

House Committee on Ways and Means

Minutes of Meeting
2021 Regular Session
May 11, 2021

I. CALL TO ORDER

Representative Stuart J. Bishop, chairman of the House Committee on Ways and Means, called the meeting to order at 9:01 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 Jeremy S. LaCombe
Representative Tanner D. Magee
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

III. DISCUSSION OF LEGISLATION**Senate Bill No. 157 by Senator Allain**

Senator Allain presented Senate Bill No. 157, which exempts certain mobile workers from individual income tax and their employers from withholding tax.

Representative DeVillier offered technical amendments. Representative DeVillier offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 14 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, and Willard voted yea.

Representative Bishop offered a motion to report Senate Bill No. 157 with amendments. Without objection, Senate Bill No. 157 was reported with amendments by a vote of 14 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, Magee, McMahan, Mincey, Orgeron, Phelps, Riser, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 5 in support. Witness cards are included in the committee records.

Senate Bill No. 159 by Senator Allain

Senator Allain presented Senate Bill No. 159, a constitutional amendment which reduces the maximum rate of individual income tax and provides for a federal income tax deduction as provided by law.

Representative Riser in the chair

Representative Riser offered amendments which change the maximum allowable rate of individual income tax from 5% to 4.75%. Representative Riser offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Beaulieu, Bourriaque, Bryant, DeVillier, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Mr. Jan Moller, Louisiana Budget Project (LPB), 619 Jefferson Highway, Suite 1-D, Baton Rouge, LA 70806, (225) 819-7715, spoke in opposition to Senate Bill No. 159.

Chairman Bishop in the chair

Representative DeVillier offered a motion to report Senate Bill No. 159 with amendments. Without objection, Senate Bill No. 159 was reported with amendments by a vote of 16 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, Butler, DeVillier, Farnum, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Witness cards submitted by individuals who did not speak are as follows: 8 in support and 1 in opposition. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 2 in opposition. Copies of these statements are included in the committee records.

Senate Bill No. 160 by Senator Allain

Senator Allain presented Senate Bill No. 160, which conforms state partnership reporting adjustments to federal taxable income to current federal partnership audit adjustments.

Mr. Luke Morris, assistant secretary, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (985) 662-8411, spoke for information only on Senate Bill No. 160 and provided a handout, Exhibit A, which is included in the committee records.

Representative DeVillier offered technical amendments. Representative DeVillier 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, Beaulieu, Bryant, Butler, DeVillier, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Representative DeVillier offered a motion to report Senate Bill No. 160 with amendments. Without objection, Senate Bill No. 160 was reported with amendments by a vote of 15 yeas and 0 nays. Representatives Bishop, Beaulieu, Bryant, Butler, DeVillier, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Witness cards submitted by individuals who did not speak are as follows: 2 in support. Witness cards are included in the committee records.

Senate Bill No. 161 by Senator Allain

Senator Allain presented Senate Bill No. 161, which extends the termination date of the exemption from corporate franchise tax for small business corporations.

Representative Bishop offered a motion to report Senate Bill No. 161 favorably. Without objection, Senate Bill No. 161 was reported favorably by a vote of 13 yeas and 0 nays. Representatives Bishop, Beaulieu, Bryant, Butler, DeVillier, Hughes, LaCombe, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 8 in support. Witness cards are included in the committee records.

Senate Bill No. 171 by Senator Allain

Senator Allain presented Senate Bill No. 171, which provides for severance tax exemptions and site-specific trust funds for certain orphan wells.

Representative Mincey offered conceptual amendments which repeal provisions of proposed law effective June 30, 2031. Representative Mincey 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, Beaulieu, Bryant, Butler, DeVillier, Hughes, LaCombe, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Representative Bishop offered a motion to report Senate Bill No. 171 with amendments. Without objection, Senate Bill No. 171 was reported with amendments by a vote of 12 yeas and 0 nays. Representatives Bishop, Beaulieu, Bryant, Butler, DeVillier, Hughes, LaCombe, McMahan, Mincey, Orgeron, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 in support. Witness cards are included in the committee records.

House Bill No. 685 by Representative Newell

Representative Newell presented House Bill No. 685, which establishes a state low-income housing tax credit for the development or construction of low-income housing.

Mr. Josh Collen, HRI Communities, 812 Gravier Street, Suite 200, New Orleans, LA 70112, (504) 566-3058, spoke in support of House Bill No. 685.

Ms. Kelly Longwell, Louisiana Association of Affordable Housing Providers (LAAHP), 365 Canal Street, Suite 800, New Orleans, LA 70130, (504) 299-3075, spoke in support of House Bill No. 685.

Representative Willard offered amendments which: (1) change the credit from a low-income housing tax credit to a workforce housing tax credit; (2) expand the eligibility of the tax credit to be claimed against premium taxes in addition to income and franchise taxes; (3) increase the total amount of the credits that can be awarded from \$1M to \$10M per calendar year or \$50M in the aggregate; (4)

increase the amount of the credit from 9% of the federal credit amount to 10% of the federal credit amount; (5) add provisions related to the allocation of credits depending on the entity that is going to claim the credit; and (6) authorize unused credit amounts to be sold or transferred in unlimited amount of time.

Representative Willard 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, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Representative Hughes offered a motion to voluntarily defer action on House Bill No. 685. Without objection, action on House Bill No. 685 was voluntarily deferred by a vote of 15 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 9 in support. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 1 in support. Copies of these statements are included in the committee records.

House Bill No. 506 by Representative Beaulieu

Representative Beaulieu presented House Bill No. 506, which increases the amount of the net operating loss deduction.

Representative Beaulieu offered amendments which: (1) change the amount of the net operating loss deduction in proposed law from 100% of the net operating loss carryovers for the taxable year to 80% of the net operating loss carryovers for the taxable year; and (2) prohibit the amount of the net operating loss deduction from exceeding 80% of the Louisiana net income of the taxpayer. Representative Beaulieu 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, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, LaCombe, Magee, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Representative Beaulieu offered a motion to report House Bill No. 506 with amendments. Without objection, House Bill No. 506 was reported with amendments by a vote of 12 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, Magee, McMahan, Mincey, Riser, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 9 in support. Witness cards are included in the committee records.

House Bill No. 688 by Representative Stefanski

On behalf of Representative Stefanski, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 688, which levies certain taxes and fees on sports wagering gaming.

Without objection, action on House Bill No. 688 was voluntarily deferred by a vote of 12 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, Magee, McMahan, Mincey, Riser, and Willard 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.

The committee recessed at 10:48 a.m. The committee reconvened at 10:52 a.m.

House Bill No. 289 by Representative McFarland

Representative McFarland presented House Bill No. 289, which establishes an income and corporate franchise tax credit for Class II and Class III railroads.

Representative Bishop offered amendments which: (1) change the total amount of credits granted in a calendar year from \$7.5 million to \$4.5 million; and (2) change the total amount of credits available for each taxpayer in a year from the lesser of 50% of the taxpayer's qualified expenditures or the total number of miles of track owned, operated, or leased within Louisiana multiplied by \$7,500 to the total number of miles of track owned, operated, or leased within Louisiana multiplied by \$4,500. Representative Bishop offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 14 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Representative Bishop offered a motion to report House Bill No. 289 with amendments. Without objection, House Bill No. 289 was reported with amendments by a vote of 15 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, Magee, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 in support. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 2 in support. Copies of these statements are included in the committee records.

House Bill No. 582 by Representative McFarland

Representative McFarland presented House Bill No. 582, which repeals the existing tax on gasoline, diesel, and special fuels and levies a new tax on these motor fuels and an annual tax on electric and hybrid vehicles.

Representative Magee offered amendments which, beginning July 1, 2021, dedicate \$120M of the avails of the tax levied on gasoline and diesel in present law into the Construction Subfund of the TTF after all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax are satisfied. Representative Magee 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, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, Magee, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Representative Magee offered amendments which: (1) impose a one-time road use fee of \$1,000 on each electric vehicle and one-time road use fee of \$500 on each hybrid vehicle which is operated upon the highways of this state and which is required to be registered and to pay registration license tax in accordance with present law; and (2) change the collection of the fee from the office of motor vehicles every two years to motor vehicle dealers to be collected from the purchaser at the time of sale of a new or used electric vehicle or hybrid vehicle. Representative Magee 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, Beaulieu, Bourriaque, Butler, DeVillier, Farnum, Hughes, Magee, McMahan, Mincey, Orgeron, Riser, White, Willard, and Wright voted yea.

Representative McFarland provided a handout entitled "How Much do Individuals Spend on Gas Taxes?", Exhibit B, which is included in the committee records.

Representative Riser in the chair

Ms. Karen St. Germain, commissioner, Office of Motor Vehicles (OMV), no witness card provided, spoke for information only on House Bill No. 582.

Mr. Stephen A. Quidd, Office of Motor Vehicles (OMV), P.O. Box 66614, Baton Rouge, LA 70896, (225) 925-6103, spoke for information only on House Bill No. 582.

Secretary Kimberly J. Lewis, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-4059, spoke for information only on House Bill No. 582.

Secretary Shawn D. Wilson, Department of Transportation and Development (DOTD), 1201 Capitol Access Road, Baton Rouge, LA 70804, (225) 379-1200, spoke for information only on House Bill No. 582.

Representative Bishop offered a motion to report House Bill No. 582 with amendments. Without objection, House Bill No. 582 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Bishop, Bourriaque, Butler, DeVillier, Farnum, LaCombe, McMahan, Mincey, Riser, and White voted yea.

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

House Bill No. 62 by Representative Brass

Representative Brass presented House Bill No. 62, which requires the St. James Parish assessor to pay the cost of certain insurance premiums for certain retirees of the assessor's office.

Representative Riser offered a motion to report House Bill No. 62 favorably. Without objection, House Bill No. 62 was reported favorably by a vote of 12 yeas and 0 nays. Representatives Bishop, Bourriaque, Butler, DeVillier, Farnum, Hughes, LaCombe, McMahan, Mincey, Orgeron, Riser, and White 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. 567 by Representative Jordan

Representative Jordan presented House Bill No. 567, which repeals the marijuana tax levied on certain dealers and repeals provisions related to tax stamps which evidence payment of tax.

Representative Riser offered amendments which add provisions related to effectiveness. Representative Riser offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Bourriaque, Butler, DeVillier, Farnum, Hughes, McMahan, Orgeron, Riser, White, and Willard voted yea.

Secretary Kimberly J. Lewis, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-4059, spoke for information only on House Bill No. 567.

Representative Hughes offered a motion to report House Bill No. 567 with amendments. Without objection, House Bill No. 567 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Beaulieu, Bourriaque, DeVillier, Hughes, LaCombe, McMahan, Orgeron, 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. 301 by Representative Landry

Representative Landry presented House Bill No. 301, which establishes an income tax credit for certain funeral and burial expenses for certain pregnancy-related deaths.

Ms. Frankie Robertson, National Birth Equity Collaborative, 14335 Thorn Briar Drive, Baton Rouge, LA 70817, (225) 247-7834, spoke in support of House Bill No. 301.

Representative Riser offered amendments which specify that the "pregnancy-related death" that qualifies for the tax credit pursuant to proposed law is the "pregnancy-related death" of a Louisiana resident. Representative Riser offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Butler, DeVillier, Farnum, Hughes, LaCombe, McMahan, Orgeron, Riser, White, and Willard voted yea.

Representative Willard offered a motion to report House Bill No. 301 with amendments. Without objection, House Bill No. 301 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Butler, DeVillier, Farnum, Hughes, LaCombe, McMahan, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 7 in support. Witness cards are included in the committee records.

House Bill No. 434 by Representative Nelson

Representative Nelson presented House Bill No. 434, which levies taxes on sales of cannabis and provides for the use of the avails of the taxes.

Representative Riser offered amendments which: (1) remove provisions related to the wholesale tax on cannabis; (2) change the tax rate on the retail sale of cannabis from 10% to 15%; and (3) make technical changes. Representative Riser offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Butler, DeVillier, Farnum, Hughes, LaCombe, McMahan, Orgeron, Riser, White, and Willard voted yea.

Secretary Kimberly J. Lewis, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-4059, spoke for information only on House Bill No. 434.

Representative LaCombe offered a motion to report House Bill No. 434 with amendments. Without objection, House Bill No. 434 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Bourriaque, Butler, DeVillier, Farnum, LaCombe, McMahan, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 in support and 1 in opposition. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 1 in support. Copies of these statements are included in the committee records.

House Bill No. 690 by Representative LaCombe

Representative LaCombe presented House Bill No. 690, which establishes a corporate income tax deduction for certain expenses related to capital infrastructure projects.

Representative LaCombe offered amendments which limit the credit to certain North American Industry Classification System (NAICS) codes. Representative LaCombe offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Bourriaque, Butler, DeVillier, Farnum, LaCombe, McMahan, Orgeron, Riser, White, and Willard voted yea.

Mr. Tyler Gray, Louisiana Mid-Continent Oil & Gas (LMOGA), 730 North Boulevard, Baton Rouge, LA 70802, (225) 387-3205, spoke in support of House Bill No. 690.

Representative LaCombe offered a motion to voluntarily defer action on House Bill No. 690. Without objection, action on House Bill No. 690 was voluntarily deferred by a vote of 10 yeas and 0 nays. Representatives Bourriaque, Butler, Farnum, LaCombe, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 4 in support. Witness cards are included in the committee records.

House Bill No. 696 by Representative Landry

Representative Landry presented House Bill No. 696, which levies a state tax on the transfer of certain property.

Mr. Davante Lewis, Louisiana Budget Project (LBP), 619 Jefferson Highway, Suite 1-D, Baton Rouge, LA 70806, (337) 377-5110, spoke in support of House Bill No. 696.

Representative Riser offered a motion to voluntarily defer action on House Bill No. 696. Without objection, action on House Bill No. 696 was voluntarily deferred by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Bourriaque, Butler, Farnum, Hughes, LaCombe, McMahan, Mincey, Orgeron, Riser, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 7 in support and 1 for information only. Witness cards are included in the committee records.

House Bill No. 680 by Representative Hughes

Representative DeVillier stated that he had a potential conflict of interest and recused himself from voting on House Bill No. 680.

Representative Hughes presented House Bill No. 680, which establishes the Louisiana Youth Jobs Tax Credit Program.

Representative Willard, District 97, 2000 Lakeshore Drive, New Orleans, LA 70148, (504) 283-4261, co-author of House Bill No. 680, spoke in sponsorship of this measure.

Representative Beaulieu offered a motion to report House Bill No. 680 favorably. Without objection, House Bill No. 680 was reported favorably by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Bourriaque, Butler, Farnum, Hughes, LaCombe, McMahan, Mincey, Orgeron, Riser, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 in support. Witness cards are included in the committee records.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

Representative Riser announced that the following legislative instruments will be voluntarily deferred: House Bill No. 657 and House Bill No. 676.

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 5:00 p.m. on Monday, May 10, 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 Butler offered a motion to adjourn. Without objection, the motion passed by a vote of 11 yeas and 0 nays. Representatives Beaulieu, Bourriaque, Butler, Farnum, Hughes, LaCombe, McMahan, Mincey, Orgeron, Riser, and Willard voted yea.

The meeting was adjourned at 1:42 p.m.

Respectfully submitted,

Chairman Stuart J. Bishop
House Committee on Ways and Means