

2025 Regular Session

SENATE BILL NO. 179

BY SENATOR CATHEY

TAX/AD VALOREM. Provides relative to the allocation of ad valorem tax assessed values of certain property.(gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:1855(G)(2), relative to the assessment of public service  
3 properties; to provide relative to the allocation of ad valorem tax assessed values for  
4 certain types of property of nonresident companies; to provide for the  
5 implementation of an allocation methodology; to provide for an effective date; and  
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:1855(G)(2) is hereby amended and reenacted to read as follows:

9 §1855. Allocation of assessed value

10 \* \* \*

11 G. (1) \* \* \*

12 (2)(a) ~~For those companies not provided for in Paragraph (1) of this~~  
13 ~~Subsection, major movable or other movable property owned or used in Louisiana~~  
14 ~~by a company not a resident of, nor domiciled in Louisiana, and having no agent or~~  
15 ~~office in this state shall be allocated to East Baton Rouge Parish; provided, that in~~  
16 ~~the event an assessor shall certify to the tax commission that, as of January first,~~  
17 ~~certain identifiable major movables were present in his parish, the tax commission~~

1 ~~shall allocate the value of that major movable to the certifying parish.~~ **Except as**  
2 **provided herein, for those companies not provided for in Paragraph (1) of this**  
3 **Subsection, major movable or other movable property owned or used in**  
4 **Louisiana by a company not a resident of, nor domiciled in Louisiana, and**  
5 **having no agent or office in this state shall be allocated according to the**  
6 **following ratio:**

7 **(i) The numerator of which is the number of miles of active railroad**  
8 **track within a parish.**

9 **(ii) The denominator of which is the total number of miles of active**  
10 **railroad track in the state of Louisiana.**

11 **(b) The miles of active railroad track shall be based upon the latest**  
12 **information published by the Louisiana Department of Transportation and**  
13 **Development.**

14 **(c) If an assessor certifies to the Louisiana Tax Commission that certain**  
15 **identifiable major movables were present in his parish as of January first, the**  
16 **commission shall allocate the value of the major movables to the certifying**  
17 **parish. The remainder of the assessed value shall be allocated as provided in**  
18 **Subparagraph (a) of this Paragraph.**

19 **(d) The Louisiana Tax Commission shall annually publish the total**  
20 **number of miles of active railroad track in the state of Louisiana and the**  
21 **number of miles of active railroad track within each parish used to determine**  
22 **the ratio as provided in Subparagraph (a) of this Paragraph.**

23 **(e) The allocation methodology provided for in Subparagraph (a) of this**  
24 **Paragraph shall be implemented as follows:**

25 **(i) For the taxable period beginning on January 1, 2026, twenty-five**  
26 **percent of the assessed value shall be allocated to Louisiana parishes in**  
27 **accordance with the allocation methodology provided in Subparagraph (a) of**  
28 **this Paragraph and seventy-five percent shall be allocated to East Baton Rouge**  
29 **Parish.**

(ii) For the taxable period beginning on January 1, 2027, fifty percent of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation methodology provided in Subparagraph (a) of this Paragraph and thirty-three and fifty percent shall be allocated to East Baton Rouge Parish.

(iii) For the taxable period beginning on January 1, 2028, seventy-five percent of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation methodology provided in Subparagraph (a) of this Paragraph and twenty-five percent shall be allocated to East Baton Rouge Parish.

(iv) For taxable periods beginning on or after January 1, 2029, one hundred percent of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation methodology provided in Subparagraph (a) of this Paragraph.

\* \* \*

Section 2. The provisions of this Act shall be applicable to taxable periods beginning on or after January 1, 2026.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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#### DIGEST

SB 179 Engrossed

2025 Regular Session

Cathey

Present law provides for the assessment of public service properties, including major movable and other movable property, owned or used in La. by companies operating inside and outside the state. Present law requires the La. Tax Commission to allocate the assessed valuation of each company among the local taxing units on or before September first of each calendar year.

Proposed law retains present law.

Present law requires major movable or other movable property owned or used in Louisiana by a company having an agent or office in this state to be allocated to the taxing unit in which that agent or office is located.

Proposed law retains present law.

Present law requires certain major movable or other movable property owned or used in La. by a company not a resident of, nor domiciled in La., and having no agent or office in this state to be allocated to East Baton Rouge Parish.

Proposed law repeals present law and requires certain major movable or other movable property owned or used in La. by a company not a resident of, nor domiciled in La., and having no agent or office in this state, to be allocated according to the following ratio:

- (1) The numerator of which is the number of miles of active railroad track within a parish.
- (2) The denominator of which is the total number of miles of active railroad track in the state of La.

Proposed law provides that the miles of active railroad track shall be based upon the latest information published by the La. Dept. of Transportation and Development.

Present law authorizes an assessor to certify to the tax commission that certain identifiable major movables were present in his parish as of January first. Further requires the tax commission to allocate the value of the major movable to the certifying parish.

Proposed law retains present law.

Proposed law requires the La. Tax Commission to publish the total number of miles of active railroad track in the state of Louisiana and the number of miles of active railroad track within each parish used to determine the ratio.

Proposed law implements the allocation methodology as follows:

- (1) For the taxable period beginning on January 1, 2026, 25% of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation ratio and 75% shall be allocated to East Baton Rouge Parish.
- (2) For the taxable period beginning on January 1, 2027, 50% of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation ratio and 50% shall be allocated to East Baton Rouge Parish.
- (3) For the taxable period beginning on January 1, 2028, 75% of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation ratio and 25% shall be allocated to East Baton Rouge Parish.
- (4) For taxable periods beginning on or after January 1, 2029, 100% of the assessed value shall be allocated to Louisiana parishes in accordance with the allocation ratio.

Applicable to taxable periods beginning on or after January 1, 2026.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:1855(G)(2))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal  
Affairs to the original bill

1. Implements the allocation methodology over a 4-year period of time instead of over a 3-year period of time.