

Louisiana

District 69
2019 Session Update

Representative Paula P. Davis



We convene the 2019 Regular Legislative Session on April 8, with Final Adjournment on June 6. We'll provide periodic session updates and will share news about the bills I filed and have co-sponsored with my colleagues. On the Louisiana State Legislature website, <http://www.legis.la.gov>, you can search for any bill, read the exact language, review fiscal notes, track progress, and see how each Member voted.

This is a Fiscal session, meaning bills must focus on appropriations, capital budget, taxes, fees, and bonds. Members are limited to filing five bills involving general (non-fiscal) matters. So far, 75 bills have been referred to House Ways and Means – the House tax committee – where we will review proposals on topics like the homestead exemption, consolidation from 64 sales and use tax collectors to one statewide tax collector, and various tax credits encouraging economic development and other community investments.

We will also review several bills focused on comprehensive corporate and individual income tax reform. These bills represent good tax policy, and will lower our tax rates and broaden our tax base. During the 2017 Regular Session, we overwhelmingly passed three bills in the House that were consistent with recommendations made by the bipartisan Task Force on Structural Changes in Budget and Tax Policy, the Tax Foundation (the nation's leading independent tax policy nonprofit), and the Pelican Institute for Public Policy (a conservative Louisiana think tank). Unfortunately, all three bills were killed in the Senate Revenue and Fiscal Affairs committee. A bill reducing the individual income tax brackets and eliminating the deductibility of federal income taxes on state returns passed the House 83-13; another bill creating a lower flat corporate income tax rate and eliminating the deductibility of federal income taxes on state returns passed 76-22; and a bill creating a lower flat individual income tax rate, increasing the earned income tax credit and modifying other credits and deductions passed 70-24.

I'm glad that we'll have the opportunity to review at least 10 Republican-driven tax reform bills that track the comprehensive corporate and individual income tax reform bills from the 2017 Regular Session. Support for this type of structural tax reform was part of my campaign agenda.

Another important part of my campaign was support for traffic relief and transportation infrastructure. As outlined in a previous District 69 Update, trust in infrastructure spending took a big hit over the years due to government's failure to stay on schedule or on budget, and allowing tax dollars to be siphoned off for non-infrastructure expenses. In 2018, we unanimously passed a bill to prevent the redirection of any Transportation Trust Fund (TTF) money to expenses other than construction and maintenance of roads and bridges. Through an election in November 2018, Louisiana and District 69 voters approved Constitutional Amendment No. 4 to prohibit using money in the TTF to pay for non-construction and maintenance expenses.

This session, I filed HB 414 that tracks a successful format used by Texas to dedicate certain existing state sales and use tax revenues for deposit into the Construction Subfund of the TTF. Without raising taxes, Texas voters approved (83%) the dedication of a portion of existing sales and use taxes to construct and maintain public roadways. In Texas, when state sales and use tax collections exceed a predetermined amount in a fiscal year (\$28 billion), the tax collections over the predetermined amount (up to \$2.5 billion per fiscal year) are deposited into the Texas State Highway Fund. Similarly, under HB 414, if existing Louisiana sales and use taxes exceed \$4 billion during a fiscal year, then amounts over \$4 billion will be deposited into the Construction Subfund of the TTF for the construction and maintenance of roads and bridges.



I'm also co-sponsoring HB 578 that seeks to redirect a total of \$50 million for the next five fiscal years from the existing Deepwater Horizon litigation settlement to the Construction Subfund of the TTF to fund phase 2 of the LA 1 Improvement Project (\$25 million per fiscal year) and the planning and construction of the LA 415 Bridge at the Intracoastal Canal (\$25 million per fiscal year). Again, without raising taxes, this bill would provide existing funding to reduce traffic congestion coming from the West side of the existing Mississippi River bridge, and reduce construction costs associated with the anticipated Baton Rouge loop and new bridge that would reduce traffic congestion coming from the East side of the existing bridge.

In addition to or as an alternative to the foregoing infrastructure options, HB 542 by Rep. Steve Carter (R-Baton Rouge) seeks to gradually increase the per gallon excise tax on gasoline, diesel, and certain special fuels and levy an excise tax on electric and hybrid vehicles from 2019 - 2031.

Please let us know your thoughts on any of these issues or bills, or any other issues of interest to you. Thank you for putting me in position to continue problem-solving for District 69, Baton Rouge and Louisiana.

Paula

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