

Task Force on Structural Changes in Budget and Tax Policy

Meeting Minutes

April 29, 2016

I. Call to order

The meeting of the Task Force on Structural Changes in Budget and Tax Policy was called to order at 9:17a.m. on April 29, 2016 in the House Committee Room 1 located on the ground floor of the Louisiana State Capitol Building, 900 North Third Street, Baton Rouge, LA 70802.

II. Roll call

A) The following Task Force Members were confirmed as present:

- Dr. James A. Richardson
- Kimberly L. Robinson
- William C. Potter
- V. Thomas Clark, Jr..
- Jay Dardenne
- Dr. James Alm
- Dr. Steven M. Sheffrin
- Jason DeCuir
- Sean Reilly
- Robert Travis Scott
- Barry Erwin
- Randy Roach
- Louis Reine

B) Approval of Minutes:

During a discussion of the language included in the April 22nd minutes, it was discussed that the language should be amended to reflect the entire goal of the Task Force, which is not solely focused on recommendations for the Special Session. It was agreed upon the minutes would be amended as follows:

“After discussion of the information provided, it was agreed upon that in addition to our charges as originally stated the overall goal and focus of the next four meetings in May will be to put together a set of motions and recommendations to present to the Governor and the Legislature. In order to accomplish this goal, going forward discussions will have to be much more specific.”

The minutes were approved as amended;

C) Letter from Governor Edwards

A letter from the Governor was circulated requesting that the Task Force make specific recommendations to the Governor and Legislature to be considered in the upcoming special session. The members agreed that the May 15th deadline will be difficult to meet but urgency needs to be placed on meeting the Governor's request.

Reports and presentations that have already been presented to the Task Force were identified as a potential starting point for information to submit.

D) Approval of Agenda:

The agenda was unanimously approved as distributed.

III. Agenda Topics

A) Presentation: Household Distribution, Personal Income Tax and Sales Tax by Gregory Albrecht, Chief Economist, Legislative Fiscal Office

Mr. Albrecht outlined the distributional effects of the current effects of Personal Income and Sales Tax provisions.

During Mr. Albrecht's presentation, members discussed how different scenarios in which deductions, credits and exemptions were suspended would affect the budget and overall tax structure. An in-depth look at specifically which deductions, credits and exemptions need to be examined would have to take place during the May meetings.

B) Presentation: Response to Questions about History of Louisiana Tax Revenues, Gregory B. Upton Jr. Ph.D., Center for Energy Studies, Louisiana State University

Dr. Upton provided a review of the History of Louisiana Tax Revenues with respect to the following:

- CPI Adjusted Tax Revenues
- US GDP Adjusted Tax Revenues
- Louisiana Gross State Product Adjustment
- Income, Sales, Mineral, Gaming, Gasoline and CIF Tax revenues

IV. New Business

A) Location of meetings:

In order to create a meeting environment better suited for dialog, alternate meeting locations were discussed. The 4th floor Press Room was favorably recommended for future meetings. Ms. Patterson was asked to check availability.

B) Reversing the order of meetings:

To make the best use of time, it was suggested that the order of agenda items be reversed from the format used in previous Task Force Meetings. Presentations will be moved to the latter part of the agenda in order to allow more time to discuss items directly related to possible recommendations.

C) Drafting a reply to the Governor's Letter:

Dr. Richardson indicated that he would draft a letter in reply to the Governor's letter requesting the Task Force meet a May 15th deadline on recommendations pertaining to the special session. The draft will be circulated to members for review prior to being delivered to the Governor.

D) Creating Rules and Regulations for future recommendations

E) Draft Resolutions:

Draft Resolutions proposed by Jim Richardson, James Alm and Steven Sheffrin were presented on the following topics:

- Appropriate mix of taxes to pay for public services
- Appropriate use of mineral revenues
- Exemptions and Exclusions
- Corporate Taxation

V. Adjournment

Secretary Robinson adjourned the meeting at 2:26 p.m.

Minutes submitted by: Marisha Patterson