

House Committee on Ways and Means

Minutes of Meeting
2016 First Extraordinary Session
February 21, 2016

I. CALL TO ORDER

Representative Neil C. Abramson, Chairman of the House Committee on Ways and Means, called the meeting to order at 3:26 p.m. in Room 6, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Neil C. Abramson, Chairman
Representative Joseph Bouie, Jr.
Representative Chris Broadwater
Representative Paula P. Davis
Representative Phillip R. DeVillier
Representative Stephen C. Dwight
Representative Jimmy Harris
Representative Stephanie Hilferty
Representative Dodie Horton
Representative Marcus L. Hunter
Representative Mike Huval
Representative Barry Ivey
Representative Edward C. "Ted" James, II
Representative Robert A. Johnson
Representative John C. "Jay" Morris, III
Representative James H. "Jim" Morris, Vice Chairman
Representative Julie Stokes
Representative Major Thibaut
Representative Thomas P. Willmott

MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Ms. Alison Pryor, Deputy Director
Ms. Elise C. Read, Legislative Analyst
Ms. Penny B. Bouquet, Administrative Secretary
Ms. Gay Owens, Secretary

ADDITIONAL ATTENDEES PRESENT:

Ms. Janet Anthony, Sergeant at Arms
Ms. Myrtis M. Jarrell, Sergeant at Arms
Mr. M.J. Hernandez, Clerk

III. DISCUSSION OF LEGISLATION**House Bill No. 58 by Representative Jackson**

Representative Jackson presented House Bill No. 58, which provided relative to the apportionment formula for computing corporate income tax.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 58 to the calendar. Without objection, House Bill No. 58 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

Present to speak for information only were Mr. David Hansen, LA Dept. of Revenue, 617 North Third Street, Baton Rouge, LA 70802, (225) 219-2686, and Mr. Greg Albrecht, Chief Economist, Legislative Fiscal Office.

Present to speak in opposition were Mr. Jim Patterson, Louisiana Association of Business and Industry (LABI), 3113 Valley Creek Drive, Baton Rouge, LA 70808, (225) 928-5388, and Mr. Chris DiCharry, Kean Miller LLP, 400 Convention Street, Baton Rouge, LA 70802, (225) 382-3492.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 58 is available upon request.

House Bill No. 73 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 73, to require that certain deductible items be added-back on certain corporate income tax returns.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 73 to the calendar. Without objection, House Bill No. 73 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

Present to speak for information only was Ms. Kimberly Robinson, Secretary, LA Dept. of Revenue, 617 North Third Street, Baton Rouge, LA 70802, (225) 219-2686.

Present to speak in opposition were Mr. Jim Patterson, Louisiana Association of Business and Industry (LABI), 3113 Valley Creek Drive, Baton Rouge, LA 70808, (225) 928-5388, and Mr. Chris DiCharry, Kean Miller LLP, 400 Convention Street, Baton Rouge, LA 70802, (225) 382-3492.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 73 is available upon request.

House Bill No. 95 by Representative Leger

Representative Leger presented House Bill No. 95, to repeal the state income tax deduction for federal income taxes paid for purposes of calculating corporate income taxes.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 95 to the calendar. Without objection, House Bill No. 95 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 95 is available upon request.

House Bill No. 79 by Representative Ivey

Representative Ivey presented House Bill No. 79, to repeal the state income tax deduction for federal income taxes paid for purposes of calculating corporate income taxes.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 79 to the calendar. Without objection, House Bill No. 79 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 79 is available upon request.

House Bill No. 80 by Representative Stokes

Representative Stokes presented House Bill No. 80, to repeal the state income tax deduction for federal income taxes paid for purposes of calculating individual and corporate income taxes.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 80 to the calendar. Without objection, House Bill No. 80 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 80 is available upon request.

House Bill No. 88 by Representative Broadwater

Representative Broadwater presented House Bill No. 88, to repeal the state income tax deduction for federal income taxes paid for purposes of calculating individual and corporate income taxes.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 88 to the calendar. Without objection, House Bill No. 88 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 88 is available upon request.

House Bill No. 59 by Representative Moreno

Representative Moreno presented House Bill No. 59, which provided relative to imposition of the state sales and use tax on hotels.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 59 to the calendar. Without objection, House Bill No. 59 was returned to the calendar by a vote of 11 yeas and 0 nays. Representatives Abramson, Bouie, Davis, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Robert Johnson, Jim Morris, and Thibaut voted yea.

Present to speak in support was Mr. Bill Langkopp, Louisiana Hotel and Lodging Association, 201 St. Charles Avenue, Suite 114, New Orleans, LA 70170, (504) 450-3522.

Present to speak in opposition were Mr. Rob Rieger, Jr., Adams and Reese, 450 Laurel Street, Suite 1900, Baton Rouge, LA 70801, (225) 336-5200, and Mr. Danny Ford, Travel Tech Association, 143 Cloud Drive, Baton Rouge, LA 70806, (225) 247-4100.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 59 is available upon request.

House Bill No. 94 by Representative Montoucet

Representative Montoucet presented House Bill No. 94, which provided for the extent of the sales and use tax exemption for business utilities.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 94 to the calendar. Without objection, House Bill No. 94 was returned to the calendar by a vote of 13 yeas and 0 nays. Representatives Abramson, Bouie, Davis, Dwight, Jimmy Harris, Horton, Hunter, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

Present to speak for information only was Mr. Greg Albrecht, Chief Economist, Legislative Fiscal Office.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 94 is available upon request.

House Concurrent Resolution No. 3 by Representative Havard

Representative Havard presented House Concurrent Resolution No. 3, which urged and requested the Department of Revenue to reexamine their revenue ruling determination that a certain rate reduction and tax exemption is applicable to sellers of nonprepared foods.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Concurrent Resolution No. 3 to the calendar. Without objection, House Concurrent Resolution No. 3 was returned to the calendar by a vote of 13 yeas and 0 nays. Representatives Abramson, Bouie, Davis, Dwight, Jimmy Harris, Horton, Hunter, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

House Bill No. 60 by Representative Havard

Representative Havard presented House Bill No. 60, which provided with respect to the sales of certain food and beverages at convenience stores.

There was no further discussion on the bill.

Representative Abramson offered a motion to voluntarily defer action on House Bill No. 60. Without objection, action on House Bill No. 60 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Abramson, Bouie, Davis, Dwight, Jimmy Harris, Horton, Hunter, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

House Bill No. 46 by Representative James

Representative James presented House Bill No. 46, which reduced the amount of certain ad valorem tax credits and provided for the carryforward (rather than the refund) of a certain portion of excess credit amounts.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 46 to the calendar. Without objection, House Bill No. 46 was returned to the calendar by a vote of 11 yeas and 0 nays. Representatives Abramson, Bouie, Davis, DeVillier, Dwight, Jimmy Harris, James, Robert Johnson, Jay Morris, Jim Morris, and Thibaut voted yea.

Present to speak for information only were Mr. Greg Albrecht, Chief Economist, Legislative Fiscal Office, and Mr. William Little, Policy Services, LA Dept. of Revenue.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 46 is available upon request.

House Bill No. 47 by Representative James

Representative James presented House Bill No. 47, which reduced the amount of certain ad valorem tax credits and provided for the carryforward (rather than the refund) of a certain portion of excess credit amounts.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 47 to the calendar. Without objection, House Bill No. 47 was returned to the calendar by a vote of 11 yeas and 0 nays. Representatives Abramson, Bouie, Davis, DeVillier, Dwight, Jimmy Harris, James, Robert Johnson, Jay Morris, Jim Morris, and Thibaut voted yea.

Present to speak in opposition were Representative Jerome Zeringue, Representative Tanner Magee; Mr. Bob Israel, Louisiana Automobile Dealers Association, 7526 Picardy Avenue, Baton Rouge, LA 70808, (225) 769-5500; and Mr. Gordon Dove, Terrebonne Parish, (no address given), (485) 860-7755.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 47 is available upon request.

House Bill No. 35 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 35, which increased the refundable amount of the tax credit for local inventory taxes paid to political subdivisions.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 35 to the calendar. Without objection, House Bill No. 35 was returned to the calendar by a vote of 11 yeas and 0 nays. Representatives Abramson, Bouie, Davis, DeVillier, Dwight, Jimmy Harris, James, Robert Johnson, Jay Morris, Jim Morris, and Thibaut voted yea.

House Bill No. 36 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 36, which reduced the rates and modified the brackets for purposes of calculating corporate income tax liability.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 36 to the calendar. Without objection, House Bill No. 36 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Hunter, Huval, Ivey, James, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

House Bill No. 50 by Representative Abramson

Representative Abramson presented House Bill No. 50, which provided relative to the state taxation of corporations.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 50 to the calendar. Without objection, House Bill No. 50 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Hunter, Huval, Ivey, James, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

House Bill No. 57 by Representative Stokes

Representative Stokes presented House Bill No. 57, which repealed three-year sunset on certain eligibility requirements relative to the income tax credit for net taxes paid to other states.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 57 to the calendar. Without objection, House Bill No. 57 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Hunter, Huval, Ivey, James, Jay Morris, Jim Morris, Stokes, and Thibaut voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 57 is available upon request.

House Bill No. 75 by Representative Stokes

Representative Stokes presented House Bill No. 75, which changed the rates and brackets for purposes of calculating individual income tax liability and eliminates certain deductions.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 75 to the calendar. Without objection, House Bill No. 75 was returned to the calendar by a vote of 18 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty,

Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

House Bill No. 76 by Representative Stokes

Representative Stokes presented House Bill No. 76, a Constitutional Amendment to eliminate the income tax deduction for federal income taxes paid for purposes of computing individual and corporate income taxes and references to the maximum amount of individual income tax rates and brackets.

There was no further discussion on the bill.

Representative Abramson offered a motion to return to House Bill No. 76 to the calendar. Without objection, House Bill No. 76 was returned to the calendar by a vote of 18 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

House Bill No. 78 by Representative Ivey

Representative Ivey presented House Bill No. 78, a Constitutional Amendment to eliminate the income tax deduction for federal income taxes paid and provides for the maximum rate for individual income tax.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 78 to the calendar. Without objection, House Bill No. 78 was returned to the calendar by a vote of 18 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

House Bill No. 85 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 85, which provided relative to the allowable amount of net operating loss deduction.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 85 to the calendar. Without objection, House Bill No. 85 was returned to the calendar by a vote of 18 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty,

Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

House Bill No. 72 by Representative Shadoin

On behalf of Representative Shadoin, Ms. Kimberly Robinson, Secretary, LA Dept. of Revenue, 617 North Third Street, Baton Rouge, LA 70802, (225) 219-2750, presented House Bill No. 72, which increased the state sales tax on telecommunications services.

Present to speak in opposition were Ms. Dawn Starns, State Director, National Federation of Business and Industry, 304 Laurel Street, Baton Rouge, LA 70801, (225) 218-6847, and Ms. Cheryl McCormick, Chief Executive Officer, Louisiana Cable & Telecommunications Association, 763 North Third Street, Baton Rouge, LA 70802, (225) 387-5960.

There was no further discussion on the bill.

Representative Abramson offered a motion to return House Bill No. 72 to the calendar. Without objection, House Bill No. 72 was returned to the calendar by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 72 is available upon request.

House Bill No. 87 by Representative Anders

On behalf of Representative Anders, Ms. Kimberly Robinson, Secretary, LA Dept. of Revenue, 617 North Third Street, Baton Rouge, LA 70802, (225) 219-2750, presented House Bill No. 87, which reduced the amount of the insurance premium tax for certain Louisiana investments.

Representative Mr. Jim Morris in the chair.

There was no further discussion on the bill.

Representative Jim Morris offered a motion to return House Bill No. 87 to the calendar. Without objection, House Bill No. 87 was returned to the calendar by a vote of 16 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

Present to speak for information only was Mr. Lance L. Herrin, LA Dept. of Insurance, 1702 North Third Street, Baton Rouge, LA 70802, (225) 342-3981.

Present to speak in opposition were Ms. Phyllis Perron, LA Insurers Conference, 450 Laurel Street, Suite 1400, Baton Rouge, LA 70801, (225) 344-0620; Mr. Eric Berger, Senior Vice President, Gray Insurance Company, 3601 North I-10 Service Road, Metairie, LA (504) 419-7834; Mr. Mark Bellue, Assistant Vice President, LUBA Workers' Compensation, 2351 Energy, Baton Rouge, LA 70808, (225) 389-5822; Mr. David Laverne, Blue Cross-Blue Shield of LA, 5525 Reitz Avenue, Baton Rouge, LA 70809, (225) 298-1532; Mr. Jeff Drozda, LA Association of Health Plans, 450 Laurel Street, #1830, Baton Rouge, LA 70801, (225) 335-7717; and Mr. Derrell Cohoon, America's Health Insurance Plans, 714 North Fifth Street, Baton Rouge, LA (225) 336-4657.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 87 is available upon request.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

Representative Jim Morris announced that the meeting scheduled for February 22, 2016, would begin at 9:00 a.m.

VI. ADJOURNMENT

Representative Willmott offered a motion to adjourn. Without objection, the motion to adjourn passed by a vote of 16 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

The meeting was adjourned at 9:37 p.m.

Respectfully submitted,

Chairman Neil C. Abramson
House Committee on Ways and Means