

MITCHELL J. LANDRIEU, MAYOR
CITY OF NEW ORLEANS

October 26, 2016

The Honorable Julie Stokes, Chair
Sales Tax Streamlining & Modernization Commission
PO Box 94062
Baton Rouge, LA 70804

Dear Members of the Sales Tax Streamlining & Modernization Commission:

Creating a balance between state and local revenue sources, taxes and dedications and priorities is critical. In the continued analysis of the state's fiscal situation, it is important to find fiscal equity for local governments, which due in large part to Louisiana's antiquated and piecemeal tax structure face their own budgetary challenges.

As the Sales Tax Streamlining & Modernization Commission continues to examine various exemptions and exclusions, and develop recommendations with the goal of ensuring both revenue stability and taxpayer equity it is important to ensure that local governments have enhanced tax autonomy and when possible, tax authority that parallels the state's authority.

Act 13 of the 2016 Second Extraordinary Session, allowed for the partial removal of a long standing tax exemption at certain publically owned facilities by allowing the state and local governments to collect sales and use tax from certain activities at public facilities. For example, in New Orleans, this means that the state and city will now be able to collect a percentage of sales taxes from certain types of events held in the Superdome and the arena. Since, Act 13 has statewide implication; it also affects certain publically owned facilities throughout the state as well.

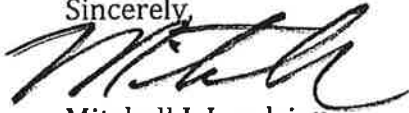
The Sales Tax Streamlining & Modernization Commission's review of the tax exemptions and exclusions is to ensure that there is parity in the collection and to some extent, distribution of the tax. In this case, Act 13 does partially remove some of the previous exemptions, but it does not allow for the full taxation of all activities at publically owned facilities. An alternative to the current structure of this specific tax, may also include a recommendation from this commission to allow local governments the authority at the local level, to levy a 'local services fee' that they could directly levy and collect on activities held in these types of facilities.

Local governments are largely dependent upon the state as a source of revenue due, in part, to significant limitations upon the powers of local governments to raise revenues. The state arguably reduces its burden of constantly supplanting local government needs by allowing local governments to have financial flexibility to manage their local fiscal affairs.



A broader tax base ultimately creates the landscape for tax equity and predictability, for citizens, business, local government and the state. A broader base spreads the cost of operating government over a wider platform and streamlines many of the antiquated inefficiencies that plague our current taxing system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mitchell J. Landrieu', written in a cursive style.

Mitchell J. Landrieu