



Proposal may increase severance tax returns

Political Lagniappe

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Proposition No. 4 would authorize an increase in severance tax revenues returned to the parishes where natural resources are taken, excluding sulphur, lignite and timber.

Current constitutional language provides that one-fifth of the severance taxes shall be returned to the parish in which they were levied on natural resources with a maximum of \$850,000 going back to the parishes.

This amendment would increase the maximum amount going back to the parish to \$1.85 million effective July 1, 2009 and to \$2.85 million effective July 1, 2010.

At least 50 percent of the money going back to the parishes would have to be used for road construction in the same manner as funds sent by the state in annual appropriations through the Parish Transportation Fund.

Further, the proposed amendment would dedicate 50 percent of severance revenues generated on state lands in the Atchafalaya Basin to the Atchafalaya Basin Conservation Fund up to \$10 million annually.

The Public Affairs Research Council, in its guide to the amendments, said proponents of the amendment argue the increase in revenue is justified because of the spike in oil and gas taxes in the past year and a likelihood that these revenues will continue to grow.

Opponents of the amendment argue the state should not be giving up more of its revenue, particularly to parishes that already benefit from mineral production through jobs, sales taxes and other industry-related income as well as a share of the severance tax.

Proposition No. 5 would allow the transfer of special property assessments to a new residential property when the individual is forced to move due to expropriation of their home.

Under current constitutional language, the property tax assessment is frozen for persons 65 or older, permanently and totally disabled and certain members of the military or their spouses, according to a PAR synopsis.

Supporters of the amendment argue it is needed to protect certain homeowners from large tax increases if they are forced by their government to move.

The special assessment on the original residence would transfer to a new residence up to 200 percent of value of the first home.

Proponents point out the special assessment is granted to people who are generally on a fixed or declining income.

Opponents argue the special assessment levels render tax rolls inaccurate, PAR reports.

Rather than a special assessment, it would be better to freeze the tax bill for deserving property owners, opponents say.

The PAR guide points out few homeowners are expected to be impacted by being forced to move through government expropriation. Loss of revenue to local governments would be minimal while the assessment is significant to those who benefit.