



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 493** HLS 25RS 937

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|--------------------------------|
| Date: May 28, 2025 | 9:02 AM | Author: CREWS |
| Dept./Agy.: Local Taxing Authorities | | |
| Subject: AVT exemption for certain small planes owned by LLCs | | Analyst: Deborah Vivien |

TAX EXEMPTIONS

RE1 DECREASE LF RV See Note

Provides relative to a property tax exemption for certain private aircraft

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Current law provides for an exemption from ad valorem taxes for an aircraft under 6,000 pounds owned by a private individual that is not used for commercial or profit-making purposes.

Proposed law retains current law and expands the exemption to aircraft under 7,000 pounds owned by a Limited Liability Company (LLC) and operating under private aviation Federal Regulations (14 CFR Part 91).

| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. It is assumed that local taxing authorities can adjust procedures to accommodate the exemption expansion in the bill by adding LLC ownership to the documentary and reporting requirements of the existing aircraft exemption.

REVENUE EXPLANATION

Local property tax revenue will be reduced for any entity funded by a millage that is charged against an impacted assessment. Impacts will only occur in areas in which small airplanes are registered to LLCs and used only under private aircraft federal guidelines. The magnitude of the impact will depend on the valuation of eligible airplanes and the local millages charged against each.

According to Federal Aviation Association data, there are currently 784 single engine fixed wing airplanes registered in Louisiana to LLCs, though it is not possible to determine whether all are under 7,000 pounds and are operating under federal regulations for private aviation.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Legislative Fiscal Officer