

---

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

HB 620 Original

2015 Regular Session

Stokes

**Abstract:** Four year phase-in of an ad valorem property tax exemption for items constituting business inventory, and requires that the decrease in taxes associated with the exemption shall 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 Nov. 1, 2015 for items 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, valuation of the 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 October 24, 2015.

Effective October 24, 2015, if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_ of this 2015 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds Const. Art. 21(M))