Louisiana Legislative	LEGISL	ATIVE FISCAL Fiscal Note	OFFICE							
Legislative (			Fiscal Note On:	HB	500	HLS	23RS	850		
Fiscal Office Fiscal Notes		Bill Text Version: ORIGINAL								
	Opp. Chamb. Action:									
	Proposed Amd.:									
	Sub. Bill For.:									
Date: April 2, 2023	3:40 PM Author: HILFERTY									
Dant / American any or property										

 Dept./Agy.: Local government
 Analyst: Deborah Vivien

 Subject: Disabled Veteran AVT credit applies to TY2023
 Analyst: Deborah Vivien

TAX/AD VALOREM-EXEMPTION

OR SEE FISC NOTE LF RV

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Provides with respect to the applicability of the additional property tax exemptions for certain veterans with disabilities

<u>Current Law</u> mandates a disabled veterans exemption to 100% for 100% disabled veterans and exemptions of \$4,500 for veterans with disability ratings of 70-99% (total exemption of \$12,000 with homestead exemption) and \$2,500 for veterans with disability ratings of 50-69% (total exemption of \$10,000). The exemption was approved by voters in November, 2022, without a specific effective date.

Proposed law clarifies that the exemption is effective for ad valorem taxes due during tax year 2023 and beyond.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

## **EXPENDITURE EXPLANATION**

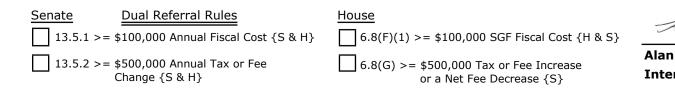
There is no anticipated direct material effect on governmental expenditures as a result of this measure. Taxes for most parishes are due at the end of the calendar or tax year that was just completed. Orleans parish taxes are due at the beginning of the calendar year or tax year that is commencing. Thus for this exemption to apply to 2023 taxes in Orleans Parish, a refund may be necessary, which may require additional resources.

## **REVENUE EXPLANATION**

The bill appears to provide clarity to the interpretation of the exemption that was approved by voters on November 8, 2022, so that the exemption applies to tax year 2023 taxes.

Orleans parish estimates that about \$1.7 M in 2023 taxes are eligible for this exemption, some or all of which would be refunded back to taxpayers in 2023.

The bill may have a contradictory component in that it states that the exemption applies to property taxes due in tax year 2023, which could include tax year 2022 if a billing deadline was extended into 2023. Then, the bill appears to exclude tax year 2022 by further stating that the exemption shall be applicable only to tax years beginning on or after January 1, 2023. The fiscal note assumes that the clarification is that the exemption will apply to taxes owed for tax year 2023 and beyond.



Alan M. Boderger

Alan M. Boxberger Interim Legislative Fiscal Officer