

Title 61
REVENUE AND TAXATION
Part V. Ad Valorem Taxation

Chapter 1. Constitutional and Statutory Guides to Property Taxation

§100. Introduction

A. The power of local and state governments to tax real and personal property is contained within the Constitution of the State of Louisiana. The broad constitutional principles are clarified in the Revised Statutes of the State of Louisiana. These statutes are further clarified and made workable by rules and regulations passed in accordance with the statutes and the constitution by the Louisiana Tax Commission. This summary of certain provisions of the Constitution and Revised Statutes is for convenience only and is not intended as an official interpretation. Actual provisions of law supersede this summary.

AUTHORITY NOTE: Promulgated in accordance with Louisiana Constitution of 1974, Article 7, Section 18.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 15:1097 (December 1989).

§101. Constitutional Principles for Property Taxation

A. Assessments

~~Property subject to ad valorem (property) taxation shall be listed on the assessment rolls at its assessed valuation, which, except as provided in §101.C and §101.F, shall be a percentage of its fair market value. The percentage of fair market value shall be uniform throughout the state upon the same class of property.~~

B. Classification

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

Classifications	Percentages
a. land	10%
b. improvements for residential purposes	10%
c. electric cooperative properties, excluding land	15%
d. public service properties, excluding land	25%
e. other property (including personal property)	15%

2. The legislature may enact laws defining electric cooperative

3. properties and public service properties. (See R.S. 47:1851).

C. Use Value

1. Bona fide agricultural, horticultural, marsh and timberlands, as defined by general law, shall be assessed for tax purposes at 10 percent of use value rather than fair market value. The legislature may provide by law similarly for buildings of historic architectural importance.

D. Valuation

1. Each assessor shall determine the fair market value of all property subject to taxation within his respective parish or district, except public service properties, which shall be valued at fair market value by the Louisiana Tax Commission or its successor. Each assessor shall determine the use value of property which is to be so assessed under the provisions of §101.C. Fair market value and use value of property shall be determined in accordance with criteria which shall be established by law and which shall apply uniformly throughout the state.

E. Review

1. The correctness of assessments by the assessor shall be subject to review first by the parish governing authority, then by the Louisiana Tax Commission or its successor, and finally by the courts, all in accordance with procedures established by law.

F. Homestead Exemptions

1. General Provisions

a. The Louisiana Constitution permits no other property tax exemptions except those provided in the Constitution.

b. The Constitution exempts to the extent of \$7,500 of assessed value, except in those parishes whereby voters approved that the next \$7,500 of the assessed valuation on property receiving the homestead exemption which is owned and occupied by a veteran with a service connected disability rating of one hundred percent (100%) by the United States Department of Veterans Affairs shall be exempt from ad valorem taxation. (See Louisiana Constitutional Article 7, §21(K)(1)(2)(3) regarding the additional exemption):

i. The bona fide homestead, consisting of a tract of land or two or more tracts of land, even if the land is classified and assessed at use value, with a residence on one tract and a field, with or without timber on it, pasture, or garden on the other tract or tracts, not exceeding one hundred sixty acres, buildings and

appurtenances, whether rural or urban, owned and occupied by any person or persons owning the property in indivision.

ii. The same homestead exemption shall also fully apply to the primary residence including a mobile home which serves as a bona fide home and which is owned and occupied by any person or persons owning the property in indivision, regardless of whether the homeowner owns the land upon which the home or mobile home is sited; however, this homestead exemption shall not apply to the land upon which such primary residence is sited if the homeowner does not own the land.

iii. The homestead exemption shall extend and apply fully to the surviving spouse or a former spouse when the homestead is occupied by the surviving spouse or a former spouse and title to it is in the name of:

(a). the surviving spouse as owner of any interest or either or both of the former spouses;

(b). the surviving spouse as usufructuary; or

(c). a testamentary trust established for the benefit of the surviving spouse and the descendants of the deceased spouse or surviving spouse, but not to more than one homestead owned by either the husband or wife, or both.

iv. The homestead exemption shall extend to property owned by a trust when the principal beneficiary or beneficiaries of the trust are the settlor or settlors of the trust and were the immediate prior owners of the homestead, and the homestead is occupied as such by a principal beneficiary. The provisions of this Subparagraph shall apply only to property which qualified for the homestead exemption immediately prior to transfer, conveyance, donation in trust, or which would have qualified for the homestead exemption if such property were not owned in trust.

v. The homestead exemption shall extend to property where the usufruct of the property has been granted to no more than two usufructaries who were the immediate prior owners of the homestead and the homestead is occupied as such by a usufructary. The provisions of this Subparagraph shall apply only to property which qualified for the homestead exemption immediately prior to the granting of such usufruct, or which would have qualified for the homestead exemption if such usufruct had not been granted.

c. The homestead exemption shall extend only to a natural person or persons and to a trust created by a natural person or persons, in which the beneficiaries of the trust are a natural person or persons provided that the provisions of this Paragraph are otherwise satisfied.

d. Except as otherwise provided for in this Paragraph, the homestead exemption shall apply to property owned in indivision, but shall be limited to the pro rata ownership interest of that person or persons occupying the homestead. For example, a person owning a fifty percent (50%) interest in property would be entitled to a homestead exemption of \$3,750 of the property's assessed value provided such person occupies the home.

e. No homestead exemption shall be granted on bond for deed property. However, any homestead exemption granted prior to June 20, 2003 on any property occupied upon the effective date of this Paragraph* by a buyer under a bond for deed contract shall remain valid as long as the circumstances giving rise to the exemption at the time the exemption was granted remains applicable. See Constitutional Article 7, §20.(A)(7).

f. In no event shall more than one homestead exemption extend or apply to any person in this state.

g. This exemption shall not extend to municipal taxes. However, the exemptions shall apply:

i. in Orleans Parish, to state, general city, school, levee, and levee district taxes; and

ii. to any municipal taxes levied for school purposes.

~~h. Homestead exemptions are allowable in any year in which the owner occupied the home prior to December 31st of that year.~~

i. Property owned by a partnership or corporation is not entitled to homestead exemption (Corporation: A.G.'s Opinion May 7, 1969, A.G.'s Opinion 1940-42, p. 4119; Partnership: A.G.'s Opinion 1936-38, p. 1044).

j. Purchase arrangement which does not transfer title does not give occupant entitlement to homestead exemption (Lease/purchase: A.G.'s Opinion 1940-42, p. 4110, and p. 4115; A.G.'s Opinion 1942-44, p. 1679; Bond for Deed: A.G.'s Opinion No. 87-345, May 12, 1987).

k. Any homestead receiving the homestead exemption that is damaged or destroyed during a disaster or emergency declared by the governor whose owner is unable to occupy the homestead on or before December thirty-first of a calendar year due to such damage or destruction shall be entitled to claim and keep the exemption by filing an annual affidavit of intent to return and reoccupy the homestead within five (5)

years from December thirty-first of the year following the disaster with the assessor within the parish or district where such homestead is situated prior to December thirty-first of the year in which the exemption is claimed. In no event shall more than one homestead exemption extend or apply to any person in this state.

2. The purpose of this section is to partially implement the provisions of Article VII, Section 20(B) of the Constitution of Louisiana relative to the providing of tax relief to residential lessees in order to provide equitable tax relief similar to that granted to homeowners through homestead exemptions.

a. A residential lessee is defined as a person who owns and occupies a residence, including mobile homes, but does not own the land upon which the residence is situated.

b. A residential lessee shall be entitled to a credit against any ad valorem tax imposed relative to the residence property, in an amount equal to the amount of tax applicable on property with an assessed valuation of \$7,500 or the actual amount of tax, whichever is less, provided the residential lessee is not otherwise entitled to the homestead exemption (R.S. 47:1710).

3. Residence

a. Only one homestead exemption can be claimed. (A.G.'s Opinion 1942-44, p. 1660, A.G.'s Opinion 1942-44, p. 1678, A.G.'s Opinion 1940-42, p. 4117).

b. If other requirements are met, a person may be entitled to the exemption, even if the taxpayer is a citizen of another state or country (A.G.'s Opinion 1948-50, p. 729).

c. Taxpayer does not lose the exemption by temporary absence (A.G.'s Opinion 1948-50, p. 729).

d. State employee living in another parish does not lose his entitlement if he returns to occupy the property regularly (A.G.'s Opinion 1936-38, p. 1055), and does not rent the property to another (A.G.'s Opinion 1936-38, p. 1054).

e. Army officer required to live away from home who allows relatives to occupy the property rent free does not lose his homestead exemption (A.G.'s Opinion 1940-42, p. 4088).

f. Taxpayer who establishes a second residency for political purposes does not lose the homestead exemption on his first residence (A.G.'s Opinion 86-364, Oct. 17, 1986).

g. If part of a property is used as income producing property, the part occupied by the owner as a residence is exempt, the income producing part is not (portion of home used as a place of business is not exempt, A.G.'s Opinion 1940-42, p. 4129; A.G.'s Opinion 1934-36, p. 1144; rented half of double house not exempt, A.G.'s Opinion 1934-36, p. 1138).

h. When there is more than one tract with a residence on one and a field, pasture or garden on the other, tract must actually be used as a field, pasture or garden to be eligible for exemption, taxpayer must personally use the field, pasture or garden, and, if the tract is let out to another, it is not exempt (A.G.'s Opinion 1940-42, p. 1660).

G. Special Assessment Level

1. The assessment of residential property receiving the homestead exemption which is owned and occupied by any of the following and who meet all of the other requirements of this Section shall not be increased above the total assessment of that property for the first year that the owner qualifies for and receives the special assessment level provided that such person or persons remain qualified for and receive the special assessment level:

a. ~~people who are sixty-five (65) years of age or older;~~

b. people who have a service-connected disability rating of fifty percent (50%) or more by the United States Department of Veterans Affairs;

c. members of the armed forces of the United States or the Louisiana National Guard who owned and last occupied such property who are killed in action, or who are missing in action or are a prisoner of war for a period exceeding ninety (90) days; or

d. any person or persons permanently totally disabled as determined by a final non-appealable judgment of a court or as certified by a state or federal administrative agency charged with the responsibility for making determinations regarding disability.

2. Any person or persons shall be prohibited from receiving the special assessment as provided in this Section if such person's or persons' adjusted gross income, for the year prior to the application for the special assessment, exceeds

\$100,000 for tax year 2021 (2022 Orleans Parish). For persons applying for the special assessment whose filing status is married filing separately, the adjusted gross income for purposes of this Section shall be determined by combining the adjusted gross income on both federal tax returns.

3. An eligible owner shall apply for the special assessment level by filing a signed application establishing that the owner qualifies for the special assessment level with the assessor of the parish or, in the parish of Orleans, the assessor of the district where the property is located.

4. The special assessment level shall remain on the property as long as:

a. that owner, or that owner's surviving spouse who is fifty-five (55) years of age or older or who has minor children, remains the owner of the property;

i. the owner who has a service-connected disability of fifty percent (50%) or more, or that owner's surviving spouse who is forty-five (45) years of age or older or who has minor children, remains the owner of the property;

ii. the spouse of the owner who is killed in action remains the owner of the property;

iii. the first day of the tax year following the tax year in which an owner who was missing in action or was a prisoner of war for a period exceeding ninety (90) days is no longer missing in action or a prisoner of war; and

iv. even if the ownership interest of any surviving spouse or spouse of an owner who is missing in action as provided for in this Subparagraph is an interest in usufruct; and

b. the value of the property does not increase more than twenty-five percent (25%) because of construction or reconstruction.

5. A new or subsequent owner of the property may claim a special assessment level when eligible under this Section. The new owner is not necessarily entitled to the same special assessment level on the property as when that property was owned by the previous owner.

6. The special assessment level on property that is sold shall automatically expire on the last day of December in the year prior to the year that the property is sold. The property shall be immediately revalued at fair market value by the assessor and shall be assessed by the assessor on the assessment rolls in the year it was sold.

7. A usufructuary is entitled to the benefit of the special assessment level attained by the prior owner/occupant, provided that either,

a. the usufructuary is the owner's surviving spouse, occupying the house, who is fifty-five (55) years of age or older or who has minor children, and the value of the property does not increase more than twenty-five percent (25%) because of construction or reconstruction, or

b. the usufructuary is the immediate prior owner of the homestead and the homestead is occupied by such usufructuary. A usufructuary is entitled to the special assessment level freeze if and when he or she qualifies independently.

8. The special assessment level, like the homestead exemption, should be applied to the extent of a homeowner's undivided interest in the occupied property.

9. Any owner entitled to the special assessment level set forth in this Paragraph who is unable to occupy the homestead on or before December thirty-first of a future calendar year due to damage or destruction of the homestead caused by a disaster or emergency declared by the governor shall be entitled to keep the special assessment level of the homestead prior to its damage or destruction on the repaired or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the owner within five (5) years from December thirty-first of the year following the disaster. The assessed value of the land and buildings on which the homestead was located prior to its damage shall not be increased above its assessed value immediately prior to the damage or destruction described in this Subparagraph. If the property owner receives a homestead exemption on another homestead during the same five-year period, the damaged or destroyed property shall not be entitled to keep the special assessment level, and the land and buildings shall be assessed in that year at the percentage of fair market value set forth in this constitution. In addition, the owner must also maintain the homestead exemption set forth in Article VII, Section 20(A)(10) to qualify for the special assessment level in this Subparagraph.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, §18 and §20(A)(10) and R.S. 47:1837.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 15:1097 (December 1989), LR 16:1064 (December 1990), LR 17:611 (June 1991), LR 19:212 (February 1993), LR 20:198 (February 1994), LR 23:209 (February 1997), amended by the Department of Revenue, Tax Commission, LR 24:477 (March 1998), LR 25:320 (February 1999), LR 26:506 (March 2000), LR 31:700 (March 2005), LR 32:425 (March 2006), LR 32:440 (March 2006), LR 33:489 (March 2007), LR 33:502 (March 2007), LR 34:673 (April 2008), LR 35:492 (March 2009), LR 36:765 (April 2010), amended by the Division of

Administration, Tax Commission, LR 37:1394 (May 2011), LR 38:799 (March 2012), LR 39:487 (March 2013), LR 40:528 (March 2014), LR 41:671 (April 2015), LR 42:744 (May 2016), LR 43:648 (April 2017), LR 44:577 (March 2018), LR 45:531 (April 2019), LR 46:560 (April 2020), LR 47:456 (April 2021).

§103. Exempt Property

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

1. public lands; other public property used for public purposes;
2. property of a nonprofit corporation or association organized and operated exclusively for religious, dedicated places of burial, charitable, health, welfare, fraternal, or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or member and which is declared to be exempt from federal or state income tax;
 - a. medical equipment leased for a term exceeding five (5) years to such a nonprofit corporation or association which owns or operates a small, rural hospital and which uses the equipment solely for health care purposes at the hospital, provided that the property shall be exempt only during the term of the lease to such corporation or association, and further provided that "small, rural hospital" shall mean a hospital which meets all of the following criteria:
 - i. ~~It has less than fifty (50) Medicare-licensed acute care~~ beds; and
 - ii. it is located in a municipality with a population of less than ten thousand (10,000) which has been classified as an area with a shortage of health manpower by the United States Health Service.
3. property of a bona fide labor organization representing its members or affiliates in collective bargaining efforts; and
4. property of an organization such as a lodge or club organized for charitable and fraternal purposes and practicing the same, and property of a nonprofit corporation devoted to promoting trade, travel, and commerce, and also property of a trade, business, industry or professional society or association, if that property is owned by a nonprofit corporation or association.
 - a. The exemption should be allowed only if it is determined that the requesting organization has met all of the constitutional requirements for exemption.

Assessors may request the following information from the taxpayer in order to make a determination of exemption:

- i. completed LTC Form TC-80 Application for Exemption
- Real Estate Taxes;
- ii. certified copy of the articles of incorporation of the organization;
- iii. certified copy of the by-laws of the organization;
- iv. copy of the Internal Revenue Service letter granting the organization tax-exempt status;
- v. audited financial statements for the preceding three (3) years, along with an affidavit from the organization's CPA and/or treasurer that the financial statements are true and correct;
- vi. federal tax returns filed for the preceding three (3) years; and
- vii. affidavit from the president or other duly appointed officer stating:
 - (a). the price paid for each share of stock issued by the organization for the past five (5) years;
 - (b). whether or not over the previous five (5) years any dividends have been paid or interest accrued on the value of the stock of the organization; and
 - (c). whether or not any part of the net earnings of the organization inure to the benefit of any member of the organization.

Note: See Louisiana Constitution of 1974, Article VII, Section 21.B, for specific conditions of authorization.

b. None of the property listed in §103.A.2, 3, and 4 shall be exempt if owned, operated, leased or used for commercial purposes unrelated to the exempt purposes of the corporation or association.

- 5. cash on hand or deposit;
- 6. stocks and bonds, except bank stocks, the tax on which shall be paid

by the banking institution;

7. obligations secured by mortgage on property located in Louisiana and the notes or other evidence thereof;

8. loans by life insurance companies to policyholders, if secured solely by their policies;

9. the legal reserve of domestic life insurance companies;

10. loans by a homestead or building and loan association to its members, if secured solely by stock of the association;

11. debts due for merchandise or other articles of commerce or for services rendered;

12. obligations of the state or its political subdivisions;

13. personal property used in the home or on loan in a public place;

14. irrevocably dedicated places of burial held by individuals for purposes of burial of themselves or members of their families;

15. agricultural products while owned by the producer, agricultural machinery and other implements used exclusively for agricultural purposes (including crop dusting aircraft), ~~animals on the farm, and property belonging to an agricultural fair association (also see R.S. 47:1707);~~

16. property used for cultural, Mardi Gras carnival, or civic activities and not operated for profit to the owners;

17. rights-of-way granted to the State Department of Highways (DOTD);

18. boats using gasoline as motor fuel;

19. commercial vessels used for gathering seafood for human consumption;

20. ships and oceangoing tugs, towboats and barges engaged in international trade and domiciled in Louisiana ports;

a. however, this exemption shall not apply to harbor, wharf, shed, and other port dues or to any vessel operated in the coastal trade of the states of the United States;

21. materials, boiler fuels, and energy sources used by public utilities to fuel the generation of electricity;

22. all incorporeal movables of any kind or nature whatsoever, except public service properties, bank stocks, and credit assessments on premiums written in Louisiana by insurance companies and loan and finance companies. (See Louisiana Civil Code of 1870, as amended, and R.S. 47:1709).

23. raw materials, goods, commodities, articles and personal property imported into this state from outside the states of the United States or, held in storage while in transit through this state which are moving in interstate commerce.

See Louisiana Constitution, Article VII, Section 21.D; and, R.S. 47:1951.1, R.S. 47:1951.2 and R.S. 47:1951.3 for specific conditions of authorization.

Property described in §103.A.23., whether or not entitled to exemption, shall be reported to the proper taxing authorities on the forms required by law.

24. motor vehicles used on the public highways of this state, from state, parish, municipal and special ad valorem taxes.

25. new manufacturing establishments and additions to existing manufacturing establishments to the extent tax exempt by virtue of an approved contract with the State Board of Commerce and Industry, as authorized by Article VII, Section 21.F of the Louisiana Constitution of 1974. Parish tax assessors shall give retroactive effect to a fully approved ITEP contract or renewal, consistent with the terms of the ITEP contract and the rules and regulations of the State Board of Commerce and Industry, and parish tax assessors shall process change order requests and/or approve refund request applications in order to give retroactive effect to such an ITEP contract or refund.

26. coal or lignite stockpiled in Louisiana for use in Louisiana for industrial or manufacturing purposes or for boiler fuel, gasification, feedstock, or process purposes.

27. value of enhancements to certain structures located in downtown, historic, or economic development districts to be granted a limited exemption by the State Board of Commerce and Industry, if approved by the Governor and the local governing authority, as authorized by Article VII, Section 21.H of the Louisiana Constitution of 1974.

28. goods held in inventory by distribution centers, to be granted tax exemptions by the parish economic development or governing authority, with the approval of each affected tax recipient body in the parish, as authorized by Article VII, Section 21.I of the Louisiana Constitution of 1974.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, §21.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 12:36 (January 1986), LR 15:1097 (December 1989), LR 17:1213 (December 1991), amended by the Department of Revenue, Tax Commission, LR 24:478 (March 1998), LR 32:426 (March 2006), LR 34:675 (April 2008).

§105. Constitutional Principles in Determination of Fair Market Value and Use of Reappraisal

A. The Louisiana Constitution establishes the basic principle in the following cases but, each case requires statutory clarification:

1. Fair market value shall be determined in accordance with criteria which shall be established by law and which shall apply uniformly throughout the state.

2. All property subject to taxation shall be reappraised and valued at intervals of not more than four years.

B. These are the constitutional principles upon which property taxation is based in the State of Louisiana.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, §18.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 15:1097 (December 1989).

§107. Statutory Guide for Property Taxation

A. The Revised Statutes, in accordance with the constitutional principles heretofore mentioned, provide additional standards and principles to be abided by in establishing the methods and procedures for taxing property.

B. The Louisiana Tax Commission must promulgate and adopt all rules and regulations pertaining to property taxation in accordance with R.S. 49:951 et seq. These statutes merely outline the procedures for publicizing and ultimately enacting or changing the rules and regulations pertaining to the taxation of property.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:951 through R.S. 49:968 (Administrative Procedure Act).

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 15:1097 (December 1989).

§109. Fair Market Value Defined

A. Fair Market Value is the price for property which would be agreed upon between a willing and informed buyer and a willing and informed seller under usual and ordinary circumstances; it shall be the highest price estimated in terms of money which property will bring if exposed for sale on the open market with reasonable time allowed to find a purchaser who is buying with knowledge of all the uses and purposes to which the property is best adapted and for which it can be legally used.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2321.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 15:1097 (December 1989), amended by the Department of Revenue, Tax Commission, LR 34:677 (April 2008).

§111. Criteria for Determining Fair Market Value

A. The criteria for determining fair market value shall apply uniformly throughout the state. Uniform guidelines, procedures and rules and regulations as are necessary to implement said criteria shall be adopted by the Louisiana Tax Commission only after public hearings held pursuant to the Administrative Procedure Act (R.S. 47:2323(A)).

B. Each assessor shall follow the uniform guidelines, procedures, and rules and regulations within his respective parish or district in determining fair market value of all property subject to taxation. ~~Any manual or manuals used by an assessor shall be~~ subject to approval by the Louisiana Tax Commission or its successor agency (R.S. 47:2323(B)).

C. The fair market value of real and personal property shall be determined by the following generally recognized appraisal procedures: the market approach, the cost approach, and the income approach, or a combination of the three. The fair market value of property shall be determined based upon the individual characteristics of the property that affect the market value of the property. The assessor shall consider all three approaches to value and shall utilize all available data that is specific to the valuation of property used to determine the fair market value of property.

1. In utilizing the market approach, the assessor shall use an appraisal technique in which the market value estimate is predicated upon prices paid in actual market transactions. The assessor shall collect relevant comparable sales data, and shall consider such sales data when utilizing a market approach. The assessor shall estimate the value of property based on sales of comparable property in an arms length transaction under usual and ordinary circumstances. Allocation of the purchase price by the purchaser among properties or assets purchased in a single sale or among elements

of a single property may be indicative of fair market value of those properties or assets. Assessors shall reasonably and in good faith consider allocation of the purchase price in such sales.

2. In utilizing the cost approach, the assessor shall use a method in which the value of a property is derived by estimating the replacement or reproduction cost of the property; deducting therefrom the estimated physical, functional, and/or external depreciation, and then adding the market value of the land, if any. In utilizing the cost approach, the assessor shall legitimately consider and appropriately recognize functional and external obsolescence in the derived value. The assessor shall collect market data, including obsolescence, and shall consider such data when utilizing a cost approach.

3. In utilizing the income approach, the assessor shall use an appraisal technique in which the anticipated net income is capitalized to indicate the capital amount of the investment which produces the net income (R.S. 47:2323). The assessor shall collect market data and shall consider such market data when utilizing an income approach.

D. In determining which appraisal procedure to use for the final determination of fair market value, the assessor shall consider;

- a. The relevance of each approach to the property being valued.
- b. The amount and accuracy of the data used in each approach.
- c. The strengths and weaknesses of each approach.

E. When performing a valuation of any affordable rental housing property, the assessor shall not consider any of the following in determining fair market value:

1. Income tax credits available to the property under Section 42 of the Internal Revenue Code.

2. Below-market interest rate on financing obtained under the Home Investment Partnership Program under the Cranston-Gonzales National Affordable Housing Act, or the Federal Home Loan Bank Affordable Housing Program established pursuant to the Financial Institution Reform, Recovery, and Enforcement Act of 1989.

3. Any other federal, state, or similar program intended to provide or finance affordable rental housing to persons of low or moderate income and requiring restricted occupancy and rental rates based on the income of the persons occupying such housing.

Note: Also see, Chapter 2, §213.G. thru G.3. and Chapter 3, §303.C.4. thru C.4.c.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2323.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:920 (November 1984), LR 15:1097 (December 1989), LR 16:1063 (December 1990), LR 20:198 (February 1994), amended by the Office of the Governor, Division of Administration, Tax Commission, LR 43:648 (April 2017).

§113. Assessments: General Information

A. Assessment date. Assessments shall be made on the basis of the condition of things existing on the first day of January of each year.

B. Domicile. All property subject to taxation, including merchandise or stock in trade, shall be placed upon the assessment lists in the respective parishes or districts where situated. Personal property other than aircraft (§1501.A.4.), drilling rigs (§1101.B.), leased equipment (§2101.A.), watercraft (§701.A.), and public service property (La. R.S. 47:1855) acquires a situs at the domicile of the holder or owner, but tangible personal property used in business operations in any other taxing district is to be taxed where situated on January 1.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1703(B) and R.S. 47:1952.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:921 (November 1984), LR 15:1097 (December 1989), LR 16:1063 (December 1990), amended by the Department of Revenue, Tax Commission, LR 34:677 (April 2008), amended by the Office of the Governor, Division of Administration, Tax Commission, LR 45:531 (April 2019).

§114. Property Defined

A. Property--includes every form, character and kind of property, real, personal and mixed, tangible and intangible, corporeal and incorporeal, and every share, right, title or interest in such property (R.S. 47:1702).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1702.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 15:1097 (December 1989).

§115. Real Property Defined

A. Real Estate or Immovable Property--includes not only land, city, town and village lots, but all things thereunto pertaining, and all structures and other appurtenances

thereto, as pass to the vendee by the conveyance of the land or lot (R.S. 47:1702).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1702.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:921 (November 1984), LR 15:1097 (December 1989).

§117. Personal Property Defined

A. Personal Property or Movable Property--includes all things other than real estate which have any pecuniary value, all moneys, credits, investments in bonds, stocks, franchises, shares in joint stock companies or otherwise (R.S. 47:1702 and R.S. 47:2322).

B. Personal property shall mean tangible property that is capable of being moved or removed from real property without substantial damage to the property itself or the real property from which it is capable of being removed. Personal property shall include, but not necessarily be limited to, inventory, furniture, fixtures, machinery and equipment, and all process and manufacturing machinery and equipment, including the foundation therefore (R.S. 47:2322).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1702 and R.S. 47:2322.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:921 (November 1984), LR 15:1097 (December 1989).

§118. Data Collection By The Assessor

A. The assessor may use self-reporting forms, as approved and adopted by the Louisiana Tax Commission or its successors, to gather data necessary to determine fair market value. A self-reporting form shall be returned to the assessor by the first day of April, or 45 days after receipt, whichever is later.

B. By failing to file a report when it is due, a property owner loses the right to appeal the appraisal by the assessor (R.S. 47:2329). If the failure to file is intentional, a penalty of 10 percent of the tax due shall be imposed (R.S. 47:2330(A)). If a taxpayer files a false report with the intent to defraud, a penalty of 10 percent of the tax due shall be imposed.

C. The assessor shall collect market sales, cost, and income data in determining fair market value.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2324, R.S. 47:2329

and R.S. 47:2330.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 15:1097 (December 1989), amended LR 16:1063 (December 1990), amended by the Department of Revenue, Tax Commission, LR 34:677 (April 2008).

§119. Forms

A. Forms for use in reporting personal property including, but not limited to, inventory, furniture and fixtures, machinery and equipment, and other taxable property, shall be approved and adopted by the Louisiana Tax Commission or its successor after adequate public notice and hearing held pursuant to the Administrative Procedure Act.

1. Such forms and the rules and regulations necessary for their administration shall be applicable throughout the state and shall be applied uniformly upon similar types of property (R.S. 47:2326).

2. Forms filed by a taxpayer with an assessor to assist in his determination of fair market value are confidential (R.S. 47:2327).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2324 through R.S. 47:2327.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:921 (November 1984), LR 15:1097 (December 1989).

§121. Reappraisal

A. Real property, as defined in R.S. 47:2322, shall be reappraised at least every four years in accordance with the uniform valuation date and quadrennial reappraisal cycle as determined by the Tax Commission.

B. Personal property, as defined in R.S. 47:2322, shall be reappraised every year.

C. Incorporeal real or immovable property, as defined in R.S. 47:2322 and R.S. 47:1702, shall be reappraised once every four years.

D. Taxable intangible public service properties, bank stocks, and credit assessments on premiums written in Louisiana by insurance companies and loan and finance companies, per R.S. 47:1709 or incorporeal personal or movable property, as defined in R.S. 47:1702, shall be reappraised every year.

E. Public service property, as defined in R.S. 47:1851, shall be reappraised

F. every year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2331.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:921 (November 1984), LR 15:1097 (December 1989), LR 16:1063 (December 1990), amended by the Department of Revenue, Tax Commission, LR 34:677 (April 2008), amended by the Office of the Governor, Division of Administration, Tax Commission, LR 43:649 (April 2017), LR 46:560 (April 2020).

§123. Statutes Pertaining to Specific Personal Property

A. Listing and Assessing of Notes and Indebtedness

1. All credits, including open accounts, bills receivable, judgments and all promissory notes, not exempt, shall be assessed at the personal property ratio. Valuation shall be at an average of the capital employed in the business after deduction from accounts payable, bills payable and other liabilities of a similar character, not exempt. Liabilities due from branches or subsidiaries shall not be deducted (R.S. 47:1962).

2. Indebtedness and all evidence of indebtedness shall be taxable only at the situs and domicile of the holder or owner thereof (R.S. 47:1952).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1952 and R.S. 47:1962.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:921 (November 1984), LR 15:1097 (December 1989), amended by the Department of Revenue, Tax Commission, LR 24:479 (March 1998).

§125. Statutes Pertaining to Specific Real Property

A. Timeshare property shall be assessed as a single entity unless the property is subject to the Louisiana Condominium Act. The statute further provides that the managing entity shall have the responsibility for collecting and paying the taxes. Further, a timeshare unit subject to a condominium declaration shall not exceed the assessed value of non-timesharing condominium units, apartments or other accommodation (R.S. 9:1131.9).

AUTHORITY NOTE: Promulgated in accordance with R.S. 9:1131.9.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 10:922 (November 1984), LR 15:1097 (December 1989).