Regular Session, 2011

HOUSE CONCURRENT STUDY REQUEST NO. 1

BY REPRESENTATIVE MICHAEL JACKSON

TAX: Requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to study tax expenditures currently authorized by law

1	A CONCURRENT STUDY REQUEST
2	To require the House Committee on Ways and Means and Senate Committee on Revenue
3	and Fiscal Affairs to meet and review the scale of tax expenditures and the goals and
4	purposes of various state tax exemptions, credits, rebates, and deductions currently
5	authorized by law.
6	WHEREAS, the state's revenue base has experienced significant changes over the
7	last six years; and
8	WHEREAS, the storm recovery resulted in a massive infusion of federal money into
9	the state, which in turn led to greatly inflated sales and use tax and corporate income tax
10	collections, which collections, along with an unusually high price for oil, contributed to
11	substantial, but short lived, state general fund surpluses; and
12	WHEREAS, in light of these surpluses, tax relief amounting to over \$650 million per
13	year was enacted; and
14	WHEREAS, this revenue loss is compounded by the overall downturn in revenues
15	attributable to the national recession which began in 2007 and continues in 2011 to hamper
16	economic activity, which in turn decreases revenue collections; and
17	WHEREAS, material losses to the state's tax base have and will continue to impact
18	Louisiana's ability to meet its obligations in areas such as education, health care, roads,
19	capital needs, and the unfunded accrued liability of the retirement systems; and
20	WHEREAS, the amount of state general fund revenue available for the development
21	of a budget for Fiscal Year 2011-2012 is estimated to be over \$1 billion less than is

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necessary to provide for the basic operational expenses of the state, which includes funding of the minimum foundation program and other assistance to local governments; and WHEREAS, tax exemptions, credits, rebates, and deductions currently granted by the state annually amount to over \$6.5 billion in tax expenditures; and WHEREAS, the Department of Revenue in the Fiscal Year 2010-2011 Tax Exemption Budget reports that tax exemptions, deductions, credits, rebates, and other tax benefits for Fiscal Year 2009-2010 amounted to \$6.7 billion, in relation to actual collections which were \$6.8 billion; and WHEREAS, there are over 340 different exemptions, deductions, rebates, and credits, some of them dating back as early as the 1940s, meaning there are policies established decades ago which afford preferential treatment for certain taxpayers today in 2011; and WHEREAS, a contemporary evaluation of the purposes and goals of various state tax exemptions, credits, and deductions would be prudent given the challenges that the governor and legislature face in balancing the state's revenue base with provision of services the citizens of Louisiana demand. THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby require the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to meet and review the scale of tax expenditures and the goals and purposes of various state tax exemptions, credits, rebates, and deductions.

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)]

Michael Jackson

HCSR No. 1

Requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to meet and review the scale of tax expenditures and the goals and purposes of various state tax exemptions, credits, rebates, and deductions.