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STATE OF LOUISIANA
DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
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May 1, 2025
OPINION 24-0023

The Honorable Erroll G. Williams
Assessor
Parish of Orleans
1300 Perdido Street, Room 4E01
New Orleans, LA 70112

4 - ASSESSORS

La. Const. art. VII, §20
La. R.S. 47:1703

La. Const. art. VII, § 21
LAC 61:V.101

Addresses questions surrounding the implementation of the disabled veteran ad valorem tax exemption under La. Const. art. VII, § 21(K).

Dear Assessor Williams:

You have requested an opinion from this office concerning La. Const. art. VII, § 21(K) and the ad valorem tax exemptions it provides for certain disabled veterans. Specifically, you seek clarification regarding a veteran with a one-hundred percent (100%) service-connected disability rating who, in 2023, received a donation of a five percent (5%) ownership interest in the house he currently occupies. Following this donation, the disabled veteran submitted a qualified veteran property tax exemption application for the property for the 2024 tax year, which your office received on January 11, 2024.

You also note the following:

1. The application was received after the Orleans Parish 2024 tax roll was closed.
2. The receipt date of January 11, 2024, fell after Orleans Parish's specific deadline of August 1, 2023, as mandated by La. R.S. 47:1703(B), to determine exemption status for real and personal property *for the upcoming year*.

You inquire (1) how to apply this new exemption for applicants with partial or unequal ownership of assessed property and (2) whether the exemption applies to the 2024 tax year, given the application was received after the close of the Orleans Parish 2024 tax roll.

Question 1: How does an assessor apply the exemptions contained within La. Const. art. VII, § 21(K) for a qualified disabled veteran applicant who has only partial or unequal ownership of the assessed property?

Conclusion: It is the opinion of this office that a qualified disabled veteran applicant, who has partial ownership of a property, for which he or she claims a pro rata share of the homestead exemption, may also claim a pro rata share of veterans exemption proportionate to his or her ownership interest in the property,

and may reduce or fully eliminate the tax liability associated with that share, depending on the veteran's disability rating.

Question 2: When a disabled veteran submits an ad valorem tax exemption application in Orleans Parish after the tax roll has closed and tax bills have been issued, and otherwise meets the qualifications for the exemption, what is the appropriate tax year to apply or commence the additional exemption?

Conclusion: The disabled veteran ad valorem tax exemption may be applied to *the tax year for which a qualified application is submitted*, provided the applicant owned and occupied the property by December 31st of the calendar year for which he or she is claiming the exemption, per the requirements for a homestead exemption as outlined in La. R.S. 47:1703(A)(2).

Legal Background and Analysis

The Louisiana Constitution was recently amended to include additional ad valorem tax exemptions for disabled veterans. These exemptions, codified in La. Const. art. VII, § 21(K), are applied in addition to the bona fide homestead exemption within La. Const. art. VII, § 20. For a disabled veteran to access the veteran exemption, they must first qualify for the homestead exemption on the same property.

The homestead exemption allows for a property tax exemption on the first \$75,000 of a property's fair market value (FMV), equating to \$7,500 of assessed value. A qualified veteran is eligible for an additional exemption based on their service-connected disability rating:

- **50% disability:** Additional exemption on the next \$25,000 FMV/ \$2,500 of assessed value.
- **75% disability:** Additional exemption on the next \$45,000 FMV/ \$4,500 of assessed value.
- **100% disability:** Full exemption on the remaining assessed value.

To qualify, the applicant must:

1. Be a veteran,
2. Have a service-connected disability rating of at least fifty percent (50%), and
3. Own and occupy the property in question.

To determine the appropriate application of the exemption, we must first determine the ordinary property tax liability as it relates to the application of the homestead exemption. In cases of shared ownership, La. Const. art. VII, § 20(A)(6) specifies that property owned by multiple individuals may still receive the homestead exemption, distributed commensurately with each owner's pro rata share. The tax liability is calculated for each owner based on their share of the taxable value, after factoring in exemptions. The homestead exemption of \$75,000 is first applied to reduce the taxable value of the

property. Each co-owner's share of the remaining taxable value is determined pro rata based on their ownership percentage.

The additional veteran's exemption follows the same proportional methodology. In using the example you have provided where one person owns 95% of the property and the other owns 5%, the Louisiana homestead exemption is first applied to the market value, reducing the total value of the property by \$75,000. The remaining taxable value is then distributed between the co-owners based on their ownership percentages. Each co-owner's property tax liability is calculated by applying the tax rate to their respective share of the taxable value.

1. **Homestead Exemption:** The standard Louisiana homestead exemption (\$75,000) is applied to the entire property's assessed value. This reduces the overall taxable value of the property before distributing responsibility among the co-owners.
2. **Pro Rata Taxable Share:** Each owner's share of the remaining taxable value is determined based on their ownership percentage. For example, a 95% owner is taxed on 95% of the total taxable value, while a 5% owner is taxed on 5%.
3. **Veterans Exemption Application:** If one of the co-owners qualifies as a disabled veteran, their additional exemption is first determined based on their disability rating: \$25,000 for a 50% disability, \$45,000 for a 75% disability, or the remaining taxable value for a 100% disability. This exemption amount is then adjusted **pro rata** based on the veteran's ownership interest. For instance, a veteran with 75% disability who owns 5% of the property would receive an exemption based on **5% of \$45,000**. For veterans with 100% disability, their pro rata share of the taxable value is fully exempt.

For further illustration purposes, we provide the below example calculation.

Example: Split Ownership with a Qualified Veteran:

- Home FMV: \$500,000 (\$50,000 assessed value)
- Homestead Exemption: \$75,000 (translates to \$7,500 assessed value)
- Tax Rate: 1% of FMV
- Ownership Split: Person A (95%) and Person B (5%, veteran with qualified service disability)

Steps:

1. Total Taxable Value After Homestead Exemption: Subtract \$75,000 from the home FMV: $\$500,000 - \$75,000 = \$425,000$ Total taxable FMV = \$425,000
2. Calculate Ownership Shares of Taxable FMV:
 - Person A (95% ownership): $\$425,000 \times 0.95 = \$403,750$
 - Person B (5% ownership): $\$425,000 \times 0.05 = \$21,250$
3. Preliminary Tax Liability: Apply the 1% tax rate to each taxable value:
 - Person A (95% ownership): $\$403,750 \times 0.01 = \$4,037.50$
 - Person B (5% ownership): $\$21,250 \times 0.01 = \$212.50$

4. Veteran's Exemption Adjustments:

- For 50% Disability: \$25,000 FMV exemption translates to \$2,500 assessed value. For 5% ownership: $\$25,000 \times 0.05 = \$1,250$ Adjusted taxable value: $\$21,250 - \$1,250 = \$20,000$ Tax liability: $\$20,000 \times 0.01 = \$200.00$
- For 75% Disability: \$45,000 FMV exemption translates to \$4,500 assessed value. For 5% ownership: $\$45,000 \times 0.05 = \$2,250$. Adjusted taxable value: $\$21,250 - \$2,250 = \$19,000$ Tax liability: $\$19,000 \times 0.01 = \$190.00$
- For 100% Disability: Full exemption on taxable FMV for Person B: $\$21,250 - \$21,250 = \$0$ Tax liability

Final Breakdown:

- Person A (95% ownership): Owes \$4,037.50.
- Person B (5% ownership):
 - Without Disability: Owes: \$212.50
 - With at least 50% Disability: Owes \$200.00
 - With at least 75% Disability: Owes \$190.00.
 - With 100% Disability: Owes \$0.

In light of the above, it is the opinion of this office that a qualified disabled veteran with partial ownership of a property, for which he or she claims a pro rata share of the homestead exemption, may also claim a veterans exemption proportional to his or her ownership interest in the property, potentially reducing or eliminating their tax liability depending on their service-connected disability rating.

You also indicated that your office received an application on January 11, 2024, from a disabled veteran seeking the additional ad valorem tax exemption on a property for which he holds a partial ownership interest. The question is whether the exemption applies to the 2024 tax year, given the late receipt of the application.

As with the previous inquiry, this matter must be analyzed in light of the established homestead exemption provisions (tied to the homestead exemption). While La. Const. arts. VII, §§ 20 and 21 set forth exemptions from state, parish, and special ad valorem taxes, La. R.S. 47:1703 provides guidance on how and when these exemptions may be applied.

1. Homestead Exemption Governing Principles:

- La. R.S. 47:1703(A)(2) establishes that any taxpayer entitled to the **homestead exemption** under Article VII, Section 20 of the Louisiana Constitution must own and occupy the homestead on or before **December 31st of the calendar year for which the exemption is claimed**. This applies regardless of the **property's status on January 1st** of the same year.

2. Orleans Parish-Specific Rule:

- La. R.S. 47:1703(B) establishes that Orleans Parish generally uses the **August 1st** status of real and personal property to determine eligibility for certain property tax exemptions for the following tax year.
- However, it explicitly **excludes** the homestead exemption by referencing Paragraph (A)(2), ensuring that homestead exemptions (and related exemptions like the Disabled Veterans Exemption) follow the statewide rule of **December 31st of the same year** instead of the August 1st rule.
- The reference to Paragraph (A)(2) in Section B ensures that homestead exemptions and related exemptions maintain consistency with statewide standards, even in Orleans Parish's unique timeline for other exemptions.

3. The Interaction Between Statewide Rules and Parish-Specific Rules:

- For **all other types of property tax exemptions** (such as exemptions for nonprofits, agricultural land, etc.), Orleans Parish uses the **August 1st rule** to determine eligibility for the following year, and other parishes use the **January 1st of the calendar year rule**.
- For exemptions tied to the homestead exemption (like Disabled Veterans), the **statewide rule** of December 31st ownership and occupancy applies, even in Orleans Parish, due to the explicit reference to Paragraph (A)(2) in Section B.

Furthermore, Section 101 of Part V of Title 61 of the Louisiana Administrative Code reiterates this principle, stating that “[h]omestead exemptions are allowable in any year in which the owner occupied the home prior to December 31 of that year.” LAC 61:V.101 (F)(1)(h).

For the homestead exemption, the **December 31st** rule supersedes the general rules regarding property status on **January 1st** or **August 1st** which typically apply to qualify for other ad valorem tax exemptions,¹ aligning with statewide standards outlined in La. Const. art. VII, § 20. The same principle extends to the Disabled Veterans Exemption as it is tied directly to the homestead exemption, which is governed by Paragraph (A)(2). This means that an applicant who meets the service-connected disability criteria must also own and occupy the property **by December 31st of the calendar year for which the exemption is being claimed**.

The application submitted on January 11, 2024, was received after the August 1, 2023 cutoff for general property exemptions in Orleans Parish. However, since the applicant

¹ Examples of other non-homestead related exemptions: Nonprofit Organizations, Agricultural Land, Historic Properties, Industrial or Economic Development Public Property, Senior Citizens, Energy Efficiency or Renewable Energy, Vacant Land or Conservation Areas.

owned and occupied the property on or before December 31, 2023, the statewide rule under La. R.S. 47:1703(A)(2) prevails for homestead-related exemptions.

Thus, it is the opinion of this office that the Disabled Veterans Ad Valorem Tax Exemption may apply to the 2024 tax year, provided the applicant meets the ownership and occupancy requirements for the homestead exemption as outlined in La. Const. art. VII, § 20 and La. R.S. 47:1703(A)(2).

We trust that this adequately responds to your request. If our office can be of any further assistance, please do not hesitate to contact us.

With best regards,
LIZ MURRILL
ATTORNEY GENERAL

BY: 
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