

Amendment outlaws future property transaction tax

BATON ROUGE — Voters will decide Saturday whether to permanently prohibit implementation of a tax that has never been proposed for the state of Louisiana.

Constitutional Amendment 1, the only one on the ballot, prohibits implementing a conveyance tax or fee that would be imposed when real estate is sold. There's no such transfer tax on the books for the state, and only New Orleans has it, assessing a \$325 tax when a house, business or land is sold.

The amendment would not alter the New Orleans tax but would prohibit any other municipal or parish government and the Legislature from imposing such an assessment.

Louisiana Realtors pushed for the approval of Act 435 by Rep. Rickey Nowlin, R-Natchitoches, in the 2011 legislative session as a preemptive measure. There was no legislation proposed to impose such a tax.

The Council for a Better Louisiana, headed by Barry Erwin, and the Louisiana Budget Project, headed by Jan Moller, oppose the amendment.

Both said that although the Legislature would probably never approve such a tax for the state or local government, the issue shouldn't be removed from the list of options if governmental bodies should run into severe financial crises.

"In Louisiana, we tie the hands of local government quite a bit," Erwin said, so local governments rely on the state more than they do in other states. "Taking away another option makes them even more dependent on the state."

When Livingston Parish tried to impose such a fee, an attorney general's opinion said the Legislature would have to approve any such action by a local government. The idea was dropped.

A legislative attempt to approve such a tax in 2000 failed. Two bills by Rep. Charles DeWitt, D-Alexandria, seeking a \$300 per parcel fee died in the House Ways and Means Committee and were withdrawn from the files of the House.

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"We're not saying the tax should be imposed, but it is bad policy to remove the possibility because it ties the hands of future budget policy makers," Moller said. "Policy makers should have as many tools as possible."

As to the one place that imposes such a tax, he said, "I don't think the tax is keeping anybody from buying houses in New Orleans."

Robert Travis Scott, president of the Public Affairs Research Council, said that like other amendments, PAR takes no stand on this one but offers both sides of the issue.

Scott said voters need to realize that passage or failure of the amendment would have no effect on fees and assessments on real estate transactions.

"Whatever you're paying now at closing, you're still going to be paying," he said. "You're not going to be getting rid of any property taxes."

Scott points out that Louisiana is among 13 states that do not impose real estate transaction fees, but with the strong anti-tax stand by state lawmakers, it's not likely to happen here.

"By putting it in the constitution, it would be going from very, very unlikely to virtually impossible," he said.

Erwin asks, "Why put something in the constitution that there appears to be no threat of ever happening?" He said too

many things already are in the constitution.

"We have generally opposed adding restrictions such as this to the constitution and see no compelling reason for this amendment," he said.

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