

House Committee on Ways and Means

Minutes of Meeting
2021 Regular Session
April 21, 2021

I. CALL TO ORDER

Representative Stuart J. Bishop, chairman of the House Committee on Ways and Means, called the meeting to order at 9:00 a.m. in Room 6, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Stuart J. Bishop, chairman
Representative Gerald "Beau" Beaulieu, IV
Representative Ryan Bourriaque
Representative Marcus Anthony Bryant
Representative Rhonda Gaye Butler
Representative Phillip R. DeVillier
Representative Les Farnum
Representative Jason Hughes
Representative Barry Ivey
Representative Jeremy S. LaCombe
Representative Wayne McMahan
Representative Buddy Mincey, Jr.
Representative Joseph A. Orgeron
Representative Tammy T. Phelps
Representative Neil Riser
Representative Malinda B. White
Representative Matthew Willard
Representative Mark Wright

MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Brittany Lea, committee administrative assistant
Alison Pryor, senior attorney
Catherine Zeringue, attorney

ADDITIONAL ATTENDEES PRESENT:

Janet Anthony, sergeant at arms
Angela McKnight, sergeant at arms

III. DISCUSSION OF LEGISLATION

House Bill No. 628 by Representative Stefanski

Representative Stefanski presented House Bill No. 628, which provides for sports wagering.

Representative Bishop offered amendments in the form of a substitute bill. Representative Bishop offered a motion to adopt the substitute bill. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Farnum, Ivey, LaCombe, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Representative White offered a motion to report House Bill No. 628 by substitute. Without objection, House Bill No. 628 was reported by substitute by a vote of 16 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Farnum, Ivey, LaCombe, McMahan, Orgeron, Phelps, Riser, White, Willard, and Wright voted yea.

Witness cards submitted by individuals who did not speak are as follows: 5 in support, 1 in opposition, and 1 for information only. Witness cards are included in the committee records.

House Bill No. 275 by Representative Riser

Representative Riser presented House Bill No. 275, a constitutional amendment which eliminates the mandate for the corporation income tax deduction for federal income taxes paid.

Representative Riser offered a motion to report House Bill No. 275 favorably, to which Representative White objected. The administrative assistant called the roll, and House Bill No. 275 was reported favorably by a vote of 14 yeas and 1 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Ivey, LaCombe, McMahan, Orgeron, Phelps, Riser, Willard, and Wright voted yea. Representative White voted nay.

Witness cards submitted by individuals who did not speak are as follows: 1 in support. Witness cards are included in the committee records.

House Bill No. 486 by Representative DeVillier

Representative DeVillier presented House Bill No. 486, a constitutional amendment which provides relative to state sales and use tax exemptions for food for home consumption, utilities for residential use, and prescription drugs.

Mr. David Lindenfeld, Together Baton Rouge, 4759 Newcomb Drive, Baton Rouge, LA 70808, (225) 766-1983, spoke in opposition to House Bill No. 486.

Representative DeVillier offered a motion to voluntarily defer action on House Bill No. 486. Without objection, action on House Bill No. 486 was voluntarily deferred by a vote of 15 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Ivey, LaCombe, McMahan, Orgeron, Phelps, Riser, White, Willard, and Wright voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in opposition. Witness cards are included in the committee records.

House Bill No. 369 by Representative Ivey

Representative Ivey presented House Bill No. 369, a constitutional amendment which provides for a flat tax on individual income and eliminates the mandatory income tax deduction for federal income taxes paid for purposes of computing income taxes. Representative Ivey provided two handouts entitled "How High Are Individual Income Tax Rates in Your State?", Exhibit A, and "State Individual Income Tax Rates and Brackets for 2021", Exhibit B, which are included in the committee records.

Representative Riser in the chair

Representative Bishop offered a motion to report House Bill No. 369 favorably. Without objection, House Bill No. 369 was reported favorably by a vote of 14 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Hughes, Ivey, LaCombe, McMahan, Phelps, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support. Witness cards are included in the committee records.

House Bill No. 376 by Representative Ivey

Representative Ivey presented House Bill No. 376, which provides for a flat tax rate for purposes of calculating income tax for individuals, estates, and trusts and modifies income tax credits and deductions.

Representative Ivey offered amendments which: (1) increase the flat rate for purposes of calculating individual income tax and the income tax on estates and trusts from a rate of 4% to a rate of 4.25%; (2) repeal the deduction for excess federal itemized personal deductions; (3) repeal the earned income tax credit; (4) remove the repeal of the deductibility of federal income taxes paid for purposes of calculating corporate income taxes from the provisions of proposed law; and (5) specify that House Bill No. 369 is the proposed constitutional amendment to which the effectiveness of House Bill No. 376 is tied.

Representative Ivey offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Hughes, Ivey, McMahan, Mincey, White, and Willard voted yea.

Representative Ivey offered a motion to report House Bill No. 376 with amendments. Without objection, House Bill No. 376 was reported with amendments by a vote of 12 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Hughes, Ivey, McMahan, Mincey, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support and 1 in opposition. Witness cards are included in the committee records.

House Bill No. 370 by Representative Ivey

Representative Ivey presented House Bill No. 370, a constitutional amendment which establishes certain property tax exemptions for capital investment projects.

Representative Ivey offered amendments which: (1) remove proposed changes to the industrial ad valorem tax exemption program; (2) establish a new ad valorem tax exemption program for certain capital investment projects; (3) prohibit entities eligible for the industrial ad valorem tax exemption program from eligibility for the new capital investment project tax exemption program; and (4) make technical changes. Representative Ivey offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, DeVillier, Ivey, McMahan, Mincey, Orgeron, Phelps, White, and Wright voted yea.

Representative Ivey offered a motion to report House Bill No. 370 with amendments. Without objection, House Bill No. 370 was reported with amendments by a vote of 13 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, Butler, DeVillier, Ivey, McMahan, Mincey, Orgeron, Phelps, White, Willard, and Wright voted yea.

House Bill No. 464 by Representative Ivey

Representative Ivey presented House Bill No. 464, which provides for ad valorem tax exemptions for certain capital investment projects.

Representative Ivey offered amendments which: (1) remove industrial manufacturers from industries eligible for the capital investment project ad valorem tax exemption program; and (2) make technical changes. Representative Ivey offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, Butler, DeVillier, Farnum, Ivey, Mincey, Orgeron, Phelps, White, Willard, and Wright voted yea.

Representative White offered a motion to report House Bill No. 464 with amendments. Without objection, House Bill No. 464 was reported with amendments by a vote of 14 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, Farnum, Ivey, McMahan, Mincey, Orgeron, Phelps, White, Willard, and Wright voted yea.

House Bill No. 417 by Representative Ivey

Representative Ivey presented House Bill No. 417, a constitutional amendment which revises Article VII of the Constitution of Louisiana.

Representative Ivey offered amendments which: (1) add provisions that require any newly enacted sales and use tax exemption or exclusion to be applied uniformly to state and local sales and use taxes; and (2) add provisions retaining the current status of the fair market value for properties classified as public service properties. Representative Ivey offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 15 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, Butler, DeVillier, Farnum, Hughes, Ivey, McMahan, Mincey, Orgeron, Phelps, White, Willard, and Wright voted yea.

Mr. Luke Morris, assistant secretary, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-4059, spoke for information only on House Bill No. 417.

Representative Ivey offered a motion to report House Bill No. 417 with amendments, to which Representative Phelps objected. The administrative assistant called the roll, and House Bill No. 417 was reported with amendments by a vote of 12 yeas and 1 nays. Representatives Bishop, Bryant, DeVillier, Farnum, Hughes, Ivey, McMahan, Mincey, Orgeron, White, Willard, and Wright voted yea. Representative Phelps voted nay.

House Bill No. 629 by Representative Ivey

Representative Ivey presented House Bill No. 629, which provides relative to individual income tax, corporation income tax, corporation franchise tax, and ad valorem tax.

Representative Wright in the chair

Representative Ivey offered amendments which: (1) remove provisions of proposed law relative to the reduction and eventual elimination of the corporate franchise tax; (2) remove provisions of proposed law that prohibit the levy of an initial corporate franchise tax; (3) remove provisions of proposed law authorizing local governmental subdivisions or other taxing authorities to enter into cooperative endeavor agreements authorizing payments in lieu of ad valorem taxes and further remove provisions relative to the terms of cooperative endeavor agreements, provisions relative to the calculation of the abatement, and related provisions regarding the approval process; (4) specify that for purposes of the Capital Investment Program, the manufacturing sector shall not include industrial manufacturing; and (5) remove public service property from the list of property classifications subject to ad valorem taxation and its associated fair market value percentage.

Representative Ivey offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Bryant, DeVillier, Farnum, Hughes, Ivey, McMahan, Orgeron, Phelps, White, Willard, and Wright voted yea.

Ms. Mandi Mitchell, Louisiana Economic Development (LED), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 342-6499, spoke for information only on House Bill No. 629.

Ms. Danielle Clapinski, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-2784, spoke for information only on House Bill No. 629.

Chairman Bishop in the chair

Representative Ivey offered amendments which: (1) cap the Quality Jobs Program at \$50 million; and (2) cap the Enterprise Zone at \$10 million. After discussion, Representative Ivey withdrew the amendment. No vote was taken.

Representative Ivey offered a motion to report House Bill No. 629 with amendments. Without objection, House Bill No. 629 was reported with amendments by a vote of 13 yeas and 0 nays. Representatives Bishop, Bryant, Butler, DeVillier, Farnum, Hughes, Ivey, McMahan, Mincey, Orgeron, Phelps, Willard, and Wright voted yea.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

Persons who do not feel comfortable giving testimony in person at this time may submit a prepared statement in accordance with House Rule 14.33 in lieu of appearing before the committee:

A. Any interested person or any committee member may file with the committee a prepared statement concerning a specific instrument or matter under consideration by the committee or concerning any matter within the committee's scope of authority, and the committee records shall reflect receipt of such statement and the date and time thereof.

B. Any person who files a prepared statement which contains data or statistical information shall include in such prepared statement sufficient information to identify the source of the data or statistical information. For the purposes of this Paragraph, the term "source" shall mean a publication, website, person, or other source from which the data or statistical information contained in the prepared statement was obtained by the person or persons who prepared the statement.

NOTE: Statements emailed to hwmc@legis.la.gov and received prior to noon on Tuesday, April 20, 2021, will be distributed to the committee members prior to the meeting.

All persons desiring to participate in the meeting shall utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

VI. ADJOURNMENT

Representative Hughes offered a motion to adjourn. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representatives Bishop, Bryant, Butler, DeVillier, Farnum, Hughes, Ivey, McMahan, Mincey, Orgeron, Phelps, Willard, and Wright voted yea.

The meeting was adjourned at 11:57 a.m.

Respectfully submitted,

Chairman Stuart J. Bishop
House Committee on Ways and Means