

Existing law authorizes an ad valorem tax on 15% of the fair market value of the shares of stock of all banks and banking companies, firms, associations, and corporations doing a banking business in this state (bank stock). Existing law exempts stocks from ad valorem property tax, with the exception of bank stocks.

Existing law exempts from corporate income tax mutual savings banks, building and loan associations, national banking corporations, and banking corporations organized under La. law which pay a tax for their shareholders or whose shareholders pay a tax on their shares of stock.

New law requires ad valorem property tax relief for any bank, firm, association, or corporation doing a banking business in the state (banks) if the corporate income tax is repealed or reduced. In such event, the La. Legislature is required to provide a commensurate level of ad valorem property tax relief to banks paying the tax on bank stock under existing law as is afforded payers of corporate income tax. Further, the La. Legislature is required to identify a substitute revenue source for local governments affected by the loss of ad valorem tax revenues.

New law prohibits any action taken by the La. Legislature to comply with the provisions of new law to result in banks being subject to any new tax, fee, or charge that is not applicable to other corporations in the state.

Effective Aug. 1, 2014.

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