



1 property; to establish requirements for eligibility; to provide for standard, local, and  
 2 executive ad valorem tax exemptions; to provide for cooperative endeavor  
 3 agreements; to provide for exemption applications; to provide for the terms and  
 4 values of exemptions; to provide for definitions; to provide for local authority  
 5 approval; to provide for gubernatorial approval; to provide for the consideration,  
 6 approval, and granting of the exemption; to provide for a statement of purpose; to  
 7 provide for oversight; to provide for a withdrawal process; to provide for reports; to  
 8 provide for certain requirements and limitations; to provide for the classification of  
 9 property; to establish the percentages to be used for purposes of fair market value  
 10 in property assessment; to provide for applicability; to provide for an effective date;  
 11 and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:32(A), 241, 287.12, 287.69, 293(3), (9)(a)(iv), and (10), 294,  
 14 295(B), 300.1, 300.6(A), and 300.7(A) are hereby amended and reenacted and R.S.  
 15 47:293(9)(a)(xx), Parts I through IV of Chapter 1-A of Subtitle III of Title 47 of the  
 16 Louisiana Revised Statutes of 1950, comprised of R.S. 47:1721 through 1731, and Chapter  
 17 2-A of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S.  
 18 47:1890, are hereby enacted to read as follows:

19 §32. Rates of tax

20 A. On individuals. The tax to be assessed, levied, collected and paid upon  
 21 the taxable income of an individual shall be computed at the ~~following rates:~~

22 ~~(1) Two percent on that portion of the first twelve thousand five hundred~~  
 23 ~~dollars of net income which is in excess of the credits against net income provided~~  
 24 ~~for in R.S. 47:79;~~

25 ~~(2) Four percent on the next thirty-seven thousand five hundred dollars of~~  
 26 ~~net income;~~

27 ~~(3) Six percent on any amount of net income in excess of fifty thousand~~  
 28 ~~dollars of net income~~ rate of four percent on net income.

29 \* \* \*

1 §241. Net income subject to tax

2 The net income of a nonresident individual or a corporation subject to the tax  
3 imposed by this Chapter shall be the sum of the net allocable income earned within  
4 or derived from sources within this state, as defined in R.S. 47:243, and the net  
5 apportionable income derived from sources in this state, as defined in R.S. 47:244,  
6 less the amount of ~~federal income taxes attributable to the net allocable income and~~  
7 net apportionable income derived from sources in this state. ~~The amount of federal~~  
8 ~~income taxes to be so deducted shall be that portion of the total federal income tax~~  
9 ~~which is levied with respect to the particular income derived from sources in this~~  
10 ~~state to be computed in accordance with rules and regulations of the collector of~~  
11 ~~revenue.~~ Proper adjustment shall be made for the actual tax rates applying to  
12 different classes of income and for all differences in the computation of net income  
13 for purposes of federal income taxation as compared to the computation of net  
14 income under this Chapter. Where the allocation of the tax is to be based on a ratio  
15 of the amount of net income of a particular class, both the numerator and the  
16 denominator of the fraction used in determining the ratio shall be computed on the  
17 basis that such net income is determined for federal income tax purposes.

18 \* \* \*

19 §287.12. Rates of tax

20 The tax to be assessed, levied, collected, and paid upon the Louisiana taxable  
21 income of every corporation shall be computed at the rate of:

22 (1) ~~Four percent upon the first twenty-five thousand dollars of Louisiana~~  
23 ~~taxable income.~~

24 (2) ~~Five percent upon the amount of Louisiana taxable income above twenty-~~  
25 ~~five thousand dollars but not in excess of fifty thousand dollars.~~

26 (3) ~~Six percent on the amount of Louisiana taxable income above fifty~~  
27 ~~thousand dollars but not in excess of one hundred thousand dollars.~~

28 (4) ~~Seven percent on the amount of Louisiana taxable income above one~~  
29 ~~hundred thousand dollars but not in excess of two hundred thousand dollars.~~



1 than Louisiana and its municipalities, title to which obligations vested with the  
2 resident individual on or subsequent to January 1, 1980, and less:

3 \* \* \*

4 (iv) ~~The excess, if any, of the personal exemptions and deductions provided~~  
5 ~~for in R.S. 47:294 over the amount of the personal exemptions and deductions~~  
6 ~~already included in the tax tables promulgated by the secretary under authority of~~  
7 ~~R.S. 47:295. The standard, personal, and dependant deductions provided for in R.S.~~  
8 47:294.

9 \* \* \*

10 (xx) Louisiana state income tax refunds which are included in federal  
11 adjusted gross income.

12 \* \* \*

13 (10) "Tax table income", for nonresident individuals, means the amount of  
14 Louisiana income, as provided in this Part, allocated and apportioned under the  
15 provisions of R.S. 47:241 through 247, ~~plus the total amount of the personal~~  
16 ~~exemptions and deductions already included in the tax tables promulgated by the~~  
17 ~~secretary under authority of R.S. 47:295, less the proportionate amount of the federal~~  
18 ~~income tax liability, excess federal itemized personal deductions, the temporary~~  
19 ~~teacher deduction, the recreation volunteer and volunteer firefighter deduction, the~~  
20 ~~construction code retrofitting deduction, any gratuitous grant, loan, or other benefit~~  
21 ~~directly or indirectly provided to a taxpayer by a hurricane recovery entity if such~~  
22 ~~benefit was included in federal adjusted gross income, the exclusion provided for in~~  
23 ~~R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by 26~~  
24 ~~U.S.C. 280C, salaries, wages or other compensation received for disaster or~~  
25 ~~emergency-related work rendered during a declared state disaster or emergency, the~~  
26 ~~deduction for net capital gains, the pass-through entity exclusion provided in R.S.~~  
27 47:297.14, Louisiana state income tax refunds which are included in federal adjusted  
28 gross income, and standard, personal, and dependent exemptions and deductions  
29 provided for in R.S. 47:294. The proportionate amount is to be determined by the

1 ratio of Louisiana income to federal adjusted gross income. When federal adjusted  
2 gross income is less than Louisiana income, the ratio shall be one hundred percent.

3 \* \* \*

4 §294. ~~Personal exemptions and credit for dependents~~ Standard, personal, and  
5 dependent deductions

6 ~~All personal exemptions and deductions for dependents allowed in~~  
7 ~~determining federal income tax liability, including the extra exemption for the blind~~  
8 ~~and aged, will be allowed in determining the tax liability in this Part.~~ Taxpayers are  
9 required to use the same filing status and claim the same exemptions on their return  
10 required to be filed under this Part as they used on their federal income tax return.

11 The amounts to be taken into consideration shall be as follows:

12 A. ~~A combined personal exemption and standard deduction in the following~~  
13 ~~amounts:~~

14 a. Single Individual	<del>\$ 4500.00</del>	<u>\$12,500</u>
15 b. Married-Joint Return and a Qualified Surviving Spouse	<del>\$ 9000.00</del>	<u>\$25,000</u>
16 c. Married-Separate	<del>\$ 4500.00</del>	<u>\$12,500</u>
17 d. Head of Household	<del>\$ 9000.00</del>	<u>\$25,000</u>

18 ~~B. An additional deduction of one thousand dollars shall be allowed for each~~  
19 ~~allowable exemption in excess of those required to qualify for the exemption~~  
20 ~~allowable under R.S. 47:294(A).~~

21 B.(1) An exemption of one thousand dollars shall be allowed for a taxpayer  
22 who is blind, is deaf, has sustained the loss of one or more limbs, or has an  
23 intellectual disability.

24 (2) Each person claiming an exemption pursuant to the provisions of this  
25 Subsection shall provide proof of a claim by providing a certificate from a qualified  
26 physician or optometrist.

27 C.(1)(a) A deduction of one thousand dollars shall be allowed for each  
28 dependent allowed in determining federal income tax liability who is blind, is deaf,  
29 has sustained the loss of one or more limbs, or has an intellectual disability.



1 If such combined exemptions and deductions exceed the two and four percent  
2 brackets, the excess shall be deducted from the six percent bracket.

3 \* \* \*

4 §300.1. Tax imposed

5 There is imposed an income tax for each taxable year upon the Louisiana  
6 taxable income of every estate or trust, whether resident or nonresident. The tax to  
7 be assessed, levied, collected, and paid upon the Louisiana taxable income of an  
8 estate or trust shall be computed at the ~~following rates:~~

9 (1) ~~Two percent on the first ten thousand dollars of Louisiana taxable~~  
10 ~~income.~~

11 (2) ~~Four percent on the next forty thousand dollars of Louisiana taxable~~  
12 ~~income.~~

13 (3) ~~Six percent on Louisiana taxable income in excess of fifty thousand~~  
14 ~~dollars~~ rate of four percent on Louisiana taxable income.

15 \* \* \*

16 §300.6. Louisiana taxable income of resident estate or trust

17 A. Definition. "Louisiana taxable income" of a resident estate or trust means  
18 the taxable income of the estate or trust determined in accordance with federal law  
19 for the same taxable year, as specifically modified by the provisions contained in  
20 Subsection B of this Section, ~~less a federal income tax deduction to be computed~~  
21 ~~following the provisions of R.S. 47:287.83 and 287.85.~~

22 \* \* \*

23 §300.7. Louisiana taxable income of nonresident estate or trust

24 A. Definition. "Louisiana taxable income" of a nonresident estate or trust  
25 means ~~such~~ the portion of the taxable income of the nonresident estate or trust  
26 determined in accordance with federal law for the same taxable year, as specifically  
27 modified by the provisions contained in Subsection C of this Section, that was earned





1 Fiscal Affairs in the same manner and to the same extent as the review of the  
2 standing committees provided for in R.S. 49:968(B)(1).

3 PART II. PARISH

4 ENROLLMENT

5 §1724. Authorization

6 In accordance with Article VII, Section 21(F) of the constitution, the  
7 department is authorized to create and establish ad valorem tax exemption programs  
8 permitting standard, local, and executive tax exemptions.

9 §1725. Notification

10 The department shall notify parish authorities within ten days of the creation  
11 or modification of any capital investment exemption program. The notification shall  
12 provide program details, enrollment deadlines, resolution requirements, and forms  
13 to indicate if the exemption applicable to the program is standard, local, or executive.

14 §1726. Enrollment; exclusion

15 A. A parish shall be enrolled in a capital investment program upon the  
16 approval of all parish authorities located within the applicable parish boundaries,  
17 evidenced by submitting a resolution of approval to the department.

18 B. A parish shall be excluded from the capital investment program upon  
19 disapproval by any parish authority located within the applicable parish boundaries,  
20 evidenced by submitting a resolution of disapproval to the department. If no parish  
21 authority notifies the department of disapproval within sixty days of the effective  
22 date of the program, all parish authorities shall be automatically enrolled in the  
23 program.

24 C. Any parish authority that has submitted a resolution of disapproval to the  
25 department may later approve participation in the program by submitting a resolution  
26 to the department rescinding the previous resolution of disapproval.

27 D. Except as provided in R.S. 47:1727, enrollment in a capital investment  
28 program shall be continuous.



1 authority shall review the application and conditional approval in conjunction with  
2 the department's analysis and issue a resolution or letter, in the case of a sheriff,  
3 approving or rejecting the exemption within sixty days of receipt of the application  
4 and conditional approval. In reviewing the application, a local authority may hold  
5 a public meeting for the purpose of receiving public input.

6 (5) Final approval. Each local authority shall provide the department with  
7 a copy of its resolution or letter approving or rejecting the exemption.

8 C. Local exemption. (1) Eligibility. No applicant shall be eligible for the  
9 local exemption until the applicant has received final approval by the department for  
10 a standard exemption. Each parish shall establish additional eligibility requirements  
11 for the local exemption in accordance with Article VII, Section 21(F) of the  
12 Constitution of Louisiana. The application for the local exemption shall be an  
13 addendum to the standard exemption application. The local exemption addendum  
14 shall be on forms designed and prescribed by the department and shall include all  
15 additional parish requirements, the proposed exemption term, and the proposed  
16 exemption amount.

17 (2) Review. The department shall forward a copy of the local exemption  
18 application within three days of receipt to each impacted local authority that levies  
19 a millage and in whose jurisdiction the project will be located. The department shall  
20 provide each local authority with an analysis of the project applying for the local  
21 exemption. Each local authority shall review the application in conjunction with the  
22 department's analysis and issue a resolution or letter, in the case of a sheriff,  
23 approving or rejecting the exemption within sixty days of receipt of the application  
24 from the department. In reviewing the local application, a local authority may hold  
25 a public meeting for the purpose of receiving public input.

26 (3) Cooperative endeavor agreement. Upon the local authority's approval of  
27 the local exemption, the local authority and the applicant, with the assistance of the  
28 department, shall enter into a cooperative endeavor agreement evidencing the  
29 exemption. The cooperative endeavor agreement shall provide for an ad valorem tax

1 exemption of up to one hundred percent of the property tax and for a term of not  
2 more than fifteen years.

3 (4) Final approval. The local authority shall provide the department with a  
4 copy of the final cooperative endeavor agreement and a copy of all resolutions or  
5 letters approving the local exemption.

6 D. Executive exemption. (1) Eligibility and Application. The governor  
7 shall be permitted to provide an executive exemption for capital investment projects  
8 in accordance with Article VII, Section 21(F) of the Constitution of Louisiana.

9 (2) Invitation and offer. The governor may offer any entity an executive  
10 exemption from ad valorem property taxes. The exemption may be for up to one  
11 hundred percent of the property taxes for a specific term, decided at the governor's  
12 discretion. The executive exemption shall be evidenced by a gubernatorial executive  
13 order providing the terms and conditions of the exemption. The board shall require  
14 local approval prior to the governor granting the executive exemption. No later than  
15 thirty-five days prior to the issuance of any gubernatorial executive order providing  
16 an exemption, the governor shall provide all applicable local authorities a draft of the  
17 executive order. Local authorities shall have a thirty-day period, beginning the day  
18 the draft executive order is received, to reject the proposed exemption. A rejection  
19 by any local authority shall be evidenced by resolution or if the rejection is from the  
20 sheriff, by letter. If a local authority does not provide notice of rejection within the  
21 thirty-day notice period, the exemption will be deemed approved by the local  
22 authority.

23 §1729. Reporting

24 Within thirty days after the submittal of an application for an exemption  
25 pursuant to this Chapter, the department shall produce a cost-benefit analysis for the  
26 project that identifies the projected state and local fiscal impact of the project. The  
27 analysis shall include information related to employment, state and local revenues,  
28 state and local infrastructure requirements, and the effect of using state and local  
29 public services. The employment-related analysis shall include information on the

1 project construction employment, project permanent employment, and project  
2 indirect employment. All coincidental and non-proprietary data used in the analysis  
3 shall be made available to the public by the department upon written request.

4 PART IV. INDUSTRY

5 PROGRAMS AND PROCEDURES

6 §1730. Industry programs and procedures

7 For the purposes of the Capital Investment Program established in this  
8 Chapter, the following industry programs comprise the capital investment program:

9 A. Manufacturing. The manufacturing sector shall include but is not limited  
10 to entities participating in pharmaceutical manufacturing, semiconductor  
11 manufacturing, automotive manufacturing, and green energy manufacturing. The  
12 manufacturing sector shall not include industrial manufacturing.

13 B. Technology. The technology sector shall include but is not limited to data  
14 centers and laboratories.

15 C. Telecommunication. The telecommunication sector shall include but is  
16 not limited to entities providing or assisting in providing rural broadband services.

17 D. Healthcare. For the purposes of the program established in this Chapter,  
18 the healthcare sector shall include but is not limited to hospitals and clinics.

19 E. Logistic, warehouse, and distribution. The logistic, warehouse, and  
20 distribution sector shall include but is not limited to entities participating in  
21 warehouse storage and distribution.

22 §1731. Record keeping

23 The department shall maintain an interactive map on its website identifying  
24 available exemptions by parish, industry sector, and program.

25 \* \* \*

1                                    CHAPTER 2-A. PROPERTY CLASSIFICATIONS

2                    §1890. Property assessments; classification; fair market value

3                                    Classification. The classifications of property subject to ad valorem taxation  
4                    and the percentage of fair market value applicable to each classification for the  
5                    purpose of determining assessed valuation are as follows:

<u>Classifications</u>	<u>Percentages</u>
7 <u>1. Land</u>	<u>10%</u>
8 <u>2. Improvements for residential purposes</u>	<u>10%</u>
9 <u>3. Electric cooperative properties, excluding land</u>	<u>15%</u>
10 <u>4. Other property</u>	<u>15%</u>

11                    Section 2. R.S. 47:79(B), 287.79, 287.83, 287.85, 287.442(B)(1), 293(4) and  
12 (9)(a)(ii), 296.1(B)(3)(c), 297(A), and 298 are hereby repealed in their entirety.

13                    Section 3. The provisions of this Act shall be applicable to income tax periods  
14 beginning on or after January 1, 2023, and corporate franchise tax periods beginning on or  
15 after January 1, 2023.

16                    Section 4. This Act shall take effect and become operative on January 1, 2023, if and  
17 when the proposed amendment of Article VII of the Constitution of Louisiana contained in  
18 the Act which originated as House Bill No. \_\_\_ of this 2021 Regular Session of the  
19 Legislature is adopted at a statewide election and becomes effective.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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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HB 629 Engrossed                                    2021 Regular Session                                    Ivey

**Abstract:** Provides relative to individual income tax, corporate income tax, corporate franchise tax, and ad valorem taxes.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates:

- (1) 2% on the first \$12,500 of net income.
- (2) 4% on the next \$37,500 of net income.
- (3) 6% on net income in excess of \$50,000.

Proposed law removes the graduated schedule of rates in favor of a flat 4% individual income tax rate.

Present law provides that in cases where taxpayers file a joint return of husband and wife, the combined tax shall be twice the combined tax of single filers.

Proposed law retains present law.

Present law provides that all personal exemptions and deductions for dependents allowed in determining federal income tax liability shall be allowed in determining La. tax liability. Further provides for a combined personal exemption of \$4,500 for single, individual filers; \$9,000 for married, joint filers; \$4,500 for married, separate filers; and \$9,000 for filers who are the head of household.

Proposed law increases the combined personal exemption to \$12,500 for single, individual and married, separate filers. Also increases to \$25,000 the combined personal exemption for married, joint filers, qualified surviving spouses, and filers who are the head of household.

Present law authorizes a credit of \$400 for each dependent who meets certain criteria.

Proposed law repeals present law in favor of a \$1,000 deduction for each dependent as defined in present law.

Present law authorizes an additional deduction of \$1,000 for each allowable exemption in excess of those required to qualify for the exemption allowable under present law (R.S. 47:294(A)).

Proposed law provides an exemption of \$1,000 for a taxpayer who is blind, is deaf, has sustained the loss of one or more limbs, or has an intellectual disability. Provides a deduction of \$1,000 for each dependent allowed, in determining federal income tax liability, who is blind, is deaf, has sustained the loss of one or more limbs, or has an intellectual disability. Additionally, provides a deduction of \$1,000 for each dependent as allowed in determining federal income tax liability. Provides definitions and requirements for claiming the exemptions.

Present law requires the secretary of the Dept. of Revenue to establish tax tables that calculate the tax owed by taxpayers based upon where their taxable income falls within a range that does not exceed \$250.

Present law further requires the secretary to provide in the tax tables the combined personal exemption, standard deduction, and other exemption deductions in present law which are deducted from the 2% bracket. If the combined exemptions and deductions exceed the 2% bracket, the excess is deducted from the 4% bracket, and then the 6% bracket. Proposed law requires the tax tables to use the brackets provided for in proposed law.

Present law authorizes a deduction from individual income taxes for excess federal itemized personal deductions. The term "excess federal itemized personal deductions" is defined to mean the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return.

Proposed law changes the present law definition of "excess federal itemized personal deductions" to mean the amount by which the federal itemized personal deductions, excluding La. state income taxes paid, exceed the amount of the federal standard deduction *or the state standard deduction*, whichever is greater, designated for the filing status used for the taxable period on the individual income tax return.



Present law defines "tax table income" for resident individuals as the adjusted gross income plus interest on certain state or political subdivision obligations less items such as gratuitous grants, loans, or other disaster benefits included in federal adjusted gross income, federal income tax liability, amount deposited into medical or educational savings accounts, and excess personal exemptions and deductions.

Proposed law retains present law but adds to the list of income not included in "tax table income" the standard, personal, and dependent deductions provided for in proposed law as well as state income tax paid which are included in federal adjusted gross income.

Present constitution and present law authorize a state deduction for federal income taxes paid for purposes of computing income taxes for the same period.

Proposed law repeals the present law provisions that authorize a state deduction for federal income taxes paid for purposes of calculating individual and corporate income taxes and income taxes for estates and trusts.

Present law provides for the computation of La. taxable income for a resident estate or trust, including provisions for the federal income tax deduction, limitations of deductions for net income, provisions for the federal deduction for alternative minimum tax, and the authority of the secretary of the Dept. of Revenue to consider reductions to the federal income tax deduction and the determination of the deductible portion of an alternative minimum tax.

Present law provides for a tax to be assessed, levied, collected, and paid on the La. taxable income of an estate or trust at the following rates:

- (1) 2% on the first \$10,000 of La. taxable income.
- (2) 4% on the next \$40,000 of La. taxable income.
- (3) 6% on La. taxable income in excess of \$50,000.

Proposed law removes the graduated schedule of rates in favor of a flat 4% rate on taxable income of an estate or trust.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation is to be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 8% on all La. taxable income in excess of \$200,000.

Proposed law changes present law by eliminating the graduated schedule of rates dependant on the amount of taxable income of the taxpayer in favor of a flat 6.5% corporate income tax rate.

Present constitution provides for the exclusive list of ad valorem tax exemptions.

Proposed law provides definitions for the terms "board", "department", "local authorities", and "parish authorities".

Proposed law requires the Department of Economic Development hereinafter ("Dept.") to adopt and promulgate rules to administer the program in compliance with present law.

Proposed law establishes a notification process that requires the Dept. to notify parish authorities within 10 days of the creation or modification of a capital investment program. Further provides that the notification shall include program details, deadlines, language for resolutions, and specific forms.

Proposed law establishes an enrollment process for the program. A parish can enroll in a program upon the approval of all parish authorities evidenced by a resolution submitted to the Dept.

Proposed law provides that if a parish disapproves participation in a program it shall submit a resolution to the Dept. stating such. Proposed law further provides that if no parish authority notifies the Dept. that it disapproves participation within 60 days of the program's effective date, the parish shall be automatically enrolled.

Proposed law authorizes a parish to change disapproval to approval by rescinding the disapproval resolution.

Proposed law authorizes a parish to withdraw from a program within five years following enrollment. Proposed law further provides a parish can withdraw if all parish authorities submit a resolution stating such. The withdrawal is effective 90 days following the Dept.'s receipt of the resolution.

Proposed law provides that if the legislature passes a law that substantively changes a capital investment program a parish may withdraw from the program by resolution stating such. The resolution must be submitted no later than 60 days after the effective date of the applicable legislation.

Proposed law identifies businesses that constitute the manufacturing, technology, telecommunication, healthcare, logistic, warehouse, and distribution sectors for the purposes of this program.

Proposed law creates a standard ad valorem tax exemption for capital investment projects.

Proposed law requires the Dept. to establish an application procedure for the standard exemption in accordance with the constitution. Proposed law further provides that the Board of Commerce and Industry shall review a standard ad valorem tax exemption in a timely manner and confirm program eligibility for each application. Within 10 days of confirmation, the board shall provide the applicant and local authorities with a copy of the conditional approval.

Proposed law creates a local ad valorem tax exemption for capital investment projects.

Proposed law establishes an application for a local ad valorem tax exemption and requires the Dept. to design and provide the application forms.

Proposed law requires the Dept. to forward a copy of an application to each impacted local authority that levies a millage and in whose district the project will be located.

Proposed law requires the Dept. to provide the local governing authority and all relevant political subdivisions with an analysis of every proposed project requesting an exemption in the parish.

Proposed law requires a local authority within 60 days of receipt to review each project application in conjunction with the Dept.'s analysis and issue a resolution or a letter, in the

case of a sheriff, approving or rejecting the application. During this time local authorities may hold public meetings to receive public input.

Proposed law provides that if the local authority approves the application, the local authority and the applicant, with the assistance of the Dept., shall enter into a cooperative endeavor agreement evidencing the exemption.

Proposed law requires the local authority to provide the board with a copy of the cooperative endeavor agreement and a copy of any resolution or letter approving the exemption.

Proposed law creates an executive ad valorem tax exemption for capital investment projects.

Proposed law provides that the governor may offer any entity an executive exemption. The exemption may be for up to 100% of the property taxes of the project and for a specific term to be decided by the governor.

Proposed law requires local approval prior to the execution of the executive order providing for an exemption. A local authority must evidence rejection of the exemption within 30 days of receipt or the exemption will be deemed approved.

Proposed law requires the executive exemption to be evidenced by a gubernatorial executive order providing the terms and conditions of the exemption.

Proposed law requires the Dept. to produce a cost-benefit analysis for the project that specifically identifies the projected state and local fiscal impact, information related to employment, state and local revenues, state and local infrastructure requirements, and the effect of using state and local public services.

Present constitution authorizes the levy of ad valorem tax on property within Louisiana.

Present constitution provides for the classifications of property and percentages of fair market value to be used in the assessment of property for purposes of ad valorem property taxes.

Proposed law, which is contingent upon the passage of a proposed constitutional amendment provides for the same classifications of property and percentages of fair market value to be used in the assessment of property for purposes of ad valorem property taxes as is provided in present constitution. However, proposed law excludes certain public service properties from the list of property classifications.

Applicable to income tax periods beginning on or after Jan. 1, 2023.

Effective Jan. 1, 2023, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_ of this 2021 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:32(A), 241, 287.12, 287.69, 293(3), (9)(a)(iv), and (10), 294, 295(B), 300.1, 300.6(A), and 300.7(A); Adds R.S. 47:293(9)(a)(xx), 1721-1731, and 1890; Repeals R.S. 47:79(B), 287.79, 287.83, 287.85, 287.442(B)(1), 293(4) and (9)(a)(ii), 296.1(B)(3)(c), 297(A), and 298)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove provisions of proposed law relative to the reduction and eventual elimination of the corporate franchise tax.

2. Remove provisions of proposed law that prohibit the levy of an initial corporate franchise tax.
3. Remove provisions of proposed law authorizing local governmental subdivisions or other taxing authorities to enter into cooperative endeavor agreements authorizing payments in lieu of ad valorem taxes. Further remove provisions relative to the terms of cooperative endeavor agreements, provisions relative to the calculation of the abatement, and related provisions regarding the approval process.
4. Specify that for purposes of the Capital Investment Program, the manufacturing sector shall not include industrial manufacturing.
5. Remove public service property from the list of property classifications subject to ad valorem taxation and its associated fair market value percentage.