

2015 Regular Session

SENATE BILL NO. 85

BY SENATOR ADLEY

TAX/TAXATION. Constitutional amendment to exempt from ad valorem property taxes inventory held by manufacturers, distributors, and retailers and to prohibit adjustment of millages because of the implementation of the exemption. (2/3-CA13s1(A)) (1/1/16)

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A JOINT RESOLUTION

Proposing to add Article VII, Section 21(C)(20) of the Constitution of Louisiana, relative to ad valorem property tax exemptions; to provide for an exemption for certain inventory; to provide with respect to the adjustment of ad valorem millages because of the implementation of the exemption; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 21(C)(20) of the Constitution of Louisiana, to read as follows:

§21. Other Property Exemptions

Section 21. In addition to the homestead exemption provided for in Section 20 of this Article, the following property and no other shall be exempt from ad valorem taxation:

* * *

(C) * * *

(20) Inventory held by manufacturers, distributors, and retailers;

1 **provided that, a decrease in the total amount of ad valorem taxes collected by**
2 **a taxing authority because of the implementation of this exemption shall not**
3 **authorize the taxing authority to adjust its millages as provided for in Section**
4 **23 of this Article.**

5 * * *

6 Section 2. Be it further resolved that this proposed amendment shall become
7 effective January 1, 2016.

8 Section 3. Be it further resolved that this proposed amendment shall be submitted
9 to the electors of the state of Louisiana at the statewide election to be held on October 24,
10 2015.

11 Section 4. Be it further resolved that on the official ballot to be used at said election
12 there shall be printed a proposition, upon which the electors of the state shall be permitted
13 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
14 follows:

15 Do you support an amendment to exempt from property tax inventory held
16 by manufacturers, distributors, and retailers and provide that ad valorem tax
17 millages shall not be raised because of the implementation of the exemption?
18 (Adds Article VII, Section 21(C)(20))

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

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Present constitution exempts from ad valorem property taxes, among other things, certain raw materials, goods, commodities, and articles imported into the state from outside the United States, or in transit through the state, under certain conditions. Also authorizes the authority or district charged with economic development or the parish governing authority of each parish to enter into contracts for the exemption of goods held in inventory by "distribution centers".

Present law allows a refundable income or corporate franchise tax credit for ad valorem property taxes paid on inventory held by manufacturers, distributors, and retailers.

Proposed constitutional amendment exempts from ad valorem property taxes inventory held by manufacturers, distributors, and retailers.

Present constitution requires all property subject to ad valorem property taxation to be reappraised and valued at intervals of not more than four years.

Present constitution provides that the total amount of ad valorem property taxes collected by any taxing authority in the year in which property is reappraised and revalued shall not be increased or decreased because of a reappraisal or valuation above or below the total amount of ad valorem taxes collected by that taxing authority in the year preceding implementation of the reappraisal and valuation.

Proposed constitutional amendment provides that a decrease in the total amount of ad valorem property taxes collected by a taxing authority because of the implementation of the exemption in the proposed constitutional amendment shall not authorize the tax authority to adjust its millages as provided in the present constitution as set forth above.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

Effective January 1, 2016.

(Adds Const. Art. VII, Sec. 21(C)(20))