

or except as may hereafter be directed by a vote of two thirds of all the members elected to each House of the General Assembly, shall be source of local taxation.

ARTICLE III.
The General Assembly shall have power to levy for State purposes the following special taxes:

1. A tax on the transfer of stocks in corporations not to exceed two cents a share.

2. A tax on the organization of domestic corporations, organized for profit, excepting banks, fraternal insurance companies, and building and loan or homestead associations, not to exceed ten dollars flat, plus not to exceed one-twentieth of one per cent of the authorized capital stock and surplus which tax shall be levied upon increases of capital stock and surplus as upon the original issue.

3. A tax on private corporations, organized for profit, for the privilege of exercising corporate functions, not to exceed one-twentieth of one per cent per annum on the outstanding capital stock and surplus, including banks, fraternal and building and loan or homestead associations; no such tax to be less than five dollars. On foreign corporations this tax shall be levied on such proportions of their capital stock and surplus as is used in this State in interstate business. In lieu of the franchise tax on capital and surplus, life insurance companies, foreign and domestic, not including fraternal insurance associations, shall pay annually a flat fee of \$150.00 plus \$2.50 on each \$10,000.00 of premiums collected in Louisiana during the preceding year.

4. An annual ad valorem tax on all automobiles and taxicabs, and also on all other auto-driven vehicles used for transportation purposes or freight for hire, with permission to the local government of the residence of the owner to levy an annual license tax not to exceed \$5.00. One-half of the proceeds of this State tax collected from each owner shall go to the State good roads fund; the remaining moiety of such tax shall be paid over by the State to the local government of the locality in which the motor vehicle is registered, to be devoted exclusively by such governing authority to the improvement of the public highways within its jurisdiction.

5. A tax on cotton future contracts in lieu of all licenses to future brokers, of not more than fifteen cents on each contract, to be paid on each transaction, one-half by the buyer and one-half by the seller.

6. A tax on grain, coffee, rice and sugar future contracts, in lieu of all licenses to future brokers, of not more than one and one-half cents on each transaction. Each unit contract as established by the rules of the respective exchanges shall be the basis of the tax, to be paid, one-half by the buyer and one-half by the seller.

7. A true, progressive inheritance tax for the benefit of the General Fund, and if such a tax is levied all beneficiaries shall be divided into the following classes with the following maximum exemptions for each class:

First—Descendants, descendants, and spouses, with an exemption of \$5000 each, except as to the widow, when the exemption shall be \$5000, and except as to children under the age of sixteen, when the exemption shall be \$2500 each. The widow's marital fourth shall be exempt.

Second—Collateral relations of the second degree, including nephews and nieces and their descendants when the estate is divided by roots, with an exemption of \$1000 to each root, and daughters-in-law with an exemption of \$1000 each.

Third—Collateral relations of the third degree, excluding nephews and nieces and their descendants, with an exemption of \$500 each.

Fourth—All other collateral relations within the sixth degree inclusive, with an exemption of \$250 each.

Fifth—Strangers and all collateral relations beyond the sixth degree, with an exemption of \$100 each. The maximum rate of the progressive tax shall not exceed eight per cent for the first class, twelve per cent for the second class, sixteen per cent for the third class, twenty-five per cent for the fourth class, and thirty per cent for the fifth class, maximum rates to be attained when any inheritance, legacy, or donation exceeds a half million dollars.

And the minimum rates of such tax shall be one per cent for the first class, two and one-half per cent for the second class, three and three-fourths per cent for the third class, seven per cent for the fourth class, and thirteen per cent for the fifth class. Whenever the rate of assessment levied against any inheritance, legacy or other donation, when deducted from said inheritance, legacy, or other donation, shall leave the beneficiary a smaller amount than he would have received had the inheritance, legacy, or other donation fallen into the next lower class in the classification according to amount of actual cash value, then the rate of taxation shall be first calculated upon the maximum amount in the next lower class, and the remaining amount of the inheritance, legacy, or other donation shall be taxed at the rate fixed for the higher class into which the inheritance, legacy, or other donation falls.

Duplication of inheritance taxes as between this State and other States, foreign and domestic, shall be avoided by the exemption of corporate property belonging to a decedent of this State, and situated outside of this State, to the extent of any inheritance tax of such other State; and by the exemption of incorporeal rights belonging to non-resident decedents, such as shares of stock in Louisiana corporations, notes, bonds, and evidences of debt due by Louisiana debtor or bearing on Louisiana property, to the same extent.

This tax shall also be applied to all donations inter vivos, the donees to be divided into the same classes hereinbefore defined. All donations inter vivos to the same person within a period of five years shall be taxed as if together constituting a single donation.

Legacies and donations inter vivos to educational, religious, or charitable institutions, or to trustees for educational, religious or charitable purposes, shall be exempt from this

tax, unless such donation, or legacy, shall be more than half of the disposable portion of the testator's or donor's estate in which case the tax shall be imposed upon the entire legacy or donation and the legatees or donees shall be considered to be within the third class.

8. Such other special taxes as the General Assembly by a vote of two-thirds of all the members elected to each house may from time to time prescribe.

ARTICLE IV.
1. The General Assembly shall have power to levy license taxes only on persons, partnerships, associations and corporations engaged in business or occupations that fall strictly under the domain of the police power, and for that purpose to classify all such businesses and occupations, and to graduate the tax within each class.

2. Local subdivisions of the State government shall have the right to levy licenses on businesses and occupations falling strictly within the domain of the police power as provided in the foregoing section for the State save that such local licenses as may be levied on traffic in mail, vinous and alcoholic liquors shall not be less than those levied by the State nor less than those now or hereafter to be prescribed by the General Assembly as minimum local licenses.

3. Such local subdivisions as each may determine for itself, shall have the right to levy license taxes on businesses and occupations falling within the domain of the police power, and to graduate such taxes with respect to equality and uniformity within each class, on all businesses and occupations not covered by Section 2 of this article; save and except licenses on corporations, partnerships, firms and associations, whose source of revenue reserved to the State, and save and except licenses on individuals engaged in trades, occupations and callings involving personal labor or skill of the person to be taxed, and not falling within the domain of the police power, in the domain of which corporations, partnerships or individuals engaged in manufacturing or industrial pursuits whose capital stock or capital in business, is less than five thousand dollars, and not falling within the domain of the police power; and save and except persons, partnerships or corporations engaged in agricultural or horticultural pursuits.

In no event shall any such local license exceed one-tenth of one per cent of the gross receipts of the licensee, provided that no license shall be less than \$5.00, nor shall the license be levied unless the general property tax of each taxing locality, when exercised to sixty per cent of its limit, shall not be sufficient to pay the expenses of its government. Whenever a municipal license equals the license levied by the parish, only the municipal license shall be due and collectable.

ARTICLE V.
1. All assessments of property or State Tax purposes shall be made by a State Tax Commission, composed of three members to be elected, not less than July 1, 1913, by a Board composed of the Governor, the State Auditor and the State Treasurer among the qualified electors of the respective Railroad Commission Districts, as constituted at this date, and they shall not be subject to removal for cause and in no manner provided for the removal of district judges.

2. The terms of the first commissioners shall be for two, four and six years. The period each is to serve shall be determined by lot. At the expiration of such terms, the commissioners shall be re-elected for the period of six years; and commissioners shall be elected and vacancies filled for unexpired term by the qualified electors of the respective Railroad Commission Districts at the regular congressional elections held in this State on the first Tuesday after the first Monday in November every two years; and at the said congressional election held just prior to the expiration of their respective terms.

3. The Commission shall maintain an office and have its domicile at Baton Rouge, and the members shall reside in Baton Rouge and devote their time exclusively to the discharge of their duties.

4. They shall each receive a salary of Five Thousand Dollars per annum beginning January 1, 1914, and their traveling expenses, not exceeding a maximum amount to be fixed by the General Assembly, may from time to time be prescribed.

5. The General Assembly shall provide said Commission with an adequate clerical force.

6. The Commission shall have power to adopt and enforce such regulations, rules, orders and modes of procedure, not inconsistent with law, as it may deem proper or hear and determine complaints that may be made against assessments, and other of its acts, required or authorized by law.

7. The General Assembly shall provide said Commission with an adequate clerical force.

8. The Commission shall have power to adopt and enforce such regulations, rules, orders and modes of procedure, not inconsistent with law, as it may deem proper or hear and determine complaints that may be made against assessments, and other of its acts, required or authorized by law.

9. The Commission shall have power to summon and compel the attendance of witnesses, to swear witnesses, and to compel the production of books and papers, to take testimony under commission, and to punish for contempt, as fully as is provided by law for the district courts. The General Assembly may provide other penalties for violating the orders of the Commission.

10. If any person, firm, association or corporation shall be dissatisfied with the assessment made or authorized by the Commission, such party may file a petition setting forth the cause of objection to such assessment or action of the Commission or to either or both in a court of competent jurisdiction, at the domicile of the Commission, against said Commission as defendant. Either party may appeal to the Supreme Court of the State without regard to the amount involved; such appeals to be returnable within ten days after the date that the decision of the lower court becomes final. All such cases, both in the

trial and appellate court, shall be tried summarily, and by preference over all other cases. Such cases may be tried in the court of the first instance either in chambers or at term time.

11. No bond shall be required of said Commission in any case in any court nor shall advance costs or security for costs, be required of it.

12. It shall be the duty of the Attorney General, and the various district attorneys, on proper request or direction by the Commission or the Governor, to aid the said Commission in legal matters, and to prosecute and defend all cases in accordance with such requests and directions. A failure on the part of such law officers, when so requested or directed to perform the duties here imposed upon them, shall constitute misdemeanor.

ARTICLE VI.
1. After January 1, 1914, all assessments for all State purposes, except as hereinafter provided, shall be completed on or before April 1st in each year, and the taxes shall become due and payable on the first Monday in June of each year, and shall become delinquent on the first Monday in September in each year. Each parish and municipality shall have the right to fix the date for the completion of its local assessments and the date for the payment of taxes and licenses general and special, until otherwise prescribed by the General Assembly. Until otherwise provided, existing laws on these subjects shall be operative. Levee district taxes and forced contributions exclusive of parish taxes, shall be assessed and become delinquent coincidentally with parish taxes.

2. Public service corporations shall be assessed on their physical property and on their franchises separately, but the General Assembly shall have power to direct the Tax Commission to assess the property of such corporations at a valuation including both physical property and franchises, to be determined by gross receipts, or by dividends on stocks and interest paid on bonded debt, or by any other available method.

3. Incorporated banks shall be assessed by assessing the stockholders on the book value of the stock, i. e., capital stock, surplus and undivided profits less the assessed value of real estate locally assessed and taxed, and less the assessed value of their loans and discounts to cover bad debts and unearned interest as the General Assembly may prescribe, which deduction shall be made only from their surplus and undivided profits; all taxes to be paid by the banks and charged to the stockholders.

4. Individual bankers, banking firms and unincorporated banking associations, domiciled in this State, shall be assessed on the amount of capital, surplus and undivided profits actually earned and received, less the assessed value of real estate locally assessed and taxed, actually and exclusively used and employed in their business, and less such further deductions not less than five per cent on their loans and discounts to cover and debts and unearned interest as the General Assembly may prescribe, which deduction shall be made only from their surplus and undivided profits.

5. Foreign banks, and individual bankers, banking firms and unincorporated banking associations, domiciled out of this State but doing business in this State, shall be assessed on such proportion of their capital, surplus and undivided profits as is actually employed in this State, less the assessed value of real estate locally assessed and taxed actually and exclusively used and employed in their business in this State, and less such further deductions not less than five per cent on their loans and discounts to cover and debts and unearned interest as the General Assembly may prescribe, which deduction shall be made only from their surplus and undivided profits.

6. Insurance, bonding and surety companies, and persons, firms and associations engaged in the insurance, bonding and surety business, including, however, fraternal insurance companies and associations, shall be assessed on the amount of their gross premiums received, upon their business done in this State, less return premiums and reinsurance in companies or associations authorized to do business in this State. The percentage aforesaid shall not exceed three per cent for all branches of insurance, except life and industrial insurance, except life not exceed two per cent for life and industrial insurance. The special taxes to support the office of fire marshal and fire prevention bureaus shall not be deducted from the premiums hereby collected, but shall be collected under the laws of any other State or country any taxes, fees, penalties, license fees, deposits of money or securities, or other obligations or prohibitions are imposed on insurance bonding or surety companies of this State, or on their agents, whether State or country, or upon their agents, therein in excess of such taxes, penalties, fees, deposits of money, or securities, or other obligations or prohibitions imposed upon such insurance, bonding or surety companies of other State or country doing business in this State.

7. Irrigation canals shall be taxed on a percentage not to exceed two per cent of their gross receipts, only such real estate and the buildings and structures thereon, rights of way, machinery, tools and implements as are necessary to the operation of any canal shall be included in and covered by this tax on gross receipts. All other real estate and personal property of the owner of any canal shall be locally assessed and taxed.

8. All sugar refineries, rice mills, cotton seed oil mills, cotton gins, lard refineries and refineries of petroleum and its products shall be assessed on the fair market valuation.

9. Until otherwise provided by the General Assembly by a vote of two-thirds of the members elected to the State house, all operating mines of sulphur, salt or other minerals, oil or gas wells, all stone quarries, sand, gravel and shell pits shall be taxed upon a percentage of the gross value of the mine, well, quarry or pit.

This percentage shall not exceed five per cent for sulphur; three per cent for salt; two and one-half per cent for oil and gas, and two per cent for rock and other minerals, inclusive of gravel, sand and shells. This tax shall not apply to the product of any mines, quarries or pits or oil or gas wells, where the owner, or other public service corporations, use the same. For his personal purposes and does not sell the same or its products or manufacture the same into another product for sale. Where the beds of public waters and shores not subject to private ownership, the General Assembly may levy special taxes per cubic yard of material taken out and may levy a different special tax for each of said objects of taxation. The Government, and contractors engaged in the construction of any public work for the State or for the United States, shall be authorized to take free from taxation gravel, shell or sand from the beds of public waters and shores of the State. Every citizen of the State shall have a similar right to take such materials for his own personal use free from taxation, unless they are taken for sale. All real and personal property of the owners of such mines, quarries and pits, except machinery, tools and implements absolutely essential to the operation of any mine, oil or gas well, stone quarry, sand, gravel or shell pit, and except the products themselves while in the hands of the owner, shall be locally assessed and taxed, and personal property reserved for local taxation shall be assessed at such percentage not to exceed 100 per cent of its fair market value as each local governing authority may establish, and a lower percentage may be established for personal property for real property or for mines of improvements than for and valuations.

10. In all assessments of real property whether for local or for State purposes, the value of the land shall be assessed separately from the value of the improvements thereon, but railroad, pipe, line and canal rights of way, whether held in fee or under easement, may be assessed separately from, or together with, the improvements thereon as the Tax Commission may deem most practicable.

11. Assessments shall be made geographically in as far as possible on the basis of the assessed value of the property, and the General Assembly shall have power to direct the Tax Commission to assess the property of such corporations at a valuation including both physical property and franchises, to be determined by gross receipts, or by dividends on stocks and interest paid on bonded debt, or by any other available method.

12. Every taxpayer shall have the right of testing the correctness of his assessment in the courts within such time as the General Assembly may prescribe; and no property shall be assessed for a sum in excess of its fair market value, as prescribed by the governing authority.

13. State licenses and special State taxes shall be due and payable at such time as the General Assembly may prescribe.

ARTICLE VII.
1. Every municipality shall have the right to provide, at its discretion, by ordinance of its governing authority, the officer or officers, who shall collect its taxes, and to fix the compensation to be paid such officer or officers, and to change such compensation or appointment; and every parish shall elect by a vote of its qualified electors the officer, or officers, to assess its property, for taxation, the compensation of such officer or officers to be fixed by the police jury not less than ten cents for each dollar collected for either the year 1911 or 1912, taking the year which yielded the highest amount. Provided further, that cities and towns that are not exempt from the payment of parish taxes shall not be required to pay this ad valorem tax if it be already assessed on or before March 1, 1913; provided further, that this ad valorem tax shall not be imposed to the maximum whenever the school board certifies that a smaller levy will meet the needs of the schools.

2. On and after January 1, 1914, the office of the State Board of Appraisers and the office of State Board of Equalization shall be abolished, and the present incumbents shall hold their offices at the present rate of compensation until their present terms shall expire and they shall aid the tax commission in putting the system provided for in this amendment into operation, and in that connection they shall perform such duties as the Tax Commission and the General Assembly may prescribe.

3. The license tax authorized by the present Constitution to be levied on the severance of natural resources from the soil, shall be superseded by this amendment as to the severance of minerals, oil and gas, and shall be levied only on the severance of forest products.

4. When this amendment goes into effect on January 1, 1914, the special State taxes levied for good roads and for Confederate Veterans as now established, or that may be established by the amendment to be submitted to the people at the time this amendment is submitted, shall cease, and the General Assembly shall make provision out of the general fund for the benefit of each of these special funds as hereinabove provided.

5. All State taxes and licenses uncollected on January 1, 1914, for 1913 and previous years, shall be collected and accounted for, under existing laws, by the sheriffs in the parishes, and the State Tax Collector in New Orleans, but such collections must be completed by June 30, 1916, up to which date the State Tax Collector of New Orleans shall remain in office. He shall also collect all State licenses levied in the parish of Orleans until said date and the General Assembly shall provide for a reduction of his clerical force and to take place on June 30, 1914. After June 30, 1916, any State licenses and taxes then remaining unpaid, shall be collected by the State Treasurer. The General Assembly shall by appropriate legislation provide for a reduction of his clerical force to the tax collectors and assessors of the several parishes for the sums they may lose after January 1, 1914, to the date of the expiration of their terms of office in commissions on the State taxes that would have accrued on the sources of revenue segregated to the State, provided that the State shall be under no obligation to reimburse them in any greater amount than will guar-

antee to them a sum equal to the total of the commissions of their office for the years 1911 or 1912, taking the year which shows the highest amount, and the General Assembly shall at its regular session in 1914 and 1916 make an estimate of the probable amount needed for such purpose, and make appropriations to cover the same; and at the biennial sessions of 1916 and 1918 it shall make a further appropriation to cover any deficiency.

6. The amendments to the Constitution submitted to the people at the same time that this amendment is submitted, proposing to exempt from taxation the objects therein specially set forth, if adopted, shall not be affected by the provisions of this amendment; nor shall this amendment be construed to exempt from taxation under the Constitution of 1898 and its amendments.

7. The Public Debt Amendment, submitted to the people at the same time this amendment is submitted, if adopted, shall be superseded by this amendment, with respect to the mode of providing the public debt fund guaranteed by such amendment.

Prior to January 1, 1914, the General Assembly shall pass proper statutes to carry this amendment into operation; and the governor shall call an extra session of the Legislature for that purpose as soon as convenient after this amendment is adopted.

Section 2. Be it further resolved, etc. That there shall be printed on the ballots to be used at said election the words "For the amendment to the Constitution reorganizing and remodeling the State's system of assessment and taxation," and the words "Against the amendment to the Constitution reorganizing and remodeling the State's system of assessment and taxation."

And each voter shall indicate on his ballot, as provided by the general election laws of the State, whether he votes for or against said amendment.

L. E. THOMAS, Speaker of the House of Representatives.
T. THOMAS C. BARRET, Lieutenant Governor and President of the Senate.
Approved August 24, 1912.
L. E. HALL, Governor of the State of Louisiana.
A true copy.
ALVIN E. HEBERT, Secretary of State.



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D. For the Good Roads Fund not less than One Hundred Fifty Thousand Dollars (\$150,000), plus the whole proceeds of the State's moiety of the special automobile, taxicab and auto-driven vehicle tax.

E. For the Public Debt Fund not less than Five Hundred Twenty-Five Thousand Dollars (\$525,000) or not less than Six Hundred and Fifty Thousand Dollars (\$650,000), if the Public Debt Amendment submitted to the people at the same time this amendment is submitted is adopted.

ARTICLE X.
1. All State taxes and licenses except as hereinafter provided shall be collected by the State Treasurer. The General Assembly shall provide such additional clerical force in the Treasurer's office as may be necessary to enable him to perform the duties herein prescribed.

2. The General Assembly shall have power to provide for special agents to assist the Treasurer in collecting all licenses, and taxes, and to assist the Tax Commission in gathering information for levying assessments, and shall fix the compensation and duties of such agents.

ARTICLE XI.
1. All articles and parts of articles of the Constitution of 1898 on the subject of assessment and taxation, and all amendments thereto on said subjects contrary to or in conflict with the provisions of this amendment, and the same are hereby repealed.

SCHEDULE.
1. No part of this amendment to the Constitution shall go into effect until January 1, 1914, except that the provisions of sections one, two, five, six and seven shall go into effect as amended by the General Assembly shall pass laws carrying them into effect, and the provisions of sections three and four of said article shall go into effect on January 1, 1913, provided laws carrying them into effect shall be passed on or before March 1, 1913; provided further, that laws carrying them into effect may be enacted at any later date.

2. On and after January 1, 1914, the office of the State Board of Appraisers and the office of State Board of Equalization shall be abolished, and the present incumbents shall hold their offices at the present rate of compensation until their present terms shall expire and they shall aid the tax commission in putting the system provided for in this amendment into operation, and in that connection they shall perform such duties as the Tax Commission and the General Assembly may prescribe.

3. The license tax authorized by the present Constitution to be levied on the severance of natural resources from the soil, shall be superseded by this amendment as to the severance of minerals, oil and gas, and shall be levied only on the severance of forest products.

4. When this amendment goes into effect on January 1, 1914, the special State taxes levied for good roads and for Confederate Veterans as now established, or that may be established by the amendment to be submitted to the people at the time this amendment is submitted, shall cease, and the General Assembly shall make provision out of the general fund for the benefit of each of these special funds as hereinabove provided.

5. All State taxes and licenses uncollected on January 1, 1914, for 1913 and previous years, shall be collected and accounted for, under existing laws, by the sheriffs in the parishes, and the State Tax Collector in New Orleans, but such collections must be completed by June 30, 1916, up to which date the State Tax Collector of New Orleans shall remain in office. He shall also collect all State licenses levied in the parish of Orleans until said date and the General Assembly shall provide for a reduction of his clerical force and to take place on June 30, 1914. After June 30, 1916, any State licenses and taxes then remaining unpaid, shall be collected by the State Treasurer. The General Assembly shall by appropriate legislation provide for a reduction of his clerical force to the tax collectors and assessors of the several parishes for the sums they may lose after January 1, 1914, to the date of the expiration of their terms of office in commissions on the State taxes that would have accrued on the sources of revenue segregated to the State, provided that the State shall be under no obligation to reimburse them in any greater amount than will guar-

antee to them a sum equal to the total of the commissions of their office for the years 1911 or 1912, taking the year which shows the highest amount, and the General Assembly shall at its regular session in 1914 and 1916 make an estimate of the probable amount needed for such purpose, and make appropriations to cover the same; and at the biennial sessions of 1916 and 1918 it shall make a further appropriation to cover any deficiency.

6. The amendments to the Constitution submitted to the people at the same time that this amendment is submitted, proposing to exempt from taxation the objects therein specially set forth, if adopted, shall not be affected by the provisions of this amendment; nor shall this amendment be construed to exempt from taxation under the Constitution of 1898 and its amendments.