



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 440** HLS 26RS 1064
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 6, 2026 10:28 AM	Author: NEWELL
Dept./Agy.: LA Tax Commission and Local Governments	
Subject: Increase in Homestead Exemption for Ad Valorem Tax	Analyst: Garrett Ordner

TAX EXEMPTIONS/HOMESTEAD OR SEE FISC NOTE LF RV Page 1 of 1
 (Constitutional Amendment) Authorizes a parish governing authority to increase the amount of the homestead exemption

Present constitution provides a statewide homestead exemption of \$7,500 of assessed value.

Proposed constitutional amendment retains current constitution and authorizes parish governing authorities to add up to \$5,000 to the \$7,500 homestead exemption in their respective parishes for a total exemption of \$12,500.

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	2026-27	2027-28	2028-29	2029-30	2030-31	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	2026-27	2027-28	2028-29	2029-30	2030-31	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 the LFO that increasing the homestead exemption will require local tax system adjustments that are closely related to the existing exemption with minimal resources required.

REVENUE EXPLANATION

Following statewide approval of this amendment, local governments may experience an indeterminable decrease in local tax revenues to the extent that they elect to increase the maximum homestead exemption. The proposed amendment gives parishes the unilateral authority to increase the homestead exemption by up to \$5,000, which would permanently reduce the local property tax base. The bill has no effect without further approval of local taxing authorities. However, should a parish authorize the maximum exemption, the homestead exemption would exempt the full value of properties with a fair market value up to \$125,000.

Even if every parish implements the maximum allowed additional homestead exemption, the revenue impacts cannot be estimated, as the full exemption would only apply to homesteads with a market value of \$125,000 or more (assessed value of \$12,500 or more), other exemptions notwithstanding.

For illustrative purposes, a homeowner receiving the full \$5,000 additional exemption, when multiplied by the 2025 statewide average millage of 105 mills, would see a tax reduction of \$525 per year. However, they would only receive the full benefit of the tax exemption if their homestead is worth at least \$125,000.

Note that the Louisiana constitution requires parish assessors to reappraise and value property at least every four years, and millages are subsequently adjusted to maintain tax revenues consistent with the prior year despite changes to the tax base. If a parish assessor were to reappraise and value property upon implementation of this exemption, and millages were subsequently adjusted upward, the revenue impacts of the exemption would be borne by the taxpayers rather than being absorbed by the taxing authority.

A significant change in local property tax collections may impact the local effort included in the Minimum Foundation Program (MFP) formula calculation, but any resulting impacts on state MFP funding allocations are indeterminable.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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