

SENATE RESOLUTION NO. 180

BY SENATOR MORRELL

A RESOLUTION

To urge and request the Department of Revenue to develop a plan which will encourage and foster the use of "master limited partnerships (MLP)" investments in the state of Louisiana; to reconsider the department's position on denying MLPs exemptions relative to composite returns and withholding requirements; to request that the department and representatives of the MLP community study Louisiana revenue laws, rules, and regulations relative to future relationships between MLPs and the state of Louisiana; and to provide a report of its findings and recommendations to the Senate's Revenue and Fiscal Affairs Committee prior to the opening of the 2013 Regular Session.

WHEREAS, "master limited partnerships" are capital intensive businesses engaged in oil and gas production, transportation, processing, and mining as well as other initiatives involving natural resources; and

WHEREAS, currently approximately one hundred MLPs trade on the national stock exchanges each day of which thirty-nine own or operate assets within the state of Louisiana; and

WHEREAS, because the unique business model of MLPs, presents a challenge in complying with tax laws in many states, including Louisiana, particularly the requirements regarding withholdings; and

WHEREAS, Louisiana's recent change from its longtime position of exempting MLPs is now no longer in alignment with the Multistate Tax Commission which recommends excluding MLPs from withholding through their formal model statute addressing the issue; and

WHEREAS, more than thirty states have excluded MLPs from their withholding requirements through legislation, regulations, or both; and

WHEREAS, the United States Congress has recognized MLPs as a special structure that enables entities to raise and utilize substantial amounts of capital investment to develop energy resources; and

WHEREAS, the development of energy resources is a very important industry to Louisiana's economy.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request the Department of Revenue to develop a plan which will encourage and foster the use of "master limited partnerships (MLPs)" investments in the state of Louisiana; to reconsider the department's current position on denying MLP's exemptions relative to composite returns and withholding requirements; to request that the department and representatives of the MLP community study Louisiana revenue laws, rules, and regulations to develop recommendations relative to future relationships between MLPs and the state of Louisiana; and to provide a report of its findings and recommendations to the Senate's Revenue and Fiscal Affairs Committee at least forty-five days prior to the opening of the 2013 Regular Session.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the secretary of the Department of Revenue.

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PRESIDENT OF THE SENATE