

LOUISIANA PROPERTY TAX BASICS



LAFAYETTE
PARISH
ASSESSOR

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LOUISIANA PROPERTY TAX BASICS

I. Property Tax Introduction

The material contained herein is designed to provide readers with a basic understanding of the processes used in the application of property taxes in Louisiana. This information pertains to all parishes in the State, with the exception that for Orleans Parish some of the dates noted may be different.

Property taxes are classified as ad valorem taxes. Other types of taxes employed by governmental bodies are income, sales or excise, and value-added tax (a form of sales tax). The words “Ad valorem” are based on the Latin words of ad, meaning “according to” and valorem, meaning “value”. Therefore, an ad valorem tax is a tax levy that is apportioned among taxpayers according to the value of each taxpayer’s property. Property taxes are a means for local governmental bodies to pay for services they provide to taxpayers.

II. Millages

To determine the amount of property tax that each taxpayer will be responsible for, the total amount of revenue needed by the taxing authority and the total assessed value in the taxing authority’s jurisdiction must be known. The tax rate for the taxing authority is calculated by dividing the amount of needed revenue by the total assessed value.

Example 1: $\$12,000,000 \text{ needed revenue} / \$600,000,000 \text{ assessed value} = 0.02 \text{ tax rate}$

This result can be expressed as a 2% tax rate applied to the assessed value of property. In the next year, if the taxing authority’s budget increases and the total assessed value remains the same, then the tax rate could increase and so would taxpayers property tax bills. On the other hand, if the budget remains the same but the total assessed value increases, then the tax rate could decrease.

In Louisiana, the tax rate is not stated as a percentage but rather as a millage, which is expressed in mills (thousandths of a dollar) per dollar.

Example 2: 1 dime = \$0.10, or 1/10 of \$1
 1 cent = \$0.01, or 1/100 of \$1
 1 mill = \$0.001, or 1/1,000 of \$1

From Example 1 above, the 0.02 tax rate would be expressed as 20 mills by moving the decimal three places to the right.

An example of how the millage system works is as follows: If the millage rate is 20 mills, then a taxpayer would pay \$20.00 in tax for every \$1,000 in assessed value. $(0.02 \times \$1,000)$ Therefore, if an asset is assessed at \$10,000, the tax amount due would be 10 times \$20.00 or \$200.00.

III. Property Assessment Procedures

The Tax Assessor, also referred to as the Assessor, is the public official responsible for establishing the value of property for ad valorem, property tax purposes. The Sheriff in each parish is responsible for preparing and mailing the actual tax bill, and for collecting the tax amounts owed by each taxpayer.

Neither the Assessors nor the Tax Collectors can increase or decrease the overall amount of property tax levied by taxing authorities for which taxpayers will be responsible. Each taxing authority that imposes property taxes determines its overall needs (budgeted funds) and establishes its tax rate, based on the values developed by the assessor and his/her staff.

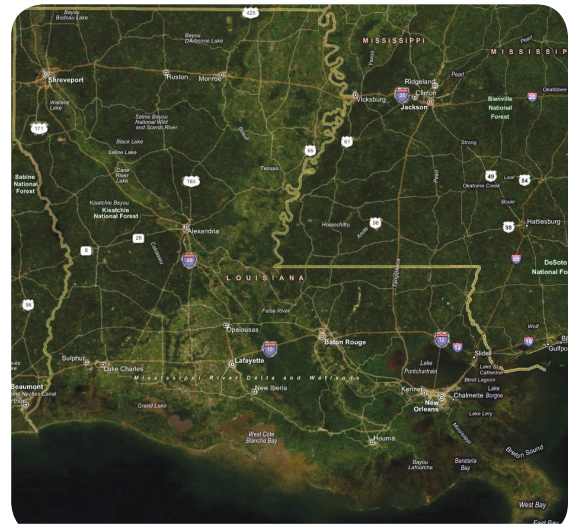
The duties of the Assessor are as follows:

1. Locate and identify all property in parish
2. Inventory all property, including quantity, quality and characteristics
3. Determine extent of taxability of each property
4. Estimate market value of each property
5. Calculate the assessed value of each property
6. Prepare and certify tax roll of parish
7. Notify owners of changes in the assessed value of their property
8. Defend value of properties upon appeal

The assessor's staff locates property in the parish using paper maps, deeds, plats and aerial photography coupled with computerized mapping, also called Geographic Information Systems (GIS). The inventorying of property characteristics is accomplished using aerial photography, Multiple Listing Sales (MLS) data, property-owner provided information, appraisals and with field crews actually visiting properties to retrieve data.

Once data is collected, the assessor's staff determines what properties are taxable. The State has, over time, provided exemptions for certain types of property, which makes the property totally exempt from taxation. Article VII, Section 21, of the Constitution contains the exemptions allowed in Louisiana. Some of the exemptions included are: property owned by nonprofit corporations/associations, cash, loans by life insurance companies to policyholders, legal reserves of domestic life insurance companies, personal property used in the home, burial plots, agricultural machinery and implements, and boats using gasoline as fuel.

Each year the assessors and their staffs place values on new properties, as well as revalue some of the existing properties. Revaluing of existing properties (outside of the reassessment period) occurs when existing properties experience damage, renovations or additions. Other reasons for revaluing of existing properties are discrepancies found within neighborhoods, within areas of the parish or in the characteristics on file for particular properties. Appropriate changes are made to the market value, which leads to a change in the assessed value.



IV. Valuation Process

Fair Market Value

The assessment of an asset (property) is usually expressed in relation to the asset's market value, also known as its fair market value. **The definition of fair market value in Louisiana Revised Statutes 47:2321 states, "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."** Determination of market value is usually accomplished using three methods; the cost approach, sales comparison approach and income approach.

In the cost approach, the total cost new of the improvements is estimated, then the obsolescence and accrued depreciation are subtracted from the cost new. The land value is added to the depreciated improvement value to arrive at a market value. The cost approach is used primarily when adequate sales data is not available or non-income producing property is involved.

In the sales comparison approach, the property being assessed is compared to similar properties that have sold in the recent past. Because no two parcels are exactly alike, the prices of the sold properties must be adjusted for any differences between the sold properties and the subject property. The sales comparison approach is used most frequently in the valuation of residential properties in an active market.

In the income approach, the market value can be defined as the present worth of future benefits arising from the ownership of a property. Typically, income-producing real property is purchased for the right to receive the future income stream from the property. The income stream is analyzed in terms of quantity, quality and duration. Then, the income stream is converted by means of an appropriate capitalization rate to arrive at a market value. As the name implies, the income approach is used most frequently in the valuation of income-producing properties.

For residential property, assessors rely most heavily on the sales comparison approach to arrive at a market value. Sale prices of comparable homes are used to develop a value for the subject home. In the mass appraisal of many properties the assessor may use two types of sales comparison techniques. Sales comparison may be an individual property appraisal grid comparison, where the subject property and a few comparables (sold properties) are listed with individual or total adjustments to the subject property. Sales comparison may involve the statistical review of all valid recent sales in a designated area and the appropriate property type. In both types of sales comparison techniques the process involves research and validation of sales; research into the appropriate adjustments; and development of standardized adjustments, which will be applied to one or more properties, when value calculations are applied to the subject property or many properties (mass appraisal).

When enough comparable sales are not available, the assessor will use the cost approach. This involves the review of cost to construct new homes and the sale prices of new homes to develop standardized cost tables. The review of existing homes sales is used to develop standardized depreciation tables that will be applied to the cost new value to arrive at the depreciated value of the home (improvements). The review of valid vacant land sales and possibly (if necessary) the existing home sales will assist the assessor in preparing standardized land value tables and price per unit (square feet, site value). Land market value estimates are added to depreciated value of the home (improvements) to estimate market value(s).

For commercial property, assessors will use the income approach for income producing properties or the sales comparison method, if an active commercial market exists. The cost approach is used when the appropriate data is not available for use of the income or sales approach. The cost approach is usually most accurate for new construction.

Louisiana law mandates that real property subject to ad valorem taxation be listed as land value and improvement value. All three approaches must provide an estimate of land market value. Sometime this is part of the calculation of market value. In other cases, land value is studied separately and separately calculated as noted in the cost approach.

The cost approach is usually most accurate for new construction. All three approaches, cost, sales comparison and income must pass a reasonableness test. They are all designed to arrive at market value. Therefore, the assessor will compare all the standardized tables, processes and formulas against valid sales to assure that the approaches and techniques will generate market values.

Assessed Value

The Louisiana Constitution and Revised Statutes mandate that property subject to ad valorem taxation be listed at its assessed valuation, which shall be a percentage of its fair market value. This is called the fractional level of assessment. These laws dictate that all land - commercial and residential - is assessed at 10% of market value. Residential buildings are assessed at 10% and commercial buildings at 15% of market value. Commercial personal property, also know as movable property, is assessed at 15% of market value. **Most public service properties are valued at 25% of market value and are valued by the Louisiana Tax Commission rather than by assessors. Assets of Airline, Utility Co-op, Private Car Line, and Railroad companies are considered public service property but are assessed at only 15% of market value.**

Example 3:

Residential land market value =	\$ 35,000	x 10% =	assessed land value of	\$ 3,500
Residential house market value =	\$140,000	x 10% =	assessed building value of	\$14,000
Total residential market value =	\$175,000		Total assessed value =	\$17,500
Commercial land market value =	\$ 35,000	x 10% =	assessed land value of	\$ 3,500
Commercial building market value =	\$140,000	x 15% =	assessed building value of	\$21,000
Total commercial market value =	\$175,000		Total assessed value =	\$24,500

Land Use Value

The State Constitution provides that bona fide agricultural, horticultural, marsh, and timber lands are to be assessed at 10% of “use value” rather than fair market value. In the case of agricultural, horticultural and timber lands, the property must be at least three acres in size or have produced an average gross annual income of \$2,000 or more for the four preceding years. The use value of these lands is determined by the productivity of the land. Per-acre assessed values are provided to assessors by the Louisiana Tax Commission. These use values range from \$30.00 per acre for salt- water marsh land to \$400.00 per acre for high production timber land. Agricultural and horticultural land use values range from \$124.00 to \$350.00 per acre, which in urban parishes can be less than one-half of one percent (0.005) of its actual fair market value.

Example 4:

Commercial land market value	= \$700,000	x 10% =	assessed land value of	\$70,000
Same land with use value applied	= \$ 350	x 10% =	assessed ag. land value of	\$35

V. Exemptions and Abatements

Louisiana's laws allow the application of several exemptions or abatements of property taxes. An exemption means that an asset's value can be either partially or totally exempt from property taxes. **Article VII, Section 21 of the state Constitution contains a list of properties that are totally exempt from property tax and includes such things as public lands and other public property, property owned by certain nonprofit corporations, and property of labor organizations. An abatement means that either the tax amount due or the property's value may be frozen at a specific level for either a certain period of time or under certain conditions. Currently in Louisiana, only the property's value can be frozen.** Listed below are the current exemptions and abatements.

- Residential – Homestead Exemption – permanent; applies to home and other structures, land and “use value” land
 - Special Assessment Level Abatement – permanent with some exceptions; applies to home, other structures and land
 - Restoration Tax Abatement – 5-year period with 1 extension; applies only to buildings
-
- Commercial – Restoration Tax Abatement – 5-year period with 1 extension; applies only to buildings
 - Industrial Tax Exemption – 5-year period with 1 extension; applies only to buildings and personal (movable) property

Homestead Exemption

Article VII, Section 20 of the Louisiana Constitution permits the application of a homestead exemption with the following language, “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 pursuant to Article VII, Section 18(C) of this constitution, 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”, shall be exempt from state, parish, and special ad valorem taxes to the extent of seven thousand five hundred dollars of the assessed valuation. 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.”

Ownership “indivision” means that the property is owned by two or more persons and, in the absence of other provisions of law or juridical act, the shares of all co-owners are presumed to be equal.

The homestead exemption is permanent (as long as you reside on and own the property) and for a maximum exemption of \$7,500 of the assessed value of the property. The exemption will only apply to the home where the owner resides. If a second house or commercial building is present on the property, the exemption is not placed on the second house/commercial building or the amount of land used for the second house/commercial building. The exemption will however, apply to the owner's swimming pool, outdoor kitchen, pool house, storage building, etc.

Example 5:

If you own a duplex but only live on one side, then only 50% of the duplex's assessed value can receive homestead exemption. Therefore, if the duplex is valued at \$200,000, then the assessed value would be \$20,000 and half of the duplex's assessed value would be \$10,000 and have a \$7,500 exemption for a net taxable assessed value of \$2,500. The total net taxable assessed value on the property would then be \$2,500 (½ duplex) + \$10,000 (other ½ duplex) = \$12,500.

Note that the homestead exemption applies to state, parish and special taxes, but it does not apply to municipal (city) property taxes. Using the values from Example 3 above, one notes that the taxable value for city taxes is \$17,500 while the taxable value for parish taxes is \$10,000. (See Example 6 below.)

Example 6:

Residential land market value =	\$ 35,000	x 10% =	assessed land value of	\$ 3,500
Residential house market value =	\$140,000	x 10% =	assessed building value of	\$14,000
Total residential market value =	\$175,000		Total assessed value =	\$17,500
			Homestead Exemption -	\$ 7,500
			Net taxable assessed value=	\$10,000

A taxpayer can receive less than the \$7,500 exemption limit. A taxpayer, living in a city that applies municipal property taxes, with a fair market value on the property of \$60,000 and with a homestead exemption would pay no parish tax but would pay municipal property tax on the entire assessed value of their home.

A taxpayer does not have to be the 100% owner to qualify for Homestead Exemption. If two brothers buy a house and live together, they qualify for a full homestead exemption. But if only one of them resides in the house then a 50% exemption is applied.

Example 7:

If the brothers own a \$200,000 house together but only one lives in the house, then the brother living in the house will receive a homestead exemption based on his pro-rata share of ownership interest (50% of \$7,500 = \$3,750). Therefore, the total assessed value of \$20,000 would be reduced to a net taxable assessed value of \$16,250.

If an elderly couple donates their house to their children, but decide to live in it and maintain "usufruct", then the elderly couple will continue to qualify for the exemption. **"Usufruct" is a real right of limited duration on the property of another. The usufructuary has the right to possess the property and to derive the utility, profits, and advantages that the property produces, under the obligation of preserving their substance. The usufructuary is bound to use the property as a prudent administrator and to deliver the property to the naked owner at the termination of the usufruct.** In this case, the owners of the house would be the children, and the parent(s) would be the usufructuary. If the children own their own homes and have homestead exemption on those homes, it would appear as though the children have two homestead exemptions.

The Louisiana Tax Commission's report for 2005 indicates that 57% of the homes in Louisiana have assessed values of \$7,500 or less and therefore, pay no parish property taxes but may be subject to municipal property taxes. The percentage of homes in 2005 that had assessed values of \$7,500 or less in urban parishes was as follows: Bossier 46%, Caddo 52%, Calcasieu 68%, East Baton Rouge 37%, Jefferson 39%, Lafayette 42%, Orleans 49%, Ouachita 57%, Rapides 69%, St. Tammany 39% and Terrebonne 49%.

Special Assessment Level (SAL) Abatement

A senior citizen, certain disabled individuals and widows of certain veterans can apply for this abatement in 2007 if their adjusted gross income was \$60,498 or less on their 2006 federal income tax return (the income standard increases every year with inflation). Taxpayers can have the assessed value frozen on their homestead exempt property, so that no matter what happens in the real estate market in the area, their property's assessed value will not increase above the frozen amount. Once someone dies, sells their property or increases the value by more than 25% by addition to the property, then the SAL Abatement is removed. The assessed value is frozen for both municipal and parish taxes.

Restoration Tax Abatement

This abatement is available to business owners and homeowners who expand, restore, improve or develop an existing structure in a downtown development district, economic development district or historic district. The assessed value is frozen at the time of the application for the abatement. Application for this abatement is made to the Louisiana Department of Economic Development. Renovations can be made and the property's pre-construction assessed value does not change for 5 years, or 10 years with an extension. The restoration tax abatement encourages the preservation of historic properties.

The following examples demonstrate how assessed values are derived for residential property.

Example 8: Residential property with a Special Assessment Level abatement and all of the homestead exemption applied to the building.

<u>Line#</u>	<u>Items</u>	<u>Sample Values & Calculations</u>
1	Bldg - Fair Market Value	\$150,000 (= fair mkt val w/o exempt/abatements)
2	Bldg – Special Assess Level Abatement	125,000 (= fair mkt val at time of abatement application)
3	Bldg - Assessed Value	12,500 (= abatement fair mkt val x 0.10)
4	Bldg – Homestead Exemption	-7,500 (= homestead exemption value)
5	Bldg - Net Taxable Assessed Value	5,000 (= assessed value minus hstd exemption)
6	Land - Fair Market Value	\$ 60,000 (= fair mkt val w/o exempt/abatements)
7	Land – Special Assess Level Abatement	50,000 (= fair mkt val at time of abatement application)
8	Land - Assessed Value	5,000 (=abatement fair mkt val x 0.10)
9	Land – Homestead Exemption	- 0 (= homestead exemption value)
10	Land - Net Taxable Assessed Value	5,000 (= assessed value minus hstd exemption)

Total Fair Market Value = \$210,000 (Bldg + Land) (lines 1+6)

Total Fair Market Value with Special Assess Level Abatemt. = \$175,000 (Bldg + Land) (lines 2+7)

Total Assessed Value = \$17,500 (Bldg + Land) (lines 3+8) (**Amount used for city taxes**)

Total Homestead Exemption = \$7,500 (Bldg + Land) must never be above \$7,500 (lines 4+9)

Total Net Taxable Assessed Value = \$10,000 (Bldg + Land) (lines 5+10) (**Amount used for parish taxes**)

Example 9: Residential property with a Special Assessment Level abatement and a portion of the homestead exemption applied to the building and land.

<u>Line#</u>	<u>Items</u>	<u>Sample Values & Calculations</u>
1	Bldg - Fair Market Value	\$ 78,000 (= fair mkt val w/o exempt/abatements)
2	Bldg – Special Assess Level Abatement	70,000 (= fair mkt val at time of abatement application)
3	Bldg - Assessed Value	7,000 (= abatement fair mkt val x 0.10)
4	Bldg – Homestead Exemption	-7,000 (= homestead exemption value)
5	Bldg - Net Taxable Assessed Value	0 (= assessed val minus hstd exemption)
6	Land - Fair Market Value	\$ 30,000 (= fair mkt val w/o exempt/abatements)
7	Land – Special Assess Level Abatement	20,000 (= fair mkt val at time of abatement app.)
8	Land - Assessed Value	2,000 (= abatement fair mkt val x 0.10)
9	Land – Homestead Exemption	- 500 (= homestead exemption value)
10	Land - Net Taxable Assessed Value	1,500 (= assessed val minus hstd exemption)

Total Fair Market Value = \$108,000 (Bldg + Land) (lines 1+6)

Total Fair Market Value with Special Assess Level Abatement = \$90,000 (Bldg + Land) (lines 2+7)

Total Assessed Value = \$9,000 (Bldg + Land) (lines 3+8) **(Amount used for city taxes)**

Total Homestead Exemption = \$7,500 (Bldg + Land) must never be above \$7,500 (lines 4+9)

Total Net Taxable Assessed Val = \$1,500 (Bldg + Land) (lines 5+10) **(Amount used for parish taxes)**

Industrial Tax Exemption

The industrial tax exemption is available only to manufacturers new to the state as well as new investments and miscellaneous capital additions to existing facilities in Louisiana. The State’s Department of Economic Development governs this statewide program and Assessors administer it. The industrial tax exemption is granted per contract with the Department of Economic Development. A company may have several contracts in place at one time. The contract will specify the buildings and/or personal property items covered under the exemption. Each contract is for a five-year duration and can be extended one time for another five years.

The following examples demonstrate how assessed values are derived for commercial property.

Example 10: Commercial property with a Restoration Tax abatement.

<u>Line#</u>	<u>Items</u>	<u>Sample Values & Calculations</u>
1	Bldg - Fair Market Value	\$150,000 (= fair mkt val w/o exempt/abatements)
2	Bldg – Restoration Tax Abatement	125,000 (= fair mkt val at time of abatement application)
3	Bldg – Net Taxable Assessed Value	18,750 (= abatement fair mkt val x 0.15) (“Net Taxable Assessed Value” is the same as “Assessed Value” for Commercial property because homestead exemptions do not apply)
4	Land - Fair Market Value	\$50,000 (= fair mkt val w/o exempt/abatements) (restoration abatements do not apply to land)
5	Land - Net Taxable Assessed Value	5,000 (= fair mkt val x 0.10)

Total Fair Market Value = \$200,000 (Bldg + Land) (lines 1+4)
 Total Restoration Tax Abatement Value = \$125,000 (Bldg only) (line 2)
 Total Net Taxable Assessed Value = \$23,750 (Bldg + Land) (lines 3+5) **(Amount used for parish & city taxes)**
 (“Net Taxable Assessed Value” is the same as “Assessed Value” for commercial property because homestead exemptions do not apply)

Example 11: Commercial property with an industrial tax exemption on a two-year old building.

<u>Line#</u>	<u>Fields</u>	<u>Sample Values & Calculations</u>
1	Bldg - Fair Market Value	\$150,000 (= fair mkt val w/o exempt/abatements)
2	Bldg – Industrial Exemption	125,000 (= amount of contract 2 years ago, the exemption amount is the fair market value at time of exemption application)
3	Bldg - Net Taxable Assessed Value	0 (all of the building is exempt for five years, no matter what its actual fair market value is during the contract period)
4	Land - Fair Market Value	\$ 50,000 (= fair mkt val w/o exempt/abatements) (industrial tax exemptions do not apply to land)
5	Land - Assessed Value	5,000 (= adj fair mkt val x 0.10)

Total Fair Market Value = \$200,000 (Bldg + Land) (lines 1+5)
 Total Industrial Exemption Contract Value = \$125,000 (Industrial Exemption for Bldg) (line 2)
 Total Net Taxable Assessed Value = \$5,000 (Bldg + Land) (lines 3+5) **(Amount used for parish & city taxes)**

———— VI. Personal Property Valuation ————

In Louisiana, “personal property”, also known as movable property, means 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 includes, but is not necessarily be limited to, inventory, furniture, fixtures, machinery and equipment, and all process and manufacturing machinery and equipment, including the foundations. It also includes all things other than real estate which have any pecuniary value, all monies, credits, investments in bonds, stocks, franchises, shares in joint stock companies, or otherwise. Ad valorem taxes are collected only on commercial personal property.

The valuation of personal property in Louisiana is accomplished primarily using the cost approach. With this method, the original cost of an asset is multiplied by a cost index to arrive at a replacement cost new and then depreciation and obsolescence are subtracted to arrive at the fair market value. The cost index, obtained from the national cost data firm of Marshall & Swift, is similar to a consumer price index and is a composite of equipment costs of various industries. A depreciated value is determined using a “Percent Good” table provided to assessors by the Louisiana Tax Commission.

(Original Cost x Cost Index) x Depreciation Factor x Obsolescence Factor (if any) = Market Value

To simplify calculations, the Commission provides a “Composite Multiplier” table, which contains values that are the product of the percent good values multiplied by the cost indices. (See Exhibit A, Composite Multiplier Table)

Original Cost x (Cost Index x Depreciation Factor) x Obsolescence Factor (if any) = Market Value
[referred to as “*Composite Multiplier*”]

To use the Composite Multiplier table, one must know the average economic life assigned to the asset being valued. The average economic lives of assets are provided to assessors by the Tax Commission. The economic life assigned to a particular asset determines which column in Composite Multiplier table to use for that asset. (See Exhibit B, Table 2503.A) For example, on page 1 of the average economic life table, one notes that the average economic life of a commercial bakery is 12 years. This means that the machinery and equipment of a commercial bakery will be valued using the 12 yr column of the Composite Multiplier table.

Example 12:

A commercial bakery oven purchased 10 years ago for \$12,000 will be valued at \$4,080 in 2006 ($\$12,000 \times 0.34 = \$4,080$). The oven’s assessed value would be $\$4,080 \times 15\%$ or \$612.00. The 0.34 value is obtained from the 12 YR column of the Composite Multiplier Table, Exhibit A, from the line under the Age column of 10. In this case, no obsolescence was applied.

Once an asset reaches the bottom figure in the appropriate column of the Composite Multiplier Table, the asset will retain the same value as in the last year, until the asset is disposed of through sale or scrap. For the oven in the example above, the market value will remain at \$3,000 after the 13th year ($\$12,000 \times 0.25 = \$3,000$). This remains the market value regardless of whether or not the equipment could be sold in the open market for that amount of money. The assessed value will also remain fixed at \$450, which is 15% of the \$3,000 market value.

Several types of personal property are not valued by using the Composite Multiplier table but rather by separate tables developed for each type of property. The property types include watercraft, aircraft, oil and gas properties, drilling rigs, and pipelines. These tables can be found on the Louisiana Tax Commission website at www.latax.state.la.us/regs_manuals.htm.

The assessed value of business inventory is simply the average monthly inventory multiplied by 15%. Property taxes are paid on this inventory in the parish where the inventory is located. A tax credit is allowed against any Louisiana income or corporation franchise tax for ad valorem taxes paid to political subdivisions on any inventory held by manufacturers, distributors, and retailers and on natural gas held, used or consumed in providing natural gas storage services or operating natural gas storage facilities. Credit for taxes paid by unincorporated persons shall be applied to state personal income taxes.

VII. Tax Calculation

Once the assessed value of an asset is determined, the amount of taxes owed on that asset can be calculated. In Louisiana, the millage rate is applied to the assessed value rather than the market value. Remember that 1 mill is equal to \$0.001 of value. Therefore, if the millage rate is 1 mill, then the tax amount due on the oven in Example 12 would be $\$612 \times 0.001$ or \$0.61.

Using the values from Example 3, with a tax rate of 15 mills, and applying homestead exemption to the residential property, one should note the difference in the tax amount owed by a homeowner versus the owner of a commercial building with the same market value.

Example 13:

Residential land market value =	\$ 35,000	x 10% =	assessed land value of	\$ 3,500
Residential house market value =	\$140,000	x 10% =	assessed house value of	\$14,000
Total residential market value =	\$175,000		Total assessed value =	\$17,500
			Homestead Exemption =	\$ 7,500
			Net Taxable value =	\$10,000
			Millage rate 15.0 =	x 0.0150
			Parish taxes owed =	\$150.00
Commercial land market value =	\$ 35,000	x 10% =	assessed land value of	\$ 3,500
Commercial building market value =	\$140,000	x 15% =	assessed building value	\$21,000
Total commercial market value =	\$175,000		Total assessed value =	\$24,500
			Millage rate 15.0 =	x 0.0150
			Parish taxes owed =	\$367.50

Remember that the homestead exemption does not apply to municipal taxes. Municipal property taxes would be levied on the \$17,500 in assessed value for the above home. For 1 mill in municipal tax, the taxpayer in this example would owe \$17.50. ($\$17,500 \times 0.001 = \17.50) The owner of the commercial building would also be responsible for municipal property taxes on the assessed value of \$24,500.

The total millage for parish taxes will usually be lower for taxpayers inside a municipality that applies property taxes than for those taxpayers outside of these municipalities. The State allows taxpayers in these municipalities to receive a small tax break because these taxpayers will also pay municipal property taxes.

VIII. Reassessment Process

Value Reassessment

The State Constitution mandates that assessors reassess the values of all property in each parish at least every four years. The statewide mandated reassessment schedule is as follows: 2004, 2008, 2012, etc. Assessors can reassess real property every year or in any year between the mandated reassessments. As a practical matter, most assessors in Louisiana only reassess during the mandated years, due to the complexity of the reassessment process. The Louisiana Tax Commission can also require an assessor to reassess all or portions of his/her parish in any year, if the Commission finds that assessments are inequitable or inconsistent with market values. The primary tool employed by the Commission to analyze values is a ratio study.

A ratio study compares the assessed values to market values, which are usually sale prices. Ratios are derived by dividing the assessed value by the market value. Remember that the Constitution requires assessors to assess property at a percentage of its fair market value. The Tax Commission has adopted

the standard that assessments must be within a range of 10% above or below the prescribed percentage established in the Constitution. Therefore, if residential properties are to be assessed at 10% of fair market value, the acceptable range for ratios is 0.09 - 0.11. (10% of 0.10 = 0.01 above or below the 0.10 residential assessment requirement) For commercial properties, the acceptable range is 0.135 - 0.165. (10% of 0.15 = 0.015 above or below the 0.15 commercial assessment requirement)

Example 14:

Assessed value of residential property = \$15,000

Sale price of this property = \$178,000

Ratio = $\$15,000 / \$178,000 = .0843$

Example 15:

Assessed value of commercial property = \$17,000

Sale price of this property = \$120,000

Ratio = $\$17,000 / \$120,000 = 0.142$

In Example 14, the assessor would be required to reassess this property because the ratio failed to be within the standards of 0.09 – 0.11. In Example 15, the ratio fell within the acceptable range of 0.135 – 0.165, so no reassessment would be required. Ratio studies are not usually performed on individual properties but rather on groups of properties such as subdivisions or neighborhoods.

Commercial personal property is reassessed annually in Louisiana rather than once every four years, due to the constantly changing nature of these assets. In addition to the assets of new companies being added to the tax rolls, existing companies acquire new assets and dispose of old assets throughout the year. Prior to February 15 of each year, every assessor mails Louisiana Ad Valorem Tax (LAT) forms to the businesses operating in his/her parish. (See Exhibit C, LAT 5 form) Businesses are required to provide assessors with a list of their assets, the original purchase price and the year acquired. The assets are then valued by the assessor’s staff using the procedures outlined in the Personal Property Valuation section above. A business forfeits its right to appeal the assessor’s valuation of the assets if the LAT forms are not returned to the assessor’s office in a timely manner.

Millage Adjustment

When a partial or parish-wide reassessment occurs in a parish, the governmental bodies that apply property taxes in the affected areas are required by law to adjust their millages. The laws state that these governmental bodies either raise or lower their millages to a level that would generate the same revenue as the prior year. The basic formula, as discussed in the Introduction section, for determining millage rate comes into play at this point. This formula, $\text{revenue} / \text{assessed value} = \text{tax rate}$, can also be expressed as $\text{assessed value} \times \text{tax rate} = \text{revenue}$.

If the total assessed value in the reassessed jurisdiction increases, then the taxing bodies are required to decrease or “roll back” their millages, so that the taxing bodies don’t profit from the reassessment. In the example below, the taxing body would be required to “roll back” its millage from 15 mills to 13.85 mills.

Example 16:

Total assessed value in prior year =	\$900,000,000
Millage rate in prior year = 15 mills or	<u>x 0.015</u>
Total revenue generated by taxing body =	\$ 13,500,000

Prior year revenue generated by taxing body =	\$ 13,500,000
Total assessed value <u>after</u> reassessment =	<u>÷ \$975,000,000</u>
Millage rate rolled back to this level =	0.01385 or 13.85 mills

If the total assessed value in the reassessed jurisdiction decreases, then the taxing bodies may increase their millages, so that the taxing bodies do not suffer from the reassessment. In the example below, the taxing body may increase its millage from 15 mills to 17.42 mills to receive the same revenue as received in the prior year.

Example 17:

Total assessed value in prior year =	\$900,000,000
Millage rate in prior year = 15 mills or	<u>x 0.015</u>
Total revenue generated by taxing body =	\$ 13,500,000

Prior year revenue generated by taxing body =	\$ 13,500,000
Total assessed value <u>after</u> reassessment =	<u>÷ \$775,000,000</u>
Millage rate rolled forward to this level =	0.01742 or 17.42 mills

Reassessment of values occurs only on the properties that were on the tax rolls in the year prior to reassessment. Structures that are being added to the tax rolls in the current year are not reassessed because this is their first year of being assessed. This means that in a growth economy, taxing bodies will experience an increase in revenues – even though the taxing bodies roll back their millages. The example below illustrates how the revenues for the taxing body in Example 16 above, increases when \$1,000,000 in new construction is added to the tax roll in a reassessment year.

Example 18:

Prior year revenue generated by taxing body =	\$ 13,500,000
Total assessed value <u>after</u> reassessment =	\$975,000,000
Assessed value of new construction =	<u>+ \$ 1,000,000</u>
Total assessed value used for revenue calculation =	\$976,000,000
Millage rate rolled back to this level =	<u>x 0.01385</u> or 13.85 mills
Revenue generated this tax year =	\$ 13,517,600

State law also allows a taxing body to receive additional revenues created by the reassessment of values. Once the taxing body rolls back its millage(s), the taxing body can restore the millage to its pre-roll back level by a vote of two-thirds of its members. Although the taxing body in Example 16 above was required to roll back to 13.85 mills, this governmental entity could roll their millage forward to the prior year level of 15-mills. Applying this to Example 18, indicates that this taxing body will receive an increase of \$1,140,000 in funds over the prior year's revenue.

Example 19:

Prior year revenue generated by taxing body =	\$ 13,500,000
Total assessed value <u>after</u> reassessment =	\$975,000,000
Assessed value of new construction =	+ \$ 1,000,000
Total assessed value used for revenue calculation =	\$976,000,000
Millage rate rolled forward to this prior year level =	x 0.0150 or 15 mills
Revenue generated this tax year =	\$ 14,640,000

In the years between reassessments, taxing bodies may receive more revenue than the prior year, if the total taxable value in the parish increased from the prior year due to new construction and land development. In this situation, a taxing body can simply, by majority vote, retain the millage rate at the same level as the prior year and therefore receive additional revenue.

Taxpayer Impact

The reassessment of values process can have multiple effects on the taxpayers within the reassessed jurisdiction. In a jurisdiction with increasing property values, the most obvious impact one would expect, is created by the increase in one's property value. As an example, assume that the value of the home in Example 13 increased by 20%. Note the impact on the tax amount owed by simply increasing the property's value but decreasing the millage (See middle scenario in example) and then, the additional impact of rolling the millage forward (See last scenario in example). This reassessment process would have a similar effect on commercial properties.

Example 20:Tax impact in year prior to reassessment

Res. land market value prior to reassess = \$ 35,000 x 10% =	assessed land value of \$ 3,500
Res. house market value prior to reassess = \$140,000 x 10% =	assessed house value of \$14,000
Total res. market value prior to reassess = \$175,000	Total assessed value = \$17,500
	<u>Homestead Exemption = \$ 7,500</u>
	Net Taxable value = \$10,000
	<u>Millage rate 15.0 = x 0.0150</u>
	Parish taxes owed = \$150.00

Tax impact after property value increase of 20% and "roll back" of millage to 13.85 mills from Example 16 above

Res. land market value after reassess = \$ 42,000 x 10% =	assessed land value of \$ 4,200
Res. house market value after reassess = \$168,000 x 10% =	assessed house value of \$16,800
Total res. market value after reassess = \$210,000	Total assessed value = \$21,000
	<u>Homestead Exemption = \$ 7,500</u>
	Net Taxable value = \$13,500
	<u>Millage rate 13.85 = x 0.01385</u>
	Parish taxes owed = \$186.98

Tax impact after property value increase of 20% and "roll forward" of millage to 15 mills from prior year

Res. land market value after reassess = \$ 42,000	x 10% = assessed land value of \$ 4,200
<u>Res. house market value after reassess = \$168,000</u>	x 10% = assessed house value of \$16,800
Total res. market value after reassess = \$210,000	Total assessed value = \$21,000
	<u>Homestead Exemption = \$ 7,500</u>
	Net Taxable value = \$13,500
	<u>Millage rate 15.0 = x 0.0150</u>
	Parish taxes owed = \$202.50

The reason the reassessment process had a double effect on this home is that the value of this particular home increased at a much higher percentage than did the change in the millage rates. Keep in mind that millage rates are determined not by what happens to the value of only one property, but by what happens to the total assessed value throughout the jurisdiction. Therefore, if the total value in the taxing authority's jurisdiction increases by a smaller percentage than does the value of a single property, the taxpayer will usually experience a similar impact as in the example above.

Conversely, if the total value in the jurisdiction increases by a larger percentage than does the value of a single property, the taxpayer may experience a similar impact as in the example below. Using the same millage changes as in Example 20 but with this home's value increasing by only 5%, one notes that the impact on the tax amount owed changes very little with the increase in the property's value but decrease in the millage. (See middle scenario in example)

Example 21:

Tax impact in year prior to reassessment

Res. land market value prior to reassess = \$ 35,000	x 10% = assessed land value of \$ 3,500
<u>Res. house market value prior to reassess=\$140,000</u>	x 10% = assessed house value of \$14,000
Total res. market value prior to reassess = \$175,000	Total assessed value = \$17,500
	<u>Homestead Exemption = \$ 7,500</u>
	Net Taxable value = \$10,000
	<u>Millage rate 15.0 = x 0.0150</u>
	Parish taxes owed = \$150.00

Tax impact after property value increase of 5% and "roll back" of millage to 13.85 mills from Example 16 above

Res. land market value after reassess = \$ 36,750	x 10% = assessed land value of \$ 3,675
<u>Res. house market value after reassess = \$147,000</u>	x 10% = assessed house value of \$14,700
Total res. market value after reassess = \$183,750	Total assessed value = \$18,375
	<u>Homestead Exemption = \$ 7,500</u>
	Net Taxable value = \$10,875
	<u>Millage rate 13.85 = x 0.01385</u>
	Parish taxes owed = \$150.62

Tax impact after property value increase of 5% and "roll forward" of millage to 15 mills from prior year

Res. land market value after reassess = \$ 36,750	x 10% = assessed land value of \$ 3,675
<u>Res. house market value after reassess = \$147,000</u>	x 10% = assessed house value of \$14,700
Total res. market value after reassess = \$183,750	Total assessed value = \$18,375
	<u>Homestead Exemption = \$ 7,500</u>
	Net Taxable value = \$10,875
	<u>Millage rate 15.0 = x 0.0150</u>
	Parish taxes owed = \$163.13

The calculations for commercial property would be similar to those in Examples 20 and 21 above, except that the building's market value would be multiplied by 15% instead of 10% and no homestead exemption would be applied.

IX. Appeal Process

Upon completion of the valuation process, assessors are required to “open” their tax books for a period of 15 days to allow taxpayers time to inspect the values placed on their property. Prior to this open book period, assessors are required to notify taxpayers when the assessed value of their property increases by 15% or more. Beginning in 2006, taxpayers in most parishes can review their assessments online at the Louisiana Tax Commission website, www.latax.state.la.us/TaxRoll_ParishSelect.asp. Many assessors also provide this information on their individual websites. This “open book” process, by law, must occur between August 15 and September 15 of each year. Once this period ends, the books are to be “closed” and assessors can make no further changes to the tax roll for the year.

If a taxpayer's opinion of the value placed on his property differs from the assessor's value, the taxpayer can discuss the values with the assessor or his/her staff prior to the books closing. If the taxpayer is not satisfied with the results of the discussions, the taxpayer has the right to appeal the assessor's decision with the local Board of Review. In most parishes, the parish's governing authority, police jury or parish council, acts as the Board of Review. A taxpayer may lose his right to appeal if he has not discussed his assessment with the assessor or his/her staff or has not provided the assessor's office with required information. The Board of Review appeal hearings are usually conducted within 30 days of the closing of the books. Either the Taxpayer or the Assessor can appeal the ruling of the Board of Review to the Louisiana Tax Commission. If either party is not satisfied with the ruling of the Tax Commission, the State Court system serves as the next level of appeals. After appeals are handled by the local Board of Review, assessors are then required to prepare the tax rolls and have them approved by the Tax Commission prior to November 15.

X. Tax Collection

Once tax roll approval is obtained, the Tax Collectors in each parish prepare and mail tax bills to taxpayers. The bills will be considered delinquent if they are not paid by December 31. Properties with a delinquent tax bill are subject to sale by the Tax Collector producing the bill. These tax sales usually occur in early May. Individuals or corporations may acquire rights to a delinquent property at a tax sale by paying the tax bill and expenses incurred by the tax collector. The delinquent taxpayer may redeem his property within a three-year period by paying the tax purchaser the amount the purchaser paid the Tax Collector at the tax sale, plus interest and penalty.

XI. Property Tax Uses

Local governmental entities in Louisiana rely primarily on sales and property taxes to pay for services they provide to their citizens. Louisiana's state government has other forms of revenue at its disposal in addition to sales and property taxes. Although the state government maintains the authority to impose a statewide property tax, the Legislature has chosen not to do so.

Most parishes have property tax millages imposed for the following governmental functions: parish general funds, parish law enforcement, school districts, assessment districts, public health units and libraries. Other functions, which may be provided either parish-wide or in special districts, paid for by

property taxes include: airports, jails, courthouses, juvenile detention facilities, hospitals, zoos, ports, recreation, lighting, drainage, roads, bridges, levees, downtown development, mosquito abatement, bonded indebtedness, garbage collection, economic development, senior citizen services, pollution control, sewage collection, fire protection, ambulance service and other assorted services. Parishes that contain timber crops can also apply a property tax on a “dollar per acre” basis as opposed to a millage basis.

Millages applied in Lafayette Parish in 2006 are shown in Exhibit D.

Revised: May 2007

Sources:

Constitution of the State of Louisiana, As Amended, State of Louisiana, 2006.

Louisiana State Revised Statutes, As Amended, State of Louisiana, 2006.

Louisiana Civil Code, As Amended, State of Louisiana, 1976 & 1990.

Real / Personal Property Rules and Regulations, As Amended, Louisiana Tax Commission, 2006.

Property Assessment Valuation, Second Edition, International Association of Assessing Officers, 1996.

EXHIBIT A

Composite Multiplier Table (2006)

Age	3 Yr	5 Yr	8 Yr	10 Yr	12 Yr	15 Yr	20 Yr	25 Yr
1	0.69	0.83	0.88	0.90	0.92	0.93	0.95	0.96
2	0.52	0.73	0.83	0.88	0.92	0.95	0.98	1.00
3	0.37	0.57	0.73	0.83	0.87	0.93	0.98	1.01
4	0.18	0.38	0.60	0.74	0.81	0.87	0.95	1.00
5		0.26	0.48	0.65	0.74	0.81	0.91	0.97
6		0.20	0.37	0.55	0.65	0.76	0.88	0.94
7			0.30	0.45	0.57	0.71	0.85	0.93
8			0.25	0.34	0.49	0.63	0.80	0.89
9			0.23	0.28	0.42	0.57	0.75	0.87
10				0.25	0.34	0.51	0.71	0.83
11				0.24	0.29	0.44	0.66	0.81
12					0.27	0.38	0.62	0.79
13					0.25	0.33	0.57	0.76
14						0.30	0.52	0.73
15						0.28	0.46	0.68
16						0.27	0.41	0.64
17							0.37	0.60
18							0.35	0.56
19							0.33	0.51
20							0.32	0.46
21							0.31	0.43
22								0.41
23								0.39
24								0.33
25								0.34
26								0.38

EXHIBIT B

Table 2503.A

Suggested Guidelines For Ascertaining Economic Lives of Business and Industrial Personal Property

The following alphabetical list includes most of the principal activities and types of machinery and equipment used in business throughout this state. The years shown represent an estimate of the average economic life of the equipment as experienced by the particular business or industry. The actual economic life of the assets of the business under appraisal may be more or less than the guidelines shown. The assessor must use his best judgement, in consultation with the property owner, in establishing the economic life of the property under appraisal.

Business Activity/Type of Equipment	Average Economic Life In Years
Agricultural Machinery & Equipment	10
Aircraft & Aircraft Parts Mfg. M & E	12
All Terrain Vehicles	10
Aluminum Industry M & E	20
Amusement Devices (Music, Pinball Mach., etc.)	12
Video Games	3
Video Poker Gaming Equipment	5
Inflatable Air Bouncers	5
Apparel Mfg. M & E	20
Auto Repair M & E	10
Paint Booths	15
Bakeries:	
Industrial (i.e. Holsum, Sunbeam Bread)	20
Commercial (i.e. Albertson's, Mom & Pop, etc.)	12
Banks	
Automatic Teller Machines (ATM's)	8
Furniture & Fixtures	12
Safety Deposit Boxes	25
Encoders	10

GB-4 (2006)

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Barber & Beauty Shops	10
Tanning Beds	10
Billboards, Poster Panels & Bulletin Boards	15
Bleach Mfg. M & E	12
Blueprinting, Photostating, Mimeographing & Lithographing (non - electronic)	10
Boat Molds (fiberglass)	8
Book Bindery	12
Bottling & Soft Drinks Mfg. M & E	20
Bowling Lanes	12
Automatic Pinsetters & other M & E	10
Brewing & Distilling M & E	20
Butcher Shops	12
C.A.T.V. Equipment	
Cablevision Systems	10
Cabinet Shop M & E	12
Candy & Confections Mfg. M & E	12
Cannery M & E	20
Car Wash (5 min. & coin-op)	10
Cement, Clay & Brick Prods. Mfg. M & E	20
Chemical Industry M & E	15
Clothing Mfg. M & E	20
Cocktail & Beer Bars	10
Coin-op Machines	10
Computers	5
Concrete Products M & E	20

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Construction M & E	
Cranes, Crawler	20
General Construction	10
Asphalt Plants	
Portable	10
Stationary	12
Land Clearing	10
Marine Construction	
Ships & Vessels	20
Pleasure Craft	12
Road Construction (heavy)	10
Rock Crushing	
Portable	10
Stationary	12
Sewer & Utilities	10
Well Drilling (other than O & G)	10
Container Mfg. M & E	20
Coolers (walk-in)	12
Coolers (water)	3
Water Bottles (5 gallon)	10
Copy Machines	8
Costumes (rental)	5
Cranes (crawler)	20
Dairy Processing M & E	20
Dental Equipment	12
Department Store Furniture & Equipment	12
Dies & Molds	10
Dispensing Machinery (coin-op)	10
Distilling & Brewing M & E	20
Doctors, Dentists & Professional Equipment	12
Drug Store F & F	12

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Dry Cleaning & Laundry M & E (Except Coin-op) (Coin-op)	12 5
Electrical Generating Gas & Diesel Steam	10 25
Electrical Mfg. M & E	15
Electrical Transmission & Distribution	25
Electronic Equipment	8
Electronic Mfg. Equipment	8
Feedmill M & E	12
Fertilizer Applicators	10
Fertilizer Mfg. M & E	8
Fiberglass Molds	8
Fish Processing M & E	20
Flour, Cereal & Grain Milling	20
Food Processing M & E	20
Forklifts Inside Outside	12 10
Foundry M & E	20
Fruit Bins & Cargo Pallets	10
Gaming Equipment: Electronic, Slots or Computers Mechanical, Slots All Other Gaming Equipment Casino Riverboats (See: Riverboat Casinos)	5 10 15

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Garage M & E	10
General Contractor M & E	10
Golf Carts	8
Golf Course Equipment	10
Golf Course Tractors	12
Greenhouse & Nursery M & E	10
Grocery Store F & F	12
Grocery Store Walk-in Coolers	12
Hardware Store F & F	12
Hatchery M & E	10
Health Spa Equipment	10
Hospital & Nursing Home Equipment	12
High Tech (Computer Driven) Equipment	5
Hotel F & F	10
Ice Cream Cabinets	10
Ice & Refrigeration M & E	20
Iron & Steel Industry M & E	25
Janitorial Service M & E	10
Jewelry Store F & F and Equipment	12
Key Duplication Equipment	10
Laboratory Equipment (Non-Electronic)	12
Landscaping M & E	10
Laundry & Dry Cleaning M & E	
(Except coin-op)	12
(Coin-op)	5

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Leather Products Mfg. M & E	20
Libraries (Professional)	15
Lift Trucks (See: Forklifts)	
Lumber & Wood Products Industry Logging M & E Log Stackers Pulp, Paper & Paperboard M & E Plywood & Veneer M & E Scarifying M & E Sawmills Portable Stationary Shake & Shingle Mills Portable Stationary	 10 10 20 20 10 12 20 12 20
Machine Shop M & E (Maintenance)	12
Machine Shop M & E (Production)	20
Mailing Machines	10
Meat Packing M & E	12
Meat Processing M & E (Complex)	20
Medical Equipment	12
Metal Fabrication & Extrusion Mfg. M & E	20
Metal Sheet Fabrication	12
Mining, Milling & Quarry M & E	10
Mobile Yard Equipment	10
Modular Office Buildings (portable)	15
Mortuary Service Equipment	12
Motel Furniture & Equipment	10

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Music Instruments (Rental)	8
Neon Signs	10
Newspaper M & E	15
Press	10
Photographic	5
Computer	15
Other M & E	
Nursing Home Equipment	12
Nursery & Greenhouse M & E	10
Office Computers	5
Office Copy Machines	8
Office Electronic Machines	8
Office F & F	15
Office Machines (including electric)	10
Office Mailing Machines	10
Office Safes	25
Oilfield Rental Tanks	15
Outdoor Advertising Structures (See: Signs)	
Oxygen & Acetylene Tanks	25
P.A. Systems	10
Packing & Sorting M & E (Fruit, Vegetables, etc.)	12
Paint & Varnish Mfg. M & E	12
Pallets, Crates, Lugs, Bins, etc.	10
Petroleum Products Industry	
Bulk Station Equipment	25
Refining M & E	20
Service Station Equipment*	10

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Photography Equipment	10
One-hour Photoprocessing Equipment	8
Plastic Extrusion Equipment	12
Plastic Illuminated Signs	10
Plumbing Shop Equipment	10
Plywood & Veneer Mfg. M & E	20
Pollution Control M & E	15
Pool Hall Equipment	12
Poultry Plants M & E	12
Power & Generation M & E	
Gas & Diesel	10
Steam	25
Printing & Publishing Equipment (See: Newspaper)	
Professional Equipment	
Scientific, Doctors, Dentists, etc.	12
Libraries	15
Propane Tanks	25
Pulp & Paper Mfg. M & E	20
Radio & Television	
Broadcasting Equipment	10
C.A.T.V. (Cable Systems)	10
Radio - Telephone Equipment - 2-Way	10
Recording Equipment	8
Service & Repair Equipment	10
Towers	20
Rental Equipment	
Public U-Rent (except heavy equipment)	8
Tuxedos	5
Linens	3
Research & Development M & E	3

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Restaurants, Soda Fountains & Drive-Ins	10
Retail Stores F & F	12
Riverboat Casinos Required to cruise Dockside on a permanent basis	15 20
Rock Crushers (See: Construction)	
Sawmills (See: Lumber)	
Scaffolding (rental)	10
Search Lights	10
Service Station Equipment *	10
Sewer Construction Equipment	10
Sewing Equipment	12
Sheet Metal Fabrication	12
Shipbuilding (See: Construction)	
Shoes & Leather Products Mfg. M & E	20
Shipyards (See: Construction)	
Signs Bulletin Boards Billboards Neon Plastic Illuminated Poster Panels Electronic Three-sided Billboard	15 15 10 10 15 10
Small Tools – perishable	5
Smelting M & E	20
Soft Drink Mfg. M & E (Batch)	20
Storage Buildings (portable)	10

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Stores	
Retail	12
Wholesale	12
Sugar Cane Refining	20
Supermarkets	
Cash Register Scanners	8
Walk-in Coolers	12
Tavern & Bar Equipment	10
Telecommunications Equipment (electronic)	8
Fiber Optic Cable (buried)	15
Fiber Optic Cable (exposed)	8
Telephone & Intercom Systems	
Electronic	8
Manual (non-electronic)	10
Television & Radio (See: Radio)	
Textile, Tent & Awning Mfg. M & E	20
Theater	
Projection Equipment	15
F & F	15
Tire Recapping Equipment	12
Toilets, Portable	12
Towers	
Cellular	20
Microwave	20
Tuxedo Rental	5
Unclaimed Vehicles	10
Upholstery Equipment	10
Vending Machines	10
Video Games	3

EXHIBIT B

Table 2503.A (cont'd.)

Business Activity/Type of Equipment	Average Economic Life In Years
Video Poker Gaming Equipment	5
Warehouse Equipment	12
Water Systems	12
Welding Shop Equipment	12
Wholesale Stores	12
Winery Equipment	12
Woodworking Shop M & E	12
X-Ray Equipment	12

EXHIBIT C

LAT 5 Form

LAT 5 – INVENTORY, MERCHANDISE, ETC.			2006 PERSONAL PROPERTY TAX FORM			
RETURN TO:			NAME/ADDRESS: (INDICATE ANY CHANGES)			
CONFIDENTIAL	RS: 47:2327. Only the Assessor, the governing authority, and Louisiana Tax Commission shall use this form filled out by the taxpayer solely for the purpose of administering this statute.	Legal Citation & Instructions: This report shall be filed with the Assessor of the parish indicated by April 1 st or within forty-five days after receipt, whichever is later, in accordance with RS 47:2324.				
PROPERTY LOCATION: <small>(E911/PHYSICAL ADDRESS)</small>			WARD:	ASSESSMENT NUMBER:		
NAME OF BUSINESS: OWNER OR CONTACT:			TYPE OF BUSINESS: NAME OF BUSINESS:			
IMPORTANT!	<ul style="list-style-type: none"> AN ITEMIZED DEPRECIATION SCHEDULE, LISTING ASSETS (INCLUDING FULLY DEPRECIATED ITEMS AND/OR EXPENSED ITEMS) SHALL ACCOMPANY THIS REPORT. FIRMS HAVING 10 YEAR EXEMPTIONS SHALL COMPLETE FORM LAT 5A AND ATTACH TO THIS FORM. BANKS ONLY: ATTACH TO THIS REPORT A LIST OF SHAREHOLDERS AND A COPY OF YOUR CONSOLIDATED REPORT OF CONDITION AND CONSOLIDATED REPORT OF INCOME AS FURNISHED TO THE OFFICE OF FINANCE INSTITUTIONS OR TO THE COMPTROLLER OF CURRENCY AS OF DECEMBER, 31ST. 					
<i>SHADED AREAS FOR ASSESSOR'S USE ONLY – USE ATTACHMENTS IF NECESSARY</i>						
SECTION 1 – INVENTORIES AND MERCHANDISE						
METHOD OF REPORTING: (CHECK ONE) <input type="checkbox"/> LIFO <input type="checkbox"/> FIFO <input type="checkbox"/> COST <input type="checkbox"/> RETAIL <input type="checkbox"/> OTHER: _____						
	MERCHANDISE	RAW MATERIALS	WORK IN PROGRESS	FINISHED GOODS	SUPPLIES	TOTAL
JANUARY						
FEBRUARY						
MARCH						
APRIL						
MAY						
JUNE						
JULY						
AUGUST						
SEPTEMBER						
OCTOBER						
NOVEMBER						
DECEMBER						
ASSESSED VALUE:				GRAND TOTAL:		
				AVERAGE:		

EXHIBIT C

LAT 5 Form (p. 2)

SECTION 2 – FURNITURE AND FIXTURES <small>(GROUP BY YEAR OF ACQUISITION)</small>											
YEAR OF ACQUISITION	ACQUISITION COST	EFF. AGE	TAB. NO.	COST MULT.	FAIR MARKET VALUE	YEAR OF ACQUISITION	ACQUISITION COST	EFF. AGE	TAB. NO.	COST MULT.	FAIR MARKET VALUE
						15 Years or over.					
						TOTAL MARKET VALUE:					
						ASSESSED VALUE:					
SECTION 3 – MACHINERY AND EQUIPMENT <small>(EXCLUDE LICENSED MOTOR VEHICLES)</small> <small>(GROUP BY YEAR OF ACQUISITION)</small>											
YEAR OF ACQUISITION	ACQUISITION COST	EFF. AGE	TAB. NO.	COST MULT.	FAIR MARKET VALUE	YEAR OF ACQUISITION	ACQUISITION COST	EFF. AGE	TAB. NO.	COST MULT.	FAIR MARKET VALUE
						25 Years or over.					
						TOTAL MARKET VALUE:					
						ASSESSED VALUE:					
SECTION 4 – LEASEHOLD IMPROVEMENTS/MISC. PROPERTY <small>(GROUP BY YEAR OF ACQUISITION)</small>											
ITEM				YEAR OF ACQUISITION	ACQUISITION COST	EFFECTIVE AGE	TABLET NO.	COST MULT.	FAIR MARKET VALUE		
						TOTAL FAIR MARKET VALUE:					
						ASSESSED VALUE:					
SECTION 5 – CONSIGNED GOODS, LEASED, LOANED, OR RENTED EQUIPMENT, FURNITURE, ETC. <small>(ATTACH LIST SHOWING NAME, ADDRESS, TYPE AND AGE OF PROPERTY, MONTHLY RENTAL)</small>											
NOTE:				PENALTIES FOR FAILURE TO FILE THIS FORM INCLUDE WAIVER OF RIGHTS TO APPEAL YOUR ASSESSMENT AND MAY INCLUDE A MONETARY PENALTY (RS 47:1992 & 2330)				NEED ASSISTANCE? AFTER YOU REVIEW THE ENCLOSED TAX FORM AND YOU FEEL YOU NEED ASSISTANCE PLEASE CALL YOUR ASSESSOR LISTED ABOVE AT . THANK YOU			
SIGNATURE AND VERIFICATION											
I declare under the penalties for filing false reports (R.S. 14:125; up to 500.00 fine or imprisonment for one year or both, plus additional penalties defined in Act 2330B of the 1989 Regular Session) that this return has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. *If the return is prepared by other than the taxpayer, authorized officer, or partner and the preparer before a Notary Public.*											
SIGNATURE OF TAXPAYER						SIGNATURE OF PREPARER					
DATE						DATE					
SWORN TO AND SUBSCRIBED BEFORE ME THIS						SWORN TO AND SUBSCRIBED BEFORE ME THIS					
Day of 20						Day of 20					
NOTARY PUBLIC						NOTARY PUBLIC					

EXHIBIT D

Lafayette Parish Millages

Taxing District	2006 Levy
PARISH- GENERAL ALIMONY	3.05
EXEMPTED MUNICIPALITIES	1.52
COURTHOUSE AND JAIL	2.25
HEALTH UNIT	0.99
JUVENILE DETENTION & REHAB	1.13
DETENTION CORRECTIONAL FAC.	1.98
DRAINAGE DIST.	3.34
ROAD AND BRIDGES	4.01
ROADS/HIGHWAYS/BRIDGES (BONDS)	3.50
MOSQUITO ABATEMENT & CONTROL	1.50
AIRPORT REGIONAL PARISHWIDE	1.71
LIBRARY 1997 - 2006	2.80
LIBRARY 1999 - 2008	1.55
LIBRARY 2003 - 2013	2.00
ECONOMIC DEVELOPMENT	1.92
TECHE-VERMILION FRESHWATER	1.00
ASSESSMENT DISTRICT	1.56
LAW ENFORCEMENT DISTRICT	8.03
LAW ENFORCEMENT DISTRICT	8.76
BAYOU VERMILION DIST (BONDS)	0.20
BAYOU VERMILION DIST	0.75
SCHOOL DIST REGULAR	4.59
SCHOOL DIST NO 1 CONSOL	7.27
SCHOOL DIST NO 1 CONSOL	5.00
SCHOOL DIST NO 1 CONSOL	16.70
SCHOOL DIST NO 1 CONSOL (BONDS)	0.52
DOWNTOWN DEV COM SUB DIST	10.91
LAFAYETTE CITY- GENERAL ALIMONY	5.42
LAFAYETTE CITY- STREETS/ROADS/ALLEYS	1.25
LAFAYETTE CITY- PLAYGROUNDS/RECREAT CNTRS	1.86
LAFAYETTE CITY- PUBLIC BUILDINGS	1.10
LAFAYETTE CITY- POLICE & FIRE DEPTS	3.18
LAFAYETTE CITY- POLICE SALARIES	3.00
LAFAYETTE CITY- FIRE SALARIES	2.00
DUSON- GENERAL ALIMONY	7.73
CARENCRO- GENERAL ALIMONY	4.60
SCOTT- GENERAL ALIMONY	3.93
BROUSSARD- GENERAL ALIMONY	0.00
YOUNGSVILLE- GENERAL ALIMONY	3.82
YOUNGSVILLE- WATER & FIRE SERVICES	6.00
YOUNGSVILLE - FIRE PROTECTION -2004	1.86