

2016 Regular Session

HOUSE BILL NO. 610

BY REPRESENTATIVE ABRAHAM

TAX/AD VALOREM TAX: Prohibits the inclusion of the value of certain federal tax credits and special financing provisions when determining the fair market value of certain property for purposes of tax assessment

1 AN ACT

2 To enact R.S. 47:2323(E), relative to ad valorem property tax assessments; to provide with
3 respect to the fair market valuation of property for purposes of assessment; to
4 prohibit consideration of the value of certain federal tax and financial benefits for
5 certain residential housing unit property in determining fair market value; to provide
6 for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:2323(E) is hereby enacted to read as follows:

9 §2323. Criteria for determining fair market value; real and personal property;
10 unoccupied residential immovable property

11 * * *

12 E. When performing a valuation of residential housing unit property, the
13 operation of which is subject to Section 42 of the Internal Revenue Code or any
14 similar federal or state program, the assessor shall not consider the value of tax
15 credits or terms of financing as a component of the value or as income to the
16 property.

17 Section 2. This Act shall become effective on January 1, 2017.

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)]

HB 610 Original

2016 Regular Session

Abraham

Abstract: Prohibits the consideration of the value of federal low income housing tax credits or special financing assistance in the determination of the fair market value of certain residential housing units for purposes of property tax assessment.

Present law establishes the criteria to be used by assessors in determining the fair market value of real and personal property, so that assessments may be made uniformly throughout the state. The fair market value of property shall be determined by following generally recognized appraisal procedures, specifically: the market approach, the cost approach, and/or the income approach.

Proposed law adds additional criteria concerning the determination of value of residential housing unit property, the operation of which is subject to requirements of Section 42 of the Internal Revenue Code or any similar federal or state program.

Proposed law prohibits the consideration of any value of federal or state tax credits or special financing terms as a component of the property value or as income to the property.

Effective Jan. 1, 2017.

(Adds R.S. 47:2323(E))