



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 543** HLS 26RS 1140  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** March 6, 2026 11:17 AM **Author:** NEWELL  
**Dept./Agy.:** Tax Commission and Parish Governments **Analyst:** Garrett Ordner  
**Subject:** Ad Valorem Tax Homestead Exemption

TAX EXEMPTIONS/HOMESTEAD OR SEE FISC NOTE LF RV Page 1 of 1  
 Provides relative to the homestead exemption

Present law provides a statewide homestead exemption of \$7,500 of assessed value in accordance with present constitution and extends a \$7,500 property tax credit to residential lessees who do not qualify for the homestead exemption.

Proposed law states that the homestead exemption and equivalent residential lessee property tax credit may instead be any greater amount authorized by a parish in accordance with Article VII, Section 20(A)(1) of the state constitution.

Proposed law is contingent upon approval of the constitutional amendment proposed by HB 440 of the 2026 RS and is effective beginning in 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
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	\$0
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**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**

Proposed law may result in an indeterminable decrease in local tax revenues to the extent that parish governing authorities elect to increase the maximum homestead exemption.

Proposed law is contingent upon approval of the constitutional amendment proposed by HB 440 of the 2026 RS, which authorizes parish governments to increase the homestead exemption by up to \$5,000. 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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