DIGEST

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Talbot HB No. 328

Abstract: Adds an exemption from ad valorem property taxes for inventory held by manufacturers, distributors, and retailers and for natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Present constitution requires property subject to ad valorem taxation to be listed on assessment roles at its assessed valuation, which is a percentage of the property's fair market value. Further provides for classifications of property and assigns a percentage of fair market value to each classification.

Present constitution authorizes an exemption equal to $75,000 of a property's fair market value for a bona fide homestead which is owned and occupied by any person. Further authorizes ad valorem property tax exemptions for various other property.

Present law authorizes a refundable tax credit against La. income or corporation franchise tax for ad valorem property taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and for natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the taxes paid by the taxpayer to the political subdivision.

Proposed constitutional amendment retains present constitution but adds an exemption for inventory held by manufacturers, distributors, and retailers and for natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Proposed constitutional amendment further provides that the term "manufacturer" shall mean a person engaged in the business of working raw materials into wares suitable for use or which gives new shapes, qualities, or combinations to matter which has been through some artificial process; the term "distributor" shall mean a person engaged in the sale of products for resale or further processing for resale; and the term "retailer" shall mean a person engaged in the sale of products to the ultimate consumer.

Effective Jan. 1, 2015.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Adds Const. Art. VII, §21(M) and (N))