

# **Task Force on Structural Changes in Budget and Tax Policy**

## **Meeting Minutes**

July 20, 2016

### **I. Call to order**

The small group meeting of the Task Force on Structural Changes in Budget and Tax Policy convened at 1:52 p.m. on Wednesday, July 20, 2016 in the Mardi Gras Room located on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

The following Task Force Members were present:

- Dr. James A. Richardson
- Kimberly L. Robinson
- V. Thomas Clark, Jr.
- Barry Erwin
- Sean Reilly
- William C. Potter
- Dr. Steve Sheffrin (via teleconference)

### **II. Agenda Topics**

- a) Presentation: Facts About Individual Income Tax by Dr. James Richardson, Louisiana State University

During a presentation on the state's current individual income tax structure, Dr. Richardson provided information on sources of Revenue for 2017, taxes paid to own state per capita between 1992 and 2012, personal income tax annual collection for previous years, exemptions, credits and 2015 Tax Foundation income tax rankings.

After a discussion of the tax brackets and rates in various states, members identified the need to review models with different variables that affect state income tax. The Stelly plan and expansion of the tax base were discussed in length as well as how brackets vs. a single rate will affect the middle class. The consensus was that a major priority when putting together a package is to achieve a tax structure that has good policy with flexibility to address the upcoming fiscal cliff.

b) Follow- up discussion/research:

1. What income level do taxpayers in surrounding states need to reach in order to fall within the highest income tax bracket for that state?
2. Based upon the sunset dates of recently enacted revenue-raising legislation, what is the anticipated fiscal cliff for FYE 2019?
3. Should the Task Force have a preference for the number of individual income tax brackets it will propose?
4. Which credits and exemptions should be prime candidates for modification or repeal?
5. For the next working group meeting: What figures would each member recommend be included in the proposal to reform the individual income tax rate and bracket structure?
6. The Institute on Taxation and Economic Policy has been asked to estimate distributional affects on different income brackets if we make following changes.
7. Postlewaite and Netterville has been working with members on individual comparisons.

**III. New Business / Potential Agenda Items**

- a) Agenda topic for July 22, 2016 meeting: Local Governments
- b) Small Group meetings July 26<sup>th</sup> and July 28<sup>th</sup>

**IV. Adjournment**

The meeting was adjourned at 3:39 p.m.

Minutes submitted by: Marisha Patterson