DIGEST

SB 2 Original   2023 Regular Session   Allain

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

<u>Present constitution</u> 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.

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

<u>Proposed constitutional amendment</u>, beginning January 1, 2024, prohibits the board from providing an exemption for a manufacturing facility for more than 60% of the assessed value of the property for all local public school board ad valorem taxes and not more than 80% of the assessed value of the property for all other ad valorem taxes.

<u>Proposed constitutional amendment</u> 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.

<u>Proposed constitutional amendment</u> 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.

<u>Proposed constitutional amendment</u> phases out the ad valorem tax for goods held in inventory over a five-year period in equal percentages, beginning with ad valorem taxes due in 2024 and completely exempting inventory from ad valorem taxation for ad valorem taxes due on or after 2028.

Specifies submission of the amendment to the voters at the statewide election to be held on October 14, 2023.

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