

State of Louisiana Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

The basis of tax in the Louisiana property tax law is either fair market value or, in the case of agricultural, horticultural, marsh land, timber land, and historical property, use value (Sec. 18(f), Art. VII, 1994 La Const.). Fair market value is defined as the price of property agreed upon between a willing and informed buyer and seller under usual and ordinary circumstances (Sec. 47:2322, La R.S.; Reg. 301, Tit. 61, Part V, LAC). It is the highest price estimated in terms of money that 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.

Real Property Defined

Real property, also called immovable property, includes not only land but also structures and other appurtenances to land that are permanently affixed to it and that pass to a vendee by conveyance of the land (Sec. 47:1702(2), La R.S.).

Personal Property Defined

Personal property, also called movable property, is property that can be moved or removed from the real property without substantial damage (Sec. 47:2322(E), La R.S.), and includes all things other than real estate that have any pecuniary value and all monies, credits, and investments in bonds, stocks, franchises, and shares in joint stock companies (Sec. 47:1702(3), La R.S.).

Intangible Property Taxes

Intangible personal property, also called incorporeal moveable property, is generally exempt from taxation (Sec. 21(C), Art. VII, 1974 La Const.). Goodwill is exempt from taxation. The exemption does not include public service properties, bank stocks, and credit assessments on premiums written in Louisiana by insurance companies and loan and finance companies. These are reappraised and reassessed each year (Reg. 121.C, Tit. 61, Part V, LAC). Shares of stock of all banks, banking companies, firms, associations, or



corporations doing business in Louisiana and chartered by the laws of Louisiana, any other state, or the United States, or chartered under the laws of another country, are subject to taxation (Sec. 47:1967(A), La R.S.).

Subsurface Rights

The Louisiana Constitution prohibits any taxes on oil, gas, or sulfur leases or rights that are in addition to the severance tax (Sec. 4(B), Art. VII, 1974 La Const.).