

2018 Regular Session

HOUSE BILL NO. 598

BY REPRESENTATIVE HAVARD

TAX/AD VALOREM TAX: Authorizes a local taxing authority to enter into advance payment agreements with certain property owners for payment of ad valorem taxes

1 AN ACT

2 To enact R.S. 47:2138, to provide with respect to ad valorem tax; to authorize a local taxing
3 authority to enter into certain agreements concerning payment of ad valorem taxes;
4 to require notification of the Board of Commerce and Industry of advance tax
5 payment agreements; to establish requirements for the agreements and taxpayers who
6 may participate in agreements; to provide for the use of monies paid under an
7 agreement; to authorize a local taxing authority to issue ad valorem tax credits under
8 certain circumstances; to provide with respect to the application of certain tax
9 credits; to authorize the payment of interest; to provide for effectiveness; and to
10 provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:2138 is hereby enacted to read as follows:

13 §2138. Advance tax payment agreement; ad valorem tax; credits

14 A. Agreement. (1) A local taxing authority, hereinafter referred to as
15 "taxing authority", may enter into an advance tax payment agreement with a taxpayer
16 to provide for the advance payment of certain ad valorem taxes in exchange for the
17 issuance of tax credits by the taxing authority to the taxpayer, hereinafter referred to
18 as "agreement". An agreement may require the taxing authority to pay interest
19 associated with the tax credits at a rate not to exceed the effective judicial interest
20 rate established under R.S. 13:4202(B).

1 (2) For purposes of this Section, "taxpayer" means the owner of a property
2 that is under contract for the ad valorem property tax exemption authorized under
3 Article VII, Section 21(F) of the Constitution of Louisiana and who is a party to the
4 agreement which requires the taxpayer to make advance payment of ad valorem
5 taxes.

6 B. Tax credits. As provided in the agreement, the taxpayer shall be entitled
7 to ad valorem tax credits issued by the taxing authority in an amount equal to the
8 amount of advance tax payments made under the agreement plus interest. No more
9 than twenty percent of the total value of the taxpayer's tax credits may be claimed
10 against the taxpayer's tax liability in any tax year. The tax credits may be applied
11 only to tax liabilities which become due on the taxpayer's property that is the subject
12 of the exemption contract under Article VII, Section 21(F) of the Constitution of
13 Louisiana.

14 C. Notification to the Board of Commerce and Industry. A taxpayer that has
15 entered into an agreement shall provide the Board of Commerce and Industry with
16 a copy of the executed agreement within thirty days of execution.

17 D. Notwithstanding any provision of administrative law or policy to the
18 contrary, a taxpayer's participation in an agreement shall have no bearing or effect
19 upon the taxpayer's eligibility for or continued benefit from an exemption contract
20 authorized under Article VII, Section 21(F) of the Constitution of Louisiana.

21 Section 2. This Act shall become effective upon signature by the governor or, if not
22 signed by the governor, as provided by Article III, Section 18 of the Constitution of
23 Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act
24 shall become effective on the day following such approval.

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 598 Reengrossed

2018 Regular Session

Havard

Abstract: Authorizes a local taxing authority to enter into agreements for advance payment of certain property taxes in exchange for property tax credits for property under contract for the industrial tax exemption.

Proposed law authorizes a local taxing authority to enter into an advance tax payment agreement with a taxpayer that owns property that is under an industrial tax exemption contract, which agreement would provide for the advance payment of property taxes in exchange for issuance of ad valorem tax credits to the taxpayer. Tax credits may only be used for payment of tax liabilities on property which is the subject of the industrial tax exemption contract. The agreement may include the payment of interest on the amount of advance taxes paid.

Proposed law limits use of the credit in any tax year to 20% of the total value of the credit.

Proposed law requires that the taxpayer notify the Board of Commerce and Industry of their entry into an agreement.

Proposed law provides that a taxpayer's participation in an agreement shall have no bearing on the taxpayer's eligibility for or continued benefit from an exemption contract.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:2138)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Limit use of the credit in any tax year to 20% of the total value of the credit.
2. Require taxpayer notification to the Board of Commerce and Industry.
3. Provide that participation in agreement shall not limit a taxpayer's eligibility for or continued benefit from the industrial tax exemption.