
DIGEST

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HB 753 Original

2015 Regular Session

Stokes

Abstract: For purposes of ad valorem property tax, changes the classification for the calculation of property tax for certain public service companies, including telephone companies, barge, towing, and other water transportation companies, also provides various parameters regarding the valuation and assessment of the movable and immovable properties.

Present constitution classifies property subject to ad valorem property taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation are as follows:

Classifications	Percentages
1. Land	10%
2. Improvements for residential purposes	10%
3. Electric cooperative properties, excluding land	15%
4. Public service properties; excluding land	25%
5. Other property	15%

Present constitution requires each local tax assessor to determine the fair market value of all property subject to taxation within his respective parish or district except "public service properties", which must be valued by the Louisiana Tax Commission ("LTC").

Present constitution authorizes the legislature to enact laws defining "public service properties".

Present law provides definitions, including those for "barge line, towing, and other water transportation company", "major movable property", and "other movable property" as follows:

- (1) "Barge line, towing, and other water transportation company" means any resident or nonresident company, whether domiciled in this state or outside this state, whose boats, barges, or other watercraft either owned or leased are engaged in the business of water transportation as a common, contract, or private carrier over the inland waterways of this state on a regular basis. Excluded from the definition are supply vessels, overnight leisure passenger vessels, and crew vessels.
- (2) "Major movable property" of a "barge line, towing, and other water transportation company" means all movable and regularly moved boats, barges, and other watercraft and floating equipment and similar things which have not the character of immovable property, either

owned or leased for a definite and specific term; but not including other movable property of a barge line, towing, and other water transportation company, specifically excluding motor vehicles.

- (3) "Other movable property" of "public service properties" means all other property, corporeal or incorporeal, not included within the definition of immovable property or "major movable property" and not immovable by nature or by disposition of law, which are "so owned, leased, and so operated or used," including, but not limited to, material and supplies, inventories, fuel, leased rail, tools, furniture and fixtures, machinery, scales, pumps, water wells, communication equipment used solely in an enterprise and not available to the public, landing piers, docks, and all similar equipment. The definition excludes property specifically exempt by law.

Proposed law retains the definitions in present law as they are applicable to "barge line, towing, and other water transportation companies but moves them into the proposed law dealing with non-public service properties. Further, proposed law defines barge line, towing, and other water transportation companies to not be "public service properties" and specifies that their property, except land, shall be assessed at 15% of fair market value. This changes the assessment rate from 25% to 15%.

Proposed law deletes "telephone companies" from the definition of "public service properties".

Present law requires the LTC to appraise "public service properties" and allocate the assessed valuation of each company among local taxing authorities. However, land and all taxable "immovable", "major movable property", and "other movable" public service properties of a company that is "nonoperating or nonutility" must be appraised and assessed by the local tax assessor in the same manner and by the same standards as similar property in the parish in which it is located. Further, the LTC is required to allocate the appraised value of the property by utilizing percentages: most pertinent for "barge line, towing, and other water transportation companies," miles traveled by water by company property within the state divided by the miles traveled by water everywhere.

Proposed law requires the LTC to apportion the "estimated value" of the property of a barge line, towing, and other water transportation company which shall be subject to assessment by local tax assessors by the percentage of miles traveled by water by company property within the state divided by the miles traveled by water everywhere. The estimated value of all lands owned by a barge line, towing, and other water transportation company in this state must be deducted from the total estimated value apportioned by the LTC and must be assessed by the local tax assessor in which the land is located. In addition, only the estimated value of "major movable property" owned or used in the state in interstate or interparish operations is to be allocated by the LTC.

Proposed law provides that in any dispute as to the correctness or legality of an assessment, there shall be a rebuttable presumption that the allocation of estimated value of property by the Louisiana Tax Commission is the proper allocation of the value of such property.

Proposed law retains the specific rules in present law for allocating "major movable" or "other

movable property" owned or used in La. by a "barge line" or "towing company".

Effective January 1, 2016.

(Amends R.S. 47:1851(M); Adds R.S. 47:1954.1; Repeals R.S. 47:1851(B) and (Q), and 1855(G) and (H))