessed value if approved by local taxing authorities.

To be submitted to the electors at the statewide election to be held on November 3, 2026, and effective with tax year 2027 if approved.

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.	\$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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

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 standard deduction will require local tax system adjustments that are closely related to the existing deduction with minimal resources required.
The Department of State may incur minimal ballot processing costs associated with this measure. Any expenditure impact would be realized in FY 27.

REVENUE EXPLANATION
The bill allows a local option to increase the homestead exemption by up to \$5,000 or 67% from \$7,500 to \$12,500 of assessed value which implies no ad valorem taxes due on properties with a fair market value up to \$125,000 if approved. Exemptions for disabled veterans and first responders would retain the value of the tiered increases, only now would be added to the new, higher homestead exemption that would include the original \$7,500 plus any approved local increase.

With a local option, the impact of the bill is dependent upon the desire of the local governing authorities, which may include no adoption (no impact) or the highly unlikely scenario of a full adoption of a \$5,000 increase in the homestead exemption by all parishes (hundreds of millions statewide). LFO believes use of the local option may be limited, given past testimony on similar efforts. However, to the extent an increase in the homestead exemption is adopted, local revenue will decrease accordingly. Voter approval of this instrument along with local governing authority approval are required before a change in the exemption can occur.