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LOUISIANA HOUSE OF REPRESENTATIVES

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House Ways and Means Committee hears details of governor's tax reform plan

The House Ways and Means Committee met today to vet the Governor's tax reform proposal, which included discussion of exemptions, deductions and tax credits to be retained or eliminated. The discussion included business incentives and all new rebates offered by the Department of Economic Development to prompt business investment.

Committee Chairman Joel Robideaux, R-Lafayette, wanted members to understand what went into the proposed reform bill and how the figures were calculated.

"As a committee, we will have a better understanding of the methodology involved," Robideaux said. He assured members they would have an accurate fiscal note by the time the final bill is filed.

Tim Barfield, Executive Counsel for the Department of Revenue, charted outlines of individual taxpayers by income amount and income taxes paid. He said the charts focused on W2 salaries and personal income. Barfield said they arrived at their data analysis using information provided by the Consumer Expenditure Survey which computes income data and the net impact on increases of sale taxes.

According to Barfield, 35% of current sales taxes are paid by business and 65% by individuals. Under the new program, 48% of those taxes would be paid by business and 52% by households.

Representative Julie Stokes, R-Kenner, commented that economic development is enhanced both through financial incentives and by having a simple tax structure. She asked, "Would shifting some of the tax burden to business impact Louisiana's overall rankings for tax burden and would a shift from income tax to sales tax simplify the tax structure?"

Barfield said the new tax proposal would be less complicated, more efficient, more transparent and easier to understand, and, according to the Business Tax Climate Index within the Tax Foundation, Louisiana would rise from 32nd to 5th in the nation for positive business climate.

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