

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 465 by Representative Broadwater

TAX/AD VALOREM TAX: Provides with respect to ad valorem taxes on shares of bank stock

Synopsis of Senate Amendments

1. Added requirement for ad valorem property tax relief for banks paying the bank stock tax if corporate income tax is reduced.

Digest of Bill as Finally Passed by Senate

Present law exempts stocks from ad valorem property tax, except bank stocks.

Present law provides that shares of stock of all banks, banking companies, firms, associations, or corporations, doing a banking business in this state, chartered by the laws of this state, any other state, or of the U.S. or chartered under the laws of another country (bank stock) are subject to ad valorem tax. The millages are assessed on 15% of the fair market value of the stock, which is based on stockholder equity capital.

Present law exempts from corporate income tax mutual savings banks, national banking corporations and banking corporations organized under the laws of the state of Louisiana who pay a tax for their shareholders or whose shareholders pay a tax on their shares of stock, and building and loan associations.

Proposed law provides that if the corporation income tax is repealed or reduced, the La. Legislature is required to provide a commensurate level of ad valorem property tax relief to banks paying the share tax under present law, and must identify a revenue source to meet the obligations of local governments to provide necessary services.

Proposed law provides that no action taken by the La. Legislature to comply with the provisions of proposed law may result in banks being subject to any new tax, fee, or charge that is not applicable to other corporations in the state.

(Adds R.S. 47:1967(H))