Proposal to be considered by
Task Force on Structural Change in Budget and Tax Policy

Whereas, the Task Force on Structural Change in Budget and Tax Policy does not know if a special session of the Louisiana Legislature will be needed in June 2016 but appreciate the desire of the Governor and Legislature to be prepared if, indeed, such a special session is required given state revenues that are projected to be available in fiscal 2017 compared to the level of state expenditures determined to be in the state’s best interests by the Governor and Legislature.

Whereas, the goal of the Task Force, in providing information to the Governor and Louisiana Legislature is to provide suggestions in line with long-term structural reform of the state’s tax system, but also providing revenues in fiscal year 2017.

Accordingly, the Task Force provides the following suggestions:

1. we do not recommend a higher state sales tax rate although we see value in a continued review of sales tax exemptions;

2. the Task Force does recommend removing or reducing income tax exemptions in a proposed Special Session, including but not limited to excess itemized deductions, and these changes would be consistent with long-run broadening of the tax base and reducing tax rates.

These suggestions are fully consistent with recommendations proposed by the 2015 C100/Tax Foundation report and the Louisiana Tax Study. In addition, these recommendations are compatible with reports by Blueprint Louisiana and the Public Affairs Research Council of Louisiana.