

2022 Regular Session

HOUSE RESOLUTION NO. 178

BY REPRESENTATIVE NELSON

TAX/INCOME TAX: Authorizes the House Ways and Means Committee to study the state's tax structure, including state tax exemptions and credits, and to make recommendations concerning eliminating the state tax levied on individual and corporate income and reforming state tax exemptions and credits

1 A RESOLUTION

2 To authorize and request the House Ways and Means Committee or a subcommittee thereof
3 to study the state's tax structure, including state tax exemptions and credits, and to
4 make recommendations concerning eliminating the state tax levied on individual and
5 corporate income and corporation franchise taxes and reforming state tax exemptions
6 and credits to the legislature prior to the convening of the 2023 Regular Session of
7 the Legislature of Louisiana.

8 WHEREAS, the state's major sources of revenue to finance the operating expenses
9 of state government are state taxes levied on individual and corporate income, corporate
10 franchise taxes, state sales and use taxes, and taxes levied on gasoline and special fuels; and

11 WHEREAS, part of the state's present revenue raising system includes a myriad of
12 tax preference expenditures such as deductions, exclusions, exemptions, suspensions, credits,
13 refunds, rebates, and other preferential tax calculation methods; and

14 WHEREAS, according to estimates included in the Fiscal Year 2021-2022 Tax
15 Exemption Budget published by the Department of Revenue, in Fiscal Year 2020-2021, the
16 state actually collected approximately ten billion, one hundred twenty-four million dollars
17 in revenue from individual and corporate income tax, sales tax, corporation franchise tax,
18 severance tax, petroleum products taxes, and other tax categories and granted approximately
19 six billion, eight hundred sixty-two thousand dollars in tax preferences in the form of
20 exemptions, deductions, exclusions, credits, refunds, and rebates; and

1 WHEREAS, nearly forty percent of the monies the state could actually collect based
2 on estimates of state taxes levied is returned to taxpayers in the form of tax preferences and
3 rebates; and

4 WHEREAS, out of the monies retained by the state for operating expenses, the state
5 also provides assistance for operating expenses of local governments in excess of four billion
6 dollars annually in the form of supplemental pay, revenue sharing, state sales and use tax
7 dedications, the Minimum Foundation Program, funding of tax credits such as the credit for
8 inventory taxes paid to local governments and the motion picture investor tax credit, and the
9 capital outlay program; and

10 WHEREAS, a major source of revenue to finance the operating expenses of local
11 governments includes local ad valorem property taxes and local sales and use taxes; and

12 WHEREAS, in some cases the ability of local governments to raise additional
13 revenue to fund their operating expenses is limited by state law; and

14 WHEREAS, in order to fully evaluate the effectiveness and efficiency of the state's
15 current tax system, a systematic review should be done of the relationship between the state's
16 revenue raising system and its interplay with local government's ability to raise sufficient
17 revenue so that local governments rely less on state resources to address their local funding
18 needs; and

19 WHEREAS, a tenant of sound tax policy is to provide for a broad tax base in
20 exchange for lowering tax rates; and

21 WHEREAS, individuals and businesses in this state seek equity in Louisiana's laws
22 concerning revenue measures and budgetary priorities.

23 THEREFORE, BE IT RESOLVED that the House of Representatives of the
24 Legislature of Louisiana requests the House Ways and Means Committee or a subcommittee
25 thereof to study the state's tax structure, including state tax exemptions and credits, and to
26 make recommendations concerning eliminating the state tax levied on individual and
27 corporate income and corporation franchise taxes and reforming state tax exemptions and
28 credits to the legislature prior to the convening of the 2023 Regular Session of the
29 Legislature of Louisiana.

1 BE IT FURTHER RESOLVED that the House Committee on Ways and Means or
2 a subcommittee thereof shall work in conjunction with and obtain input from interested
3 parties and industry stakeholders including but not limited to representatives of business and
4 industry, representatives from the Department of Revenue and the Department of Economic
5 Development, representatives from local and state governments, and representatives from
6 any other business sector or governmental agency deemed appropriate by the committee in
7 order to carry out the purposes of this study.

8 BE IT FURTHER RESOLVED that the House fiscal division staff, Legislative Fiscal
9 Office, legislative auditor, the Department of Economic Development, and the Department
10 of Revenue shall provide any necessary support to carry out the purpose of this Resolution.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HR 178 Original

2022 Regular Session

Nelson

Requests the House Ways and Means Committee or a subcommittee thereof to study the state's tax structure, including state tax exemptions and credits, and to make recommendations concerning eliminating the state tax levied on individual and corporate income and corporation franchise taxes and reforming state tax exemptions and credits to the legislature prior to the convening of the 2023 R.S.