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OFFICE OF THE GOVERNOR

June 20, 2014

The Honorable Glenn Koepf
Secretary of the Senate
State Capitol
Baton Rouge, LA 70802

Re: Senate Bill No. 543 by Senator Jack Donahue

Dear Mr. Koepf:

Senate Bill No. 543 requires the Revenue Estimating Conference to estimate, and approve such estimate by unanimous vote, the annual expenditure of certain tax incentives. Not only could this have the unintended consequence of an aggregate tax increase on businesses and/or individuals, but it could create uncertainty about the state's commitment to job creation and economic development. Further, the bill only applies to the five percent of tax incentives that have performance requirements, such as job creation and capital investment.

Since 2008, we have worked together to achieve economic growth that is 50 percent higher than the nation's, and one of the best records of private-sector job growth in the country. Louisiana has the lowest unemployment rate in the South. We also have people moving here, coming to raise their families and build a better future, both for themselves and our state. After more than two decades of more people leaving Louisiana than moving into the state, Louisiana has experienced six years in a row of population in-migration. This bill could make Louisiana businesses and companies interested in moving to Louisiana doubt their decision to build, expand, and hire Louisiana citizens.

Furthermore, Louisiana is one of the best states in the country when it comes to the transparency of tax exemptions and economic-development incentives. Unlike other states, which don't publish any information about their tax exemptions, the Louisiana Department of Revenue annually publishes a comprehensive, online report listing all tax exemptions, including both historical and projected utilization for each of them. Louisiana Economic Development, which oversees the five percent of incentives singled out by the bill, also publishes an annual, detailed report on its website specific to those programs.

We are committed to transparent and accountable tax incentive programs, but not to the point of discouraging businesses from coming to or expanding in Louisiana and potentially impacting the jobs of our hard working citizens. Americans for Tax Reform agrees and has asked for a veto. For these reasons, I have vetoed Senate Bill No. 543 and hereby return it to the Senate.

Sincerely,

Bobby Jindal
Governor