

**SENATE FLOOR AMENDMENTS**

2025 Regular Session

Amendments proposed by Senator Reese to Engrossed House Bill No. 365 by Representative Deshotel

AMENDMENT NO. 1

Delete Amendment Nos. 1, 3, 4, 5, 6, 7, and 8 proposed by the Senate Committee on Revenue and Fiscal Affairs and adopted by the Senate on May 20, 2025.

AMENDMENT NO. 2

On page 1, line 10, after "hereby" and before "to" delete "amended and reenacted" and insert "enacted"

AMENDMENT NO. 3

On page 1, delete lines 14 and 15 and insert the following:

"business inventory, as defined in R.S. 47:1703.3, that are held for sale in the ordinary course of business, are currently in the process of production for subsequent sale, or are to physically become a part of the production of goods. The exemption election shall be evidenced in writing and shall indicate if the parish will exempt one hundred percent of business inventory immediately, exempt one hundred percent of business inventory over a period of time, or if business inventory will be partially exempt by reducing the percentage of fair market value applicable to the property."

AMENDMENT NO. 4

On page 1, delete lines 19 and 20, delete page 2 in its entirety, and on page 3 delete line 1 and insert:

"C. (1) A parish electing, prior to July 1, 2027, to exempt one hundred percent of property constituting business inventory either immediately or over a period not to exceed five years shall receive a one-time payment from the Revenue Stabilization Fund. An exemption made pursuant to this Paragraph shall be applicable to taxable periods beginning on and after January 1, 2027.

(2) Any parish that elects to exempt one hundred percent of business inventory from ad valorem tax and implements the exemption immediately shall receive a payment equal to the greater of thrice the amount of ad valorem taxes collected on business inventory within the parish for the 2026 tax year or one million dollars. However, the maximum amount a parish may receive pursuant to the provisions of this Paragraph shall not exceed fifteen million dollars.

(3) Any parish that elects to phase-in an exemption of one hundred percent of business inventory from ad valorem tax over a period not to exceed five years shall receive a payment equal to the greater of the amount of ad valorem taxes collected on business inventory within the parish for the 2026 tax year or five hundred thousand dollars. However, the maximum amount a parish may receive pursuant to the provisions of this Paragraph shall not exceed ten million dollars.

(4) Any parish electing to exempt business inventory from ad valorem tax on or after July 1, 2027, shall not be eligible for any payment pursuant to this Subsection. Any parish electing to partially exempt business inventory by reducing the fair market value applicable to property considered business inventory shall not be eligible for any payment pursuant to this Subsection.

D. The tax collector of each parish receiving a payment pursuant to Subsection C of this Section shall distribute the monies received from the treasurer on a pro rata basis to each taxing authority that levies an ad valorem tax within the parish. The treasurer shall disburse monies to the collector within thirty days of receipt of a certification from the secretary of the Department of Revenue that the

parish has irrevocably elected to exempt one hundred percent of business inventory from ad valorem tax.

E. Property for which an exemption authorized in this Section has been"

#### AMENDMENT NO. 5

On page 3, line 5, after "of" and before "ad" delete "the" and insert "an"

#### AMENDMENT NO. 6

On page 3, at the end of line 8, delete "the" and insert "an"

#### AMENDMENT NO. 7

On page 3, delete lines 12 through 29 and on page 4 delete lines 1 through 14 and insert the following:

"§1703.3. Business inventory; partial exemption; fair market value adjustment

A.(1)(a) In accordance with the Constitution of Louisiana for purposes of ad valorem taxation, a parish may elect to partially exempt business inventory by reducing the percentage of fair market value applicable to property considered business inventory established in the constitution.

(b) The election by a parish to reduce the fair market value of business inventory pursuant to the provisions of this Section shall be irrevocable and once the fair market value has been reduced in a parish, the percentage of fair market value shall not be increased. A parish shall not reduce the percentage of fair market value of business inventory more than once an assessment period.

(2) The partial exemption of business inventory shall apply only in parishes in which the sheriff, school board, and the parish governing authority elect to reduce the percentage of fair market value applicable to business inventory. However, the percentage of fair market value applicable to business inventory shall never be higher than the percentage applicable to business inventory pursuant to Article VII, Section 18(B) of the Constitution of Louisiana.

(3) The partial exemption reducing the percentage of fair market value applicable to business inventory shall be evidenced in writing and shall be submitted to the Louisiana Tax Commission and the appropriate tax assessor within ten calendar days of the execution of the agreement between the sheriff, school board, and the parish governing authority to reduce the percentage of fair market value applicable to business inventory. The written documentation shall contain the new percentage of fair market value applicable to business inventory in the parish and shall indicate the effective date of the reduced percentage. The Louisiana Tax Commission shall include all written notifications received from parishes indicating a reduction of the percentage of the fair market value applicable to business inventory in the commission's annual reports.

B. Any decrease in the total amount of ad valorem tax collected by a taxing authority as a result of the reduction of the percentage of fair market value applicable to business inventory authorized in this Section shall be absorbed by the taxing authority and no additional tax liability for taxpayers in the taxing district shall be created as a result of any subsequent reappraisal and valuation or millage adjustment. Implementation of the reduction of the percentage of fair market value applicable to business inventory authorized in this Section shall neither trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to Article VII, Section 23 of the Constitution of Louisiana."

#### AMENDMENT NO. 8

On page 5, at the end of line 22, delete "year" and insert "years"

#### AMENDMENT NO. 9

- 1 On page 5, at the at the end of line 23, delete "2027" and insert "2026"
- 2 AMENDMENT NO. 10
- 3 On page 5, line 24, after "effect" and before "and" delete "on January, 1, 2027,"