

State of Louisiana
Department of Revenue

JEFF LANDRY
GOVERNOR



RICHARD NELSON
SECRETARY

ISSUES BRIEF

Date: March 5, 2024
To: Governor Jeff Landry
From: Richard Nelson, Secretary of Revenue
Subject: Constitutional Amendment 2 – Religious Exemption Impact

Background and Analysis

Louisiana’s current constitutional exemption for religious property is included in the general nonprofit property tax exemption. It includes “property owned by a nonprofit corporation and operated exclusively for religious, dedicated places of burial, charitable, health, welfare, fraternal, or educational purposes...” This exemption broadly exempts most property owned by any nonprofit.

Constitutional Amendment 2 (CA2) moves all property tax exemptions, including the nonprofit exemption above, from Article VII to statute while retaining the current Homestead Exemption. All property tax exemptions moved from the constitution to statute were recreated word for word through HB12 from last November’s special session.

In addition to the Homestead Exemption, the constitution will include a newly created exemption specifically for religious organizations. The new, fundamental religious organization exemption, if adopted, will read as follows:

Property owned by a nonprofit operated exclusively for religious purposes as a house of worship, residential housing for clergy, priests, or nuns, or a seminary or other educational institution training individuals for religious ministry shall be exempt from ad valorem tax pursuant to this Section.

CA2 preserves the fundamental protections for religious property used as a house of worship, residential housing for clergy, and educational institutions for religious ministry.

This new constitutional provision is in addition to the current religious nonprofit organization exemption language preserved in statute. This means that there will be no change to any property tax exemption as result of the passage of CA2.

Finally, CA2 will have no impact on an organization's tax-exempt status for income tax purposes, as this status is governed by federal income tax law.

Conclusion

The passage of Constitutional Amendment 2 will not change the property tax exempt status of any religious organizations or nonprofit. The current constitutional property tax exemption will continue to exist in the same form in statute, prohibiting most nonprofit property from being assessed property tax. This statute can only be amended by a supermajority of both houses of the legislature. Additionally, the amendment creates a new constitutional exemption for non-profit-owned religious property used as a house of worship, clergy residence, or as an educational institution for religious ministry.