

## LOUISIANA TAX COMMISSION



### STATEWIDE ADVISORY 01-2023

*Re: Assessment of Properties used as Short-Term Rentals*

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Pursuant to La. Const. Art. VII, §18(A), property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation, which, except as provided in Paragraphs (C), (F), and (G), shall be a percentage of its fair market value.

Pursuant to La. Const. Art. VII, §18(B), the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation are as follows:

Classifications	Percentages
Land	10%
Improvements for residential purposes	10%
Electric cooperative properties, excluding land	15%
Public service properties, excluding land	25%
Other property	15%

“Short-term rentals” is not a defined term in the Louisiana Revised Statutes nor Rules and Regulations of the Tax Commission. Whether improvements used as a short-term rental meets the definition of “residential purposes” should be evaluated on a case-by-case basis. Nothing in the Tax Commission’s Rules and Regulations, as currently drafted, is intended to require an assessor to assess improvements used as a short-term rental at a certain assessment level nor intended to require as an assessor to classify improvements used as a short-term rental as being used for “residential purposes.”

The Tax Commission encourages and requests affected taxpayers and other interested parties to submit proposals/recommendations to the Tax

Commission regarding Rules and Regulations on the assessment of Properties used as Short-Term Rentals.

*Please contact Michael Matherne at 225.219.0339 ext. 224 or [Michael.Matherne@la.gov](mailto:Michael.Matherne@la.gov) should you have any questions regarding the contents of this advisory.*