

Louisiana Voters Overwhelmingly Reject Governor Landry's Constitutional Amendments

Article By:

Jesse (Jay) Adams

On March 29, 2025, four constitutional amendments were on the ballot for Louisiana voters' consideration. Constitutional Amendment No. 2, (CA No. 2) which passed the Louisiana legislature during the November 2024 special fiscal session as House Bill No. 7, included changes to personal income tax rates, governmental spending caps, education funding, and teacher pay raises. Also included were amendments to the Constitution that would allow local taxing authorities to exempt or reduce the assessment rate of parish property taxes on business inventory located in their parishes. However, despite strong support from the Governor and his administration, the voters of Louisiana rejected that amendment by over 60% of the ballots cast.

As CA No. 2 was an important component of the Governor's modernization of Louisiana's taxation system and would have provided the legislature with more flexibility in collecting and distributing revenue, it is likely that more work will have to be done during the upcoming regular fiscal session scheduled to begin on April 14 with a conclusion date of June 12.

One important component of CA No. 2 was the ability of local taxing jurisdictions to lower the assessment rate of business inventory or exempt it altogether. Under current law, local taxing jurisdictions do not have the authority to do either, and the legislature retains the sole authority to make those determinations. Because the legislature repealed the credit for property taxes paid on business inventory (the repeal of which was not tied to the passage of CA No. 2), that credit will still sunset with no apparent relief from the current local taxes levied on business inventory.

As noted above, with the upcoming fiscal session beginning soon, legislators have until the close of business on April 4 to file "general subject" bills that do not address fiscal matters. Legislators have until April 23 to file bills with a fiscal impact. It is highly likely that legislation will be proposed to address some of the issues that CA No. 2 would have amended.

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