

SENATE CONCURRENT RESOLUTION NO. 103

BY SENATOR DONAHUE AND REPRESENTATIVES ABRAMSON, BARROW, WESLEY BISHOP, GUILLORY, JOHNSON, LEGER, LORUSSO, RITCHIE, ROBIDEAUX, THIBAUT AND PATRICK WILLIAMS

A CONCURRENT RESOLUTION

To urge and request the Chairman of the Senate Committee on Finance and two members from Finance appointed by the President, the Chairman of the House Appropriations Committee and two members from Appropriations appointed by the Speaker, the Chairman of the Senate Committee on Revenue and Fiscal Affairs and two members from the Senate Committee on Revenue and Fiscal Affairs appointed by the President, and the Chairman of the House Committee on Ways and Means and two members from the House Committee on Ways and Means, appointed by the Speaker, and the President of the Senate and Speaker of the House to meet and to function as a commission to study Louisiana revenue laws with respect to Louisiana's exemptions, credits, rebates, and other tax preference expenditures, identify the low-performing or antiquated tax preference expenditures and recommend their temporary or permanent reduction or elimination, and report its findings and recommendations.

WHEREAS, Louisiana's present revenue raising system includes a myriad of tax preference expenditures such as exclusions, exemptions, suspensions, deductions, credits, refunds, rebates and preferential tax calculation methods; and

WHEREAS, these many existing tax preference expenditures, combined with the recent expansion of rebate programs which provide reimbursement for expenditures unconnected with the existence of any tax liability, have a corresponding large but unknown impact on the state budget; and

WHEREAS, Louisiana has experienced several years of consecutive budget shortfalls, budget reductions, and mid-year budget cuts; and

WHEREAS, the budgetary crisis continues and the citizens, business interests, and other members of the community continue to seek equity in Louisiana's laws concerning revenue measures; and

WHEREAS, a current review of state revenue derived from individuals and corporations could assist in determining revenue equity and budgetary priorities.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Chairman of the Senate Committee on Finance and two members from Finance appointed by the President, the Chairman of the House Appropriations Committee and two members from Appropriations appointed by the Speaker, the Chairman of the Senate Committee on Revenue and Fiscal Affairs and two members from the Senate Committee on Revenue and Fiscal Affairs appointed by the President, and the Chairman of the House Committee on Ways and Means and two members from the House Committee on Ways and Means, appointed by the Speaker, and the President of the Senate and Speaker of the House to meet and function as a commission to do the following:

(1) Determine the generally accepted, most effective economic model or models which are used to determine the economic impact of a tax preference expenditure.

(2) Use the economic model or models to establish criteria for the identification of the low-performing or antiquated tax preference expenditures, based on the cost of the tax preference expenditure compared to (a) the revenue gained by the state; (b) the revenue gained by local governments; (c) and the overall economic impact of the tax preference expenditure in terms of the number of jobs created by recipients of the tax preference expenditure and by the direct economic activity through the economy.

(3) Identify the low-performing or antiquated tax preference expenditures.

(4) Recommend the temporary or permanent reduction or elimination of the identified low-performing or antiquated tax exemptions, suspensions, exclusions, deductions, credits, refunds, rebates, and preferential tax calculation methods.

BE IT FURTHER RESOLVED that the Senate and House Fiscal Divisions Staffs, Legislative Fiscal Office, Legislative Auditor, the Department of Economic Development and the Department of Revenue, shall provide any necessary support to carry out the purpose of this Senate Concurrent Resolution.

BE IT FURTHER RESOLVED that this commission convene no later than September 1, 2012, and report findings and recommendations to the President of the Senate and the Speaker of the House no later than February 1, 2013.

BE IT FURTHER RESOLVED that the chairman of the Senate Committee on Finance shall call the first meeting of the commission and at such meeting, the members of the commission shall select a member of the commission to serve as its chairman and shall select any other officers deemed necessary by the commission.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES