

HOUMA TODAY

Constitutional amendment would benefit jewelry artists

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- Last in a series of stories on the constitutional amendments featured on the Oct. 20 ballot.

BATON ROUGE – In an effort to encourage artists to place their jewelry on consignment, a constitutional amendment has been proposed to eliminate the property taxes often placed on such products.

Consignment is a practice that artists sometimes use to sell their work on a retail level. The art – in this case, the jewelry – is given to a dealer at no charge, and the dealer then sells the work for a commission. The remaining profit goes to the artist.

While Constitutional Amendment No. 4 would remove the property taxes levied on these products, the sales taxes applied at the point of purchase would remain intact.

Voters will be asked on the Oct. 20 ballot whether this change should be made. It isn't a novelty, as the state has exempted various forms of property or possessions from property taxes over the years through a change to the Louisiana charter.

In 2006, voters passed a constitutional amendment that exempted artwork placed on consignment with an art dealer from property taxes.

Artwork, under that previous amendment, was defined as any item that would be considered the "material result of a creative endeavor, including sculptures, glass works, paintings, drawings, certain posters, photographs, mixed media and collages."

Jewelry, however, was not specifically listed in the definition of artwork, according to analysis of the law and proposed constitutional amendment by the Public Affairs Research Council, a Baton Rouge-based policy group.

In addition to exempting jewelry, the proposed amendment would also remove the property taxes from all artwork placed on consignment with a jewelry dealer starting Jan. 1.

The Legislative Fiscal Office prepared its own report on the proposal earlier this year, noting the passage of this amendment could result in a minimal decrease of property-tax revenue for local government entities.

Jim Brandt, PAR's president, said, there are two side to this otherwise mundane amendment:

- Proponents point out that a tax on consigned jewelry may depress sales-tax revenue by discouraging artists from placing their pieces on consignment, and the potential sales-tax loss is greater than the potential property tax gain.

- Opponents argue this amendment provides yet another exemption to property taxes, which ultimately hinders the ability of local governments to raise their own revenues and meet their own needs.

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