

House Committee on Ways and Means

Minutes of Meeting
2023 Regular Session
April 25, 2023

I. CALL TO ORDER

Representative Stuart J. Bishop, chairman of the House Committee on Ways and Means, called the meeting to order at 6:37 p.m. in Room 6, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Stuart J. Bishop, chairman
Representative Gerald "Beau" Beaulieu, IV, vice chairman
Representative Ryan Bourriaque
Representative Phillip R. DeVillier
Representative Les Farnum
Representative Mandie Landry
Representative Wayne McMahan
Representative Buddy Mincey, Jr.
Representative Joseph A. Orgeron
Representative Tammy T. Phelps
Representative Neil Riser
Representative Laurie Schlegel
Representative Malinda B. White
Representative Matthew Willard

MEMBERS ABSENT:

Representative Marcus Anthony Bryant
Representative Rhonda Gaye Butler
Representative Jeremy S. LaCombe
Representative Tanner D. Magee

STAFF MEMBERS PRESENT:

Brittany Lea, committee administrative assistant
Drew Murray, legislative analyst
Alison Pryor, senior attorney

ADDITIONAL ATTENDEES PRESENT:

Angela McKnight, sergeant at arms

III. DISCUSSION OF LEGISLATION**House Bill No. 428 by Representative Pressly**

Representative Pressly presented House Bill No. 428, which extends to estates, trusts, and partnerships the flow-through entity income exclusion allowed to individuals.

Mr. Luke Morris, deputy secretary, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, Louisiana 70802, (985) 662-8411, spoke for information only on House Bill No. 428.

Representative Beaulieu offered a motion to report House Bill No. 428 favorably. Without objection, House Bill No. 428 was reported favorably by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

House Bill No. 502 by Representative McFarland

Representative McFarland presented House Bill No. 502, which modifies the definition of the term commercial farmer by removing certain reporting requirements.

Representative Beaulieu offered amendments which: (1) revise the definition of commercial farmer for purposes of state sales and use tax exemptions; (2) remove the requirement that lessee landowners submit documentation of the joint venture arrangement or report farm income and expenses from the joint venture on a federal Schedule F form or similar federal tax form; and (3) add prohibition for state sales and use tax exemptions available to commercial farmers from being allowed or claimed for or related to an "activity not engaged in for profit" as that term is defined in present federal law.

Dr. Mike Strain, commissioner, Louisiana Department of Agriculture and Forestry (LDAF), 900 North 3rd Street, Baton Rouge, Louisiana 70802, (225) 522-1233, spoke for information only on House Bill No. 502.

Representative Beaulieu offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Representative Riser offered a motion to report House Bill No. 502 without amendments. Without objection, House Bill No. 502 was reported without amendments by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support. Witness cards are included in the committee records.

House Bill No. 391 by Representative Fontenot

On behalf of Representative Fontenot, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 391, which authorizes an individual income tax deduction for property insurance premium costs for taxpayers' primary residences. Without objection, action on House Bill No. 391 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

House Bill No. 303 by Representative Ivey

Representative Ivey presented House Bill No. 303, which provides for a flat rate for purposes of calculating income tax for individuals, estates, and trusts and modifies certain income tax deductions and credits.

Representative Willard offered a conceptual amendment to remove the repeal of the earned income tax credit. Representative Willard offered a motion to adopt the proposed amendments, to which Representative DeVillier objected. The administrative assistant called the roll, and the motion failed to pass by a vote of 2 yeas and 10 nays. Representatives Bishop and Willard voted yea. Representatives Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, and White voted nay.

Representative Bishop offered amendments which: (1) add audiologists to the list of professionals authorized to certify the condition of a taxpayer claiming the exemption or deduction for being deaf; and (2) reduce the income tax rate for the resident and non resident estates and trust to 4.25%. Representative Bishop offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Bishop, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Representative Bishop offered a motion to voluntarily defer action on House Bill No. 303. Without objection, action on House Bill No. 303 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support and 3 in opposition. Witness cards are included in the committee records.

Statements submitted by individuals in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 1 in opposition. Copies of these statements are included in the committee records.

House Bill No. 153 by Representative DeVillier

Representative DeVillier offered a motion to voluntarily defer action on House Bill No. 153, a constitutional amendment which phases-in, over a four year period, a property tax exemption for items constituting business inventory. Without objection, action on House Bill No. 153 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 2 in support and 3 in opposition. Witness cards are included in the committee records.

House Bill No. 371 by Representative Ivey

Representative Ivey presented House Bill No. 371, which to establish the La. Economic Advancement Plan (LEAP) which provides for ad valorem tax exemptions for certain capital investment projects.

Representative Riser offered a motion to voluntarily defer action on House Bill No. 371. Without objection, action on House Bill No. 371 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

House Bill No. 473 by Representative Ivey

On behalf of Representative Ivey, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 473, a constitutional amendment which establishes certain property tax exemptions for capital investment projects. Without objection, action on House Bill No. 473 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

House Bill No. 382 by Representative Garofalo

Representative Garofalo presented House Bill No. 382, which authorizes establishment of tax-advantaged catastrophe savings accounts to cover losses from damage to taxpayers' primary residences and commercial property.

Representative Bishop offered an amendment to add provision that provisions of proposed law apply to income tax periods beginning on or after January 1, 2024. Representative Bishop offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Mr. Ben Vincent, economist, Legislative Fiscal Office (LFO), 900 North 3rd Street, Baton Rouge, Louisiana 70802, (225) 342-7233, spoke for information only on House Bill No. 382.

Representative Bishop offered a motion to voluntarily defer action on House Bill No. 382. Without objection, action on House Bill No. 382 was voluntarily deferred by a vote of 12 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, and Willard voted yea.

House Bill No. 241 by Representative Beaulieu

Representative Beaulieu presented House Bill No. 241, which provides for a flat rate for purposes of calculating the income tax for individuals, estates, and trusts.

Representative Beaulieu offered conceptual amendments which: (1) change the rate of the flat tax to 3.47%; (2) establish a tax credit equal to 47% of income taxes paid on individual income of less than \$12,500; and (3) establish a tax credit equal to 11% of income taxes paid on individual income between \$12,500 and \$50,000. Representative Beaulieu offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Representative Beaulieu offered a motion to voluntarily defer action on House Bill No. 241. Without objection, action on House Bill No. 241 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support and 3 in opposition. Witness cards are included in the committee records.

Statements submitted by individuals in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 1 in opposition. Copies of these statements are included in the committee records.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Bourriague offered a motion to adjourn. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriague, DeVillier, Farnum, Landry, McMahan, Mincey, Orgeron, Riser, Schlegel, White, and Willard voted yea.

The meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Chairman Stuart J. Bishop
House Committee on Ways and Means