

BCBL 2011 Legislative Agenda

Tax Increases	Tax Exemptions
1. Increase the cigarette tax.	1. Enact moratorium on any new tax exemptions.
2. Increase gambling taxes.	2. Enact legislative study of state tax exemptions.
3. Increase alcohol taxes.	3. Duplicate disclosure/reporting requirements of those entities seeking/accepting state appropriations within tax exemption statutes, so that those entities seeking tax exemptions must disclose the same information.
4. Suspend Stelly rollbacks passed in 2007 and 2008. <i>** AARP, a BCBL Member Organization, Does Not Support this Agenda Item.</i>	4. Duplicate programs offering public access to budget information, so that the public has access to the same information on tax exemptions. (i.e., LaTRAC and LaPAS) 5. Beginning in FY 2012 for all existing tax exemptions, the Department of Revenue shall include, as part of the annual Tax Exemption Budget, an estimate of the fiscal impact to local, municipal, parish or local taxing districts or authorities.

Tax Increases

1. Increasing cigarette taxes

Cigarette prices in Louisiana are among the lowest in the country. Not surprisingly, the state has one of the highest smoking rates, ranking eighth in the nation, and the worst overall health record. Raising the price of cigarettes by increasing the taxes on them is a proven way to reduce smoking, particularly by children, while generating significant revenue for the state. A \$1/pack increase in the cigarette tax would raise an estimated \$301 million annually; increasing the tax 50 cents would raise an estimated \$158 million.

2. Increasing gambling taxes

Louisiana can add over \$100 million in new annual revenues by increasing the riverboat franchise fee by 5 percent and raising the tax rate on video poker devices by 4 percentage points.

3. Increasing the alcohol taxes

Based on estimates from the Marin Institute, a \$2.50 per barrel increase in the beer tax, an \$.86 per liter increase in the wine tax, and a \$.24 per liter increase in liquor tax would generate \$38,500,000 in new revenues annually.

4. Suspending Stelly rollbacks passed in 2007 and 2008

Suspending the tax increases that were passed in 2007 and 2008 would raise over \$500 million in new revenue during each year that the suspension was in place.

***** AARP, a BCBL Member Organization, Does Not Support this Agenda Item.***

Tax Exemptions

1. Enactment of moratorium on any new tax exemptions.

2. Enact legislative study of state tax exemptions.

In 2009, the legislature passed Act 492 [LA RS 49:308.5], which called for the study of all special funds in the state treasury. The introductory paragraph stated the following [LA RS 49:308.5(A)]:

The legislature hereby finds that due to the number of special funds in the state treasury it is difficult for the governor, the legislature, and the public to assess the return on investment of the activities supported by such funds. In order to address this situation, the legislature finds that a system of transparency and accountability needs to be established and that the authority for such funds should routinely sunset unless the return on investment of the activities funded by monies deposited in such fund warrants the continuation of this method of funding. Further inducing competition for funding from the state general fund will put all activities on an equal footing and will allow the governor and the legislature to better prioritize funding.

This paragraph meshes well with the guiding principles of BCBL in regards to tax exemptions. The bill calls for a regular study of all “special funds” by the Joint Legislative Committee on the Budget. Please see the attached Act for further information.

3. Duplicate disclosure/reporting requirements of those entities seeking/accepting state appropriations within tax exemption statutes, so that those entities seeking tax exemptions must disclose the same information.

In 2008, the legislature passed Act 842 [LA RS 39:51.1], which required any non-governmental entity which receives a state appropriation through any appropriation to “transmit certain information relative to such proposed funding to the House Committee on Appropriations, the House Committee on Ways and Means, the Senate Committee on Finance, and the Senate Committee on Revenue and Fiscal Affairs in a form and manner as shall be prescribed jointly by the committees.” The information which must be transmitted is very detailed. Please see attached copy of application.

However, the information required in the application for Enterprise Zone tax credits and Quality Jobs tax credits is not as detailed. Please see attached copies of applications.

4. Duplicate programs offering public access to budget information, especially in areas concentrating on “performance,” so that the public has access to the same information on tax exemptions. (i.e., LaPAS—LA Performance and Accountability System)

Currently, citizens can search for information on tax exemptions on the state’s LaTRAC website: <http://wwwprd.doa.louisiana.gov/latrac/economicIncentives/home.cfm>. However, this information is searchable only by approved application or advanced notification. There is no aggregate data available on this site, as it is available for state appropriations.

5. Beginning in FY 2012 for all existing tax exemptions, the Department of Revenue shall include, as part of the annual Tax Exemption Budget, an estimate of the fiscal impact to local, municipal, parish or local taxing districts or authorities.