

2024 Regular Session

SENATE BILL NO. 221

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 require East Baton Rouge
5 Parish to remit property taxes among certain parishes; to require the Louisiana Tax
6 Commission to determine the allocation; to authorize East Baton Rouge Parish to
7 retain certain expenses incurred; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

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

10 §1855. Allocation of assessed value

11 * * *

12 G. (1) * * *

13 (2)(a) For those companies not provided for in Paragraph (1) of this
14 Subsection, major movable or other movable property owned or used in Louisiana
15 by a company not a resident of, nor domiciled in Louisiana, and having no agent or
16 office in this state shall be allocated to East Baton Rouge Parish **as provided in**
17 **Subparagraph (b) of this Paragraph**; provided, that in the event an assessor shall

1 certify to the tax commission that, as of January first, certain identifiable major
2 movables were present in his parish, the tax commission shall allocate the value of
3 that major movable to the certifying parish.

4 (b)(i) The Louisiana Tax Commission shall promulgate regulations
5 establishing an allocation methodology for the implementation of this
6 Paragraph. The regulation shall be promulgated in accordance with the
7 Administrative Procedure Act and shall be published no later than September
8 30, 2024.

9 (ii) In establishing the allocation methodology, the Louisiana Tax
10 Commission shall consider the miles of all company track and rolling stock
11 within parishes compared to the total amount of miles of company track and
12 rolling stock within Louisiana among other relevant information.

13 (c) The Louisiana Tax Commission shall annually report the amount of
14 the total assessed value to each parish subject to the provisions of this
15 Paragraph based upon the allocation methodology established by regulation.

16 (d) Each parish shall annually prepare a tax bill for the amount of the
17 assessed value that is allocated to the parish by the Louisiana Tax Commission
18 and shall send a copy of the tax bill to East Baton Rouge Parish no later than
19 fourteen days after the parish's tax rolls are certified. Failure to provide East
20 Baton Rouge Parish a copy of the tax bill may result in forfeiture of the taxes
21 due.

22 (e) East Baton Rouge Parish shall prepare and send a single tax bill for
23 each taxpayer that is inclusive of the total amount due to be remitted to all
24 Louisiana parishes.

25 (f) East Baton Rouge Parish shall annually remit property taxes collected
26 by the parish in accordance with this Paragraph.

27 (g) East Baton Rouge Parish shall retain an amount equal to actual
28 expenses incurred which shall not exceed one percent of the total amount of
29 property taxes collected by the parish in accordance with the allocation

1 **pursuant to this Paragraph.**

2 * * *

3 Section 2. The provisions of this Act shall be applicable to taxable periods beginning
4 on or after January 1, 2024.

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

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

DIGEST

SB 221 Original

2024 Regular Session

Cathey

Present law provides for the assessment of public service properties, including major movable and other movable property, owned or used in Louisiana by companies operating inside and outside the state. Present law requires the Louisiana 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 Louisiana by a company not a resident of, nor domiciled in Louisiana, and having no agent or office in this state to be allocated to East Baton Rouge Parish; provided, that in the event an assessor certifies to the tax commission that, as of January first, certain identifiable major movables were present in his parish, the tax commission is required to allocate the value of that major movable to the certifying parish.

Proposed law retains present law and further requires the Louisiana Tax Commission to promulgate regulations that establish an allocation methodology. When determining the allocation methodology, the Louisiana Tax Commission is required to consider the miles of all company track and rolling stock within parishes compared to the total amount of miles of company track and rolling stock within Louisiana and other relevant information.

Proposed law requires the Louisiana Tax Commission to annually report the amount of the total assessed value to each parish based upon the allocation methodology established by regulation.

Proposed law requires each parish to annually prepare a tax bill for the amount of the assessed value that is allocated to it and send a copy of the tax bill to East Baton Rouge

Parish no later than 14 days after the parish's tax rolls are certified. Proposed law states that failure to provide East Baton Rouge Parish a copy of the tax bill may result in forfeiture of the taxes due.

Proposed law requires East Baton Rouge Parish to prepare and send a single tax bill for each taxpayer that is inclusive of the total amount due to be remitted to all Louisiana parishes and to annually remit property taxes collected by the parish according to the allocation methodology.

Proposed law authorizes East Baton Rouge Parish to retain an amount equal to actual expenses incurred not to exceed one percent of the total amount of property taxes collected by the parish in accordance with the allocation.

Applicable for taxable periods on or after January 1, 2024.

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

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