

HOMESTEAD EXEMPTION FOR AD VALOREM TAXES

Homestead property is subject to ad valorem taxes (“property taxes”). Property taxes are based on the assessed value of the land, improvements and buildings. The amount of property taxes is based on a millage rate or mill levy. A mill is a one thousandth of a dollar. The Louisiana Constitution requires that the assessor for each parish assess homestead property consisting of land and improvements at ten percent of the fair market value. For example, if your home has a fair market value of \$100,000.00 then the assessed valuation for property taxes will be \$10,000.00 (“assessed value”). Most importantly each homestead in Louisiana shall be exempt from state, parish and special ad valorem taxes to the extent of \$7,500.00 of the assessed value. The same homestead exemption shall also apply to the primary residence, including a mobile home 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.

To calculate the property tax, the authority will multiple the assessed value of the property by the mill rate and then divide by a thousand. For example, if your property has an assessed value of \$10,000.00 and it is subject to a homestead exemption of \$7,500.00, then after deducting the exemption your property will be taxed on the value of \$2,500.00. If the millage for the parish is eighty mills, then the tax authority will multiple the assessed value (i.e. \$2,500.00) by the mill rate (i.e. 80) and then divide by 1,000. In this example, the tax would be \$200.00.

If your homestead is situated in a municipality, then there will be a separate millage for the parish taxes and a separate millage for the municipal (city) taxes. The municipal taxes are not subject to the homestead exemption. If your homestead is not situated in a municipality, then it is not subject to municipal property taxes.

Article 7 Section 20 of the Louisiana Constitution defines what constitutes a homestead and to whom the exemption is available. It also states that in no event shall more than one homestead exemption extend or apply to any person in this state.

When you purchase a homestead, it is imperative that you register for your homestead exemption in order to qualify for it. If you do not register for it, then you will not receive it. Louisiana law requires the assessor to provide a particular form which contains a sworn statement that the homeowner currently owns and occupies the homestead and that he is not claiming any other property as his homestead for purposes of the exemption. Any person who fails to notify the assessor in writing that the property upon which he has claimed a homestead exemption no longer qualifies for that exemption, within sixty days after the disqualification occurs, shall be guilty of a misdemeanor. A homestead exemption shall remain valid without necessity of renewal of the claim as long as the claimant and property qualify for the exemption.