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

DIGEST

SB 158 Original

2021 Regular Session

Allain

Present constitution provides that all property is subject to ad valorem taxation unless specifically exempted.

Present constitution authorizes the State Board of Commerce and Industry, with gubernatorial approval, to enter into contracts to exempt new and expanding manufacturing facilities from ad valorem taxation.

Proposed constitutional amendment retains the ability of the board to enter into contracts to exempt certain manufacturing facilities from certain ad valorem taxes.

Proposed constitutional amendment, beginning January 1, 2023, prohibits the board from providing an exemption for a manufacturing facility for more than 80% of the assessed value of the property.

Proposed constitutional amendment provides that the terms "new manufacturing establishment" and "addition to an existing manufacturing establishment" do not include maintenance, required environmental upgrades, miscellaneous capital improvements, or replacements of existing machinery or equipment.

Proposed constitutional amendment provides that the tax commission establish criteria for determining the value of property after ten years of use and that these criteria shall be uniform throughout the state.

Proposed constitutional amendment phases out an ad valorem tax for goods held in inventory over a four-year period in equal percentages, beginning in ad valorem tax year 2023, completely exempting inventory from ad valorem taxation after ad valorem tax year 2025.

Proposed constitutional amendment defines "inventory" as goods that are held for sale in the ordinary course of business, goods in production or for ultimate consumption in the production of goods for sale in the ordinary course of business, and goods utilized in the ordinary course of business for marketing and distribution activities.

Proposed constitutional amendment creates a supplemental revenue sharing fund that will be used to offset revenue losses attributable to the phase-out of the tax on inventory.

Proposed constitutional amendment supplemental revenue sharing fund will be \$50 million in FY 2024, and increases \$50 million per fiscal year until FY 2027 and will be \$200 million per year beginning FY 2027.

Proposed constitutional amendment supplemental revenue sharing fund will be distributed each year to parishes by population and will be forwarded to the parish tax collectors to be distributed to tax recipient bodies within the parish in proportion to their ad valorem tax collections.

Proposed constitutional amendment authorizes political subdivisions to incur debt by issuing negotiable bonds and may pledge for the payment of all or part of the principal and interest of the bonds the proceeds derived or to be derived from that portion of the funds received by it from the supplemental revenue sharing fund, to offset current losses caused by exemptions for inventory granted in this proposed constitutional amendment.

Proposed constitutional amendment provides that the monies distributed to each local taxing authority from the supplemental revenue sharing fund shall be considered as ad valorem tax revenue for purposes of the constitutionally required rollback after the next reassessment.

Specifies submission of the amendment to the voters at the statewide election to be held on November 8, 2022.

(Amends Const. Art. VII, Sec. 21(F); adds Const. Art. VII, Sec. 21(O) and 26.1(F))