

Task Force on Structural Changes in Budget and Tax Policy

Meeting Minutes

May 6, 2016

I. Call to order

The meeting of the Task Force on Structural Changes in Budget and Tax Policy at 9:25 a.m. on May 6, 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
- Dr. James Alm
- William C. Potter
- V. Thomas Clark, Jr.
- Jason DeCuir
- Sean Reilly
- Robert Travis Scott
- Dr. Steven M. Sheffrin
- Barry Erwin
- Randy Roach
- Louis Reine
- Jay Dardenne

B) Approval of Minutes:

The minutes from the meeting on April 29, 2016 were approved as written.

C) Approval of Agenda:

The agenda was unanimously approved as distributed.

III. Agenda Topics

A) Presentation: Personal Income Tax Scenarios by Greg Albrecht, Chief Economist, Legislative Fiscal Office

Mr. Albrecht outlined information included in a packet which was put together by Dr. Richardson on the distributional effects of current Personal Income Tax provisions

During Mr. Albrecht's presentation, members discussed alternatives to the current Income Tax Structure that would keep the tax system as simple as possible, keep the base as broad as possible, and the rates as low as possible.

B) Presentation: Managed Incentives Overview, Louisiana Entertainment Incentives Overview by Don Pierson, Secretary, Louisiana Economic Development and Mandi Mitchell, Assistant Secretary, Louisiana Economic Development

Secretary Pierson along with Assistant Secretary Mitchell provided an overview of LED Incentives programs and their impact with emphasis on the following:

- Quality Jobs Program
- Enterprise Zone Program
- Research and Development Program
- Digital Media Program
- Industrial Tax Equalization Program
- Angel Investor Tax Credit Program
- Retention & Modernization Program
- Technology Commercialization Program
- Competitive Projects Payroll Incentive Program
- Entertainment Incentives

Members discussed in length the importance and impact of current economic development programs. Performance indicators benefit costs and multipliers for programs were identified and explained. The consensus was that less economically beneficial programs may need to be reviewed and possibly discontinued. A more in-depth look at the rate of return on the programs was requested.

C) Draft resolutions and letters to the Governor:

- (1) The members reviewed a letter which was drafted by Dr. Richardson to serve as a response to Governor Edwards's letter requesting supplemental recommendations by May 15, 2016. After a discussion of language included in the response letter, the draft was approved by the Task Force with no objections and will be sent to the Governor. Senator Alario and Representative Barra will be copied.

(2) Mr. Scott presented a draft letter to the Task Force which is intended to be sent to the Governor. The letter addressed where the Task Force stands currently. The language and suggestions included in the letter were discussed and amendments were presented by Comm. Dardenne. The amendments will be up for considerations and voting at the May 13th meeting.

(3) Mr. Reilly presented draft resolutions for consideration. The resolutions will lay over a week and will be up for consideration and voting at the May 13th meeting along with the resolutions from the April 29th meeting.

IV. New Business

A) PAR suggested frame work :

Mr. Scott provided a proposed frame work for the approach on the recommendations process. This process focuses meetings to one subject matter at a time and will walk through each tax type and focus area individually. Resolutions and proposals will be presented as the appropriate focus area is discussed. A comprehensive package of initiatives and recommendations will be put together once all focus areas have been discussed. The members agreed to adopt the process for future meetings.

B) Public input:

Members addressed the need to include public input in future meetings. The members concluded that items will be added to future agenda to allow time for locals and industry representatives to provide input on certain issues. The day and times in which public input will be added to the agenda will be posted to the public ahead of time.

C) Procedure for considering recommendations:

After a discussion of the appropriate process for having recommendations and motions considered, members agreed that recommendations would have to be reduced to writing and made available to the public by being placed on the Task Force website. Once these steps have been taken, the motion or recommendation can be considered in the following weeks meeting.

D) Assignment of official reporter for task force:

The need for a reporter was identified to work with committee to track progress as each tax type is covered in the PAR framework process.

Commissioner Dardenne nominated Marsha Schuler to fill the position. No objections were made.

V. Adjournment

Dr. Richardson adjourned the meeting at 3:11 p.m.

Minutes submitted by: Marisha Patterson