

2015 Regular Session

SENATE BILL NO. 141

BY SENATOR WHITE

TAX EXEMPTIONS. Constitutional amendment to phase-in over a four-year period an exemption from ad valorem property taxes for inventory held by manufacturers, distributors, and retailers, and natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. (2/3 - CA13s1(A)) (1/1/16)

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 21(C)(20) of the Constitution of Louisiana, relative  
3 to ad valorem property tax exemptions; to provide for a phased-in exemption for  
4 certain inventory and natural gas; and to specify an election for submission of the  
5 proposition to electors and provide a ballot proposition.

6 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
7 elected to each house concurring, that there shall be submitted to the electors of the state, for  
8 their approval or rejection in the manner provided by law, a proposal to add Article VII,  
9 Section 21(C)(20) of the Constitution of Louisiana, to read as follows:

10 §21. Other Property Exemptions

11 Section 21. In addition to the homestead exemption provided for in Section  
12 20 of this Article, the following property and no other shall be exempt from ad  
13 valorem taxation:

14 \* \* \*

15 (C) \* \* \*

16 **(20) Inventory held by manufacturers, distributors, and retailers, and**  
17 **natural gas held, used, or consumed in providing natural gas storage services**

1 or operating natural gas storage facilities, the exemption to be allowed as  
2 follows:

3 (a) For Tax Year 2016, twenty-five percent of the value of such inventory  
4 shall be exempt.

5 (b) For Tax Year 2017, fifty percent of the value of such inventory shall  
6 be exempt.

7 (c) For Tax Year 2018, seventy-five percent of the value of such  
8 inventory shall be exempt.

9 (d) For Tax Year 2019 and for all following tax years, all such inventory  
10 shall be exempt.

11 \* \* \*

12 Section 2. Be it further resolved that this proposed amendment shall become effective  
13 January 1, 2016.

14 Section 3. Be it further resolved that this proposed amendment shall be submitted  
15 to the electors of the state of Louisiana at the statewide election to be held on October 24,  
16 2015.

17 Section 4. Be it further resolved that on the official ballot to be used at said election  
18 there shall be printed a proposition, upon which the electors of the state shall be permitted  
19 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
20 follows:

21 Do you support an amendment to phase-in over a four tax year period an  
22 exemption from property tax for inventory held by manufacturers,  
23 distributors, and retailers, and natural gas held, used, or consumed in  
24 providing natural gas storage services or operating natural gas storage  
25 facilities?

26 (Article VII, Section 21(C)(20))

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

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DIGEST

SB 141 Original                                      2015 Regular Session                                      White

Present constitution exempts from ad valorem property taxes inventories of certain raw materials, goods, commodities, and articles imported into the state from outside the United States, or in transit through the state, under certain conditions. Also authorizes the authority or district charged with economic development or the parish governing authority of each parish to enter into contracts for the exemption of goods held in inventory by "distribution centers".

Present law allows a refundable income or corporate franchise tax credit for ad valorem property taxes paid on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Proposed constitutional amendment exempts from ad valorem property taxes inventory held by manufacturers, distributors, and retailers, and natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities to be allowed as follows:

- (1) For Tax Year 2016, 25% of the value of such inventory.
- (2) For Tax Year 2017, 50% of the value of such inventory.
- (3) For Tax Year 2018, 75% of the value of such inventory.
- (4) For Tax Year 2019 and thereafter, all such inventory to be exempt.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

Effective January 1, 2016.

(Adds Const. Art. VII, Sec. 21(C)(20))