

The background of the slide is a faded image of the Louisiana State Capitol building, showing its iconic central tower and the surrounding grounds with some greenery and parked cars.

Income and Franchise Tax

Revenue Estimates and Distributional Effects

House Committee on Ways and Means
Subcommittee on State Tax Structure
November 2, 2022

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Louisiana Legislative Fiscal Office

Revenue Estimating Conference

- The Conference meets 2-3 times per year or as needed and presents two independent forecasts from the Office of Planning and Budget or OPB (Executive Branch) and Legislative Fiscal Office or LFO (Legislative Branch).
- The official forecast estimates expected recurring and non-recurring state revenue and is adopted by the Conference to become the constraining factor in the current and ensuing year budgets. The forecast also contains long-range estimates with a forecast horizon of 5 years.
- The REC typically meets just before the release of the Executive Budget and again during session to most closely align anticipated revenue with budget appropriations. After session, REC may meet to incorporate session action.
- The REC has a unanimous vote requirement on all votes.
- The Conference includes Governor, Speaker of the House, President of the Senate and a university economist (selected by the other three from a list), currently Dr. Stephen Barnes, with an annual rotation of the chairmanship.

Revenue Estimating Conference (REC)

The REC sheets include several schedules that forecast all state revenue

State General Fund (SGF) Revenue

These pages are the focus of the economists' efforts

Schedule A (current year)
Schedule B (ensuing year)

- Page 1 contains gross State General Fund revenue (also referred to as Taxes, Licenses and Fees or TLF)
- Page 2 contains summaries of dedications, both statutory and constitutional, dedicated fund accounts and certain mandatory spending
- The difference between Page 1 TLF and the Page 2 total is State General Fund Direct (SGF), which is the figure that constrains State General Fund spending in the budget.

Schedule C (current year)
Schedule D (ensuing year)

Long term SGF forecasts in the same format as Schedule A/B; only the adopted long-term forecast is included in the official REC sheets

Schedule E2 (current year)
Schedule F2 (ensuing year)

Actual fund names of related dedications that appear on page 2 of Schedule A/B

Revenue Estimating Conference (REC)

OFFICIAL FORECAST
ADOPTED 5-9-22

Schedule A

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 22 FORECAST
(in Million \$)

ADOPTED

This is page 1 of the adopted REC forecast that shows both forecasts for:

Taxes, Licenses and Fees (TLF) or gross state general fund revenue and

State General Fund Direct (SGF) or net state general fund revenue

REVENUE SOURCE / DEDICATIONS	Actual Collections FY21	Official Forecast 1/1/2022	Proposed DOA Forecast, 5/9/2022	Proposed LFO Forecast, 5/9/2022	DOA +/- Official Forecast	LFO +/- Official Forecast
Alcoholic Beverage	41.3	39.8	39.0	41.2	(0.8)	1.4
Beer	38.4	37.7	38.5	36.1	0.8	(1.6)
Corporate Franchise	201.4					
Corporate Income	604.1					
Total Corp Fran. & Inc.	805.4	750.0	800.0	897.0	50.0	147.0
Gasoline & Special Fuels	609.9	618.5	600.0	618.5	(18.5)	-
Hazardous Waste	2.0	2.1	2.6	2.1	0.5	-
Individual Income	3,956.6	4,363.8	4,438.5	4,438.2	74.7	74.4
Natural Gas Franchise	1.0	0.7	0.7	0.6	0.0	(0.1)
Public Utilities	6.1	6.7	7.6	6.7	0.9	-
Auto Rental Excise	6.1	6.6	6.0	6.8	(0.6)	0.2
Sales Tax - General	3,653.1	3,902.1	4,106.8	4,106.7	204.7	204.6
Severance	302.3	405.4	430.0	428.3	24.6	22.9
Supervision/Inspection Fee	8.2	8.7	8.7	8.7	-	-
Tobacco	284.3	283.0	275.8	257.0	(7.2)	(26.0)
Unclaimed Property	38.8	15.0	15.0	15.0	-	-
Miscellaneous Receipts	7.1	6.6	6.3	7.1	(0.3)	0.5
Total-Dept. of Revenue	9,760.8	10,446.7	10,775.5	10,870.0	328.8	423.3
Royalties	97.9	113.6	120.0	117.8	6.4	4.2
Rentals	3.5	2.2	1.5	3.1	(0.6)	0.9
Bonuses	4.3	5.0	4.0	6.6	(1.0)	1.6
Mineral Interest	0.7	0.5	0.5	0.3	-	(0.2)
Total-Natural Res.	106.5	121.3	126.1	127.8	4.8	6.5
Interest Earnings (SGF)	38.2	25.0	30.0	32.7	5.0	7.7
Interest Earnings (TTF)	0.1	0.1	0.2	0.1	0.0	(0.0)
VAR, INAHosp Leases/LA1 Tolls	188.8	202.1	197.5	202.1	(4.6)	-
Agency SGR Over-collections	25.0	17.9	22.0	17.9	4.1	-
Bond Reimbs / Traditional & GOZ	28.8	10.1	10.1	10.1	(0.0)	-
Quality Ed. Support Fund	53.5	41.7	20.0	46.7	(21.7)	5.0
Lottery Proceeds	192.4	207.0	208.1	208.1	1.1	1.1
Lottery Sports Wagering	-	-	-	-	-	-
Land-based Casino	77.6	71.7	71.7	71.7	(0.0)	-
Tobacco Settlement	122.9	102.4	113.2	113.2	10.8	10.8
DHH Provider Fees	148.4	149.1	140.5	140.5	(8.6)	(8.6)
Total Treasury	875.7	827.1	813.2	843.1	(13.9)	16.0
Excise License	1,043.5	1,028.0	1,117.4	1,085.1	89.4	57.1
Ins. Rating Fees (SGF)	77.4	80.0	76.0	80.5	(4.0)	0.5
Total-Insurance	1,121.0	1,108.0	1,193.4	1,165.6	85.4	57.6
Misc. DPS Permits	8.3	7.8	8.0	12.5	0.2	4.7
Titles	23.8	23.7	20.0	23.3	(3.7)	(0.4)
Vehicle Licenses	137.2	131.7	123.0	123.7	(8.7)	(8.0)
Vehicle Sales Tax	554.2	544.7	544.7	558.3	(0.0)	13.6
Riverboat Gaming	351.8	381.4	374.0	369.4	(7.4)	6.0
Racetrack slots	48.8	50.3	45.0	50.3	(5.3)	-
Fantasy Sports Wager	-	0.4	0.1	0.2	(0.3)	(0.2)
Sports Wagering	-	-	7.0	8.0	7.0	8.0
Video Draw Poker	244.6	226.0	235.0	234.8	9.0	8.8
Total-Public Safety	1,368.6	1,366.0	1,356.8	1,400.5	(9.2)	34.5
Total Taxes, Lic., Fees	13,232.6	13,869.0	14,265.0	14,407.0	396.0	538.0
Less: Dedications	(2,717.8)	(2,684.1)	(2,714.5)	(2,872.3)	(30.4)	(188.2)
Less: NOW Waiver Fund Allocation	(50.0)	(50.0)	(50.0)	(50.0)	-	-
Less: Storm Risk Reduction Repayment Fund	(400.0)	(400.0)	(400.0)	(400.0)	-	-
STATE GENERAL FUND REVENUE - DIRECT	10,464.8	10,735.0	11,100.6	11,084.7	365.6	349.8
Oil Price per barrel		\$68.62	\$65.99	\$66.53	\$17.37	\$17.91

The 40+ categories are the identified SGF revenue sources arranged by the collection agency.

The Department of Revenue collects about 75% of the SGF revenue.

Occasionally, a one-time or forecast-dependent dedication is included on page 1 as well as any revenue deemed non-recurring.

Revenue Estimating Conference (REC)

OFFICIAL FORECAST

ADOPTED 5-9-22

Schedule A

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 22 FORECAST
(in Million \$)

ADOPTED

REVENUE SOURCE / DEDICATIONS	Actual Collections FY21	Official Forecast 1/11/2022	Proposed DOA Forecast, 5/9/2022	ADOPTED Proposed LFO Forecast 5/9/2022	DOA +/- Official Forecast	LFO +/- Official Forecast
Transportation Trust Fund	487.9	494.8	480.0	494.8	(14.8)	-
Transp Trust Fund: Construction Sub-Fund	0.0	0.0	0.0	0.0	-	-
Motor Veh. Lic.-Transp. Trust Fd.	58.9	55.7	52.3	52.4	(3.5)	(3.3)
Avn. Sales Tax-Transp. Trust Fd.	29.8	29.8	29.8	29.8	-	-
Interest & Fees -Transp. Trust Fd.	29.5	29.5	29.8	29.5	0.3	(0.0)
Motor Fuels - TIME Program	122.0	123.7	120.0	123.7	(3.7)	-
Motor Veh. Lic. - Hwy Fund #2	14.4	13.8	12.9	12.9	(0.9)	(0.9)
State Hwy Improvement Fd - Veh. Lics.	63.8	61.8	56.7	58.4	(5.1)	(3.4)
OMV Drivers' License Escrow Fund	1.2	1.0	1.0	1.7	(0.0)	0.6
Sports Facility Assist Fund	6.6	0.0	0.0	0.0	-	-
Severance Tax -Parishes	34.3	40.4	42.2	43.3	1.8	2.8
Severance Tax - Forest Prod. Fund	2.3	2.5	2.0	2.5	(0.5)	-
Wildfire Suppression Subfund/Fire Protection Fd	0.8	0.9	0.9	0.9	-	-
Royalties - Parishes	9.4	11.4	12.0	11.8	0.6	0.4
Royalties-DNR Min. & Energy Oper. Fd.	2.5	2.5	2.5	2.5	-	-
Wetlands Fund	12.2	14.4	14.9	14.9	0.5	0.5
Quality Ed. Support Fund	53.5	41.7	20.0	46.7	(21.7)	5.0
Sales Tax-Econ. Dev. Fd.	15.5	16.5	16.7	17.3	0.3	0.8
Tourist Promotion District	27.4	29.3	31.1	30.8	1.8	1.4
Sales Tax-54 Telecom Fd for the Deaf	3.5	3.4	2.6	3.4	(0.8)	-
Excise Lic.-2% Fire Ins. Fd.	23.9	23.2	25.1	23.7	1.8	0.5
Excise Lic.-Fire Marshal Fd.	17.3	20.3	16.4	20.7	(3.9)	0.4
Excise Lic.-LSU Fire Training	3.5	3.4	3.7	3.5	0.3	0.1
Insurance Fees	77.4	80.0	76.0	80.5	(4.0)	0.5
ELT MATF Medicaid Managed Care	544.2	536.1	582.5	582.0	46.4	45.9
Excise Lic.-State Police Salary Fund	15.6	15.6	15.6	15.6	-	-
Video Draw Poker	67.0	68.5	72.1	71.2	3.5	2.7
Racetrack Slots Enforc. & Educ. Fds.	32.1	30.7	32.0	30.7	1.3	-
Lottery Proceeds Fund	191.9	206.5	207.6	207.6	1.1	1.1
Sports Wager, Lottery	0.0	0.0	0.0	0.0	-	-
SELF Fund: Teacher/Faculty Payraise	135.0	141.5	140.6	143.2	(0.8)	1.7
LBC - Cancer Research Center	3.4	0.0	0.0	0.0	-	-
Early Child Fd, LBC / Fantasy / Sports Wager	0.2	1.6	3.1	5.8	1.5	4.2
Comm. Water Fd (70%), NOLA (30%), LBC	0.0	0.0	0.0	1.1	-	1.1
Riverboat 'Gaming' Enforce.	55.2	59.7	58.9	60.9	(0.7)	1.3
Sports Wager, Public Safety	0.0	0.0	1.2	3.7	1.2	3.7
Compulsive Gaming Fund	2.5	2.5	2.5	2.5	(0.0)	-
Budget Stabilization Fund	0.0	25.0	0.0	0.0	(25.0)	(25.0)
Revenue Stabilization Fund	205.4	150.0	200.0	297.0	50.0	147.0
Hazardous Waste Funds	2.0	2.1	2.6	2.1	0.5	-
Supervision/Inspection Fee	8.2	8.7	8.7	8.7	-	-
Insp. Fee/Gasoline, Ag. Petr. Fund	4.6	4.1	4.3	4.1	0.2	-
Tobacco Settlement/4 cent Tob Tax dedication	131.7	110.9	122.2	120.9	11.3	10.1
Tob Tax Health Care Fd / Reg Enf Fd	27.3	26.1	26.0	23.7	(0.1)	(2.4)
Tob Settlement Enforcement Fund	0.4	0.4	0.4	0.4	-	-
Rapid Response Fund/Econ Dev	10.0	10.0	10.0	10.0	-	-
Rapid Response Fund/Workforce	10.0	10.0	10.0	10.0	-	-
Unclaimed Property - I-49	15.0	15.0	15.0	15.0	-	-
Capitol Tech. Enhancement Fund	10.0	10.0	10.0	10.0	-	-
Revenue Department 1%	0.0	0.0	0.0	0.0	-	-
DRH Provider Fees	148.4	149.1	140.5	140.5	(8.6)	(8.6)
Total Dedications	2,717.8	2,684.1	2,714.5	2,672.3	30.4	188.2

Some columns and lines do not add precisely due to rounding.

This is page 2 of the adopted REC forecast that shows both forecasts for:

Dedications of state general fund revenue

The dedications may be statutory or constitutional or, in a few instances, a mandatory use of SGF revenue.

The page 2 total appears on page 1 and is deducted from TLF to calculate SGF.

Revenue Estimating Conference (REC)

Schedule E2/F2 depict the specific funds that receive deposits from SGF sources. These funds coordinate with the often aggregated categories found on page 2 and any one-time or forecast-driven dedications from page 1. The forecast includes the beginning balance and SGF generated during the fiscal year.

Mandatory spending items, such as the Revenue Department 1%, do not appear on this schedule.

Some of these funds, such as Coastal Protection and Restoration Fund, may also accept deposits from sources other than SGF. These funds will appear on both Schedule E1 and E2, which should be added together for the cumulative total forecast of the fund. The total of dedicated funds, both SGF and other means of finance, appears at the bottom of Schedule E2.

Dedication totals

OFFICIAL FORECAST ADOPTED 5-9-22

Schedule E2

REVENUE ESTIMATING CONFERENCE FISCAL YEAR 2021-2022 FORECAST - STATUTORY DEDICATIONS						
ADOPTED						
SD #	STATUTORY DEDICATION	Beginning Balance as of 7/1/2021	Official Forecast FY22 1/11/2022	Proposed DOA FY22 5/9/2022	DOA overfunder Official Forecast	Proposed LFO FY22 5/9/2022
A14	Forestry Productivity Fund	5.16	2.50	2.00	(0.50)	2.50
A15	Petroleum Products Fund	0.10	4.10	4.33	0.23	4.13
A31	Wildfire Suppression Subfund	0.59	0.88	0.88	-	0.88
DS1	Highway Fund #2 - Motor Vehicle License Tax	0.80	6.90	6.45	(0.45)	6.47
E02	Telecommunications for the Deaf Fund	5.16	3.40	2.60	(0.80)	3.40
E38	Workforce Training Rapid Response Fund	0.00	10.00	10.00	-	10.00
ED6	Louisiana Economic Development Fund	18.92	14.50	14.72	0.22	15.26
EDM	Marketing Fund	1.01	2.00	2.00	-	2.00

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E51	LA Early Childhood Fund, LBC / Fantasy Sports / Sports Wager	0.61	1.60	3.11	1.51	5.80	4.20
G10	Support Education in Louisiana First Fund	12.24	141.50	140.65	(0.85)	143.17	1.67
Tobacco Tax Health Care Fund / Tobacco Regulation Enforcement Fund		-	25.60	25.45	(0.15)	23.23	(2.37)
E32	Tobacco Tax Health Care Fund	-	25.60	25.45	(0.15)	23.23	(2.37)
RVC	Tobacco Regulation Enforcement Fund	0.60	0.53	0.60	0.07	0.48	(0.05)
Tobacco Settlement/4 cent Tobacco Tax Dedication							
Z13	Louisiana Fund	6.85	14.50	16.69	2.19	16.69	2.19
Z17	Health Excellence Fund	472.38	23.30	24.49	1.19	23.22	(0.08)
Z18	Education Excellence Fund	475.91	14.70	15.48	0.78	15.48	0.78
Z19	TOPS Fund	478.52	58.30	65.56	7.26	65.56	7.26
Total (Page 2 Funds)		2,907.80	3,108.20	3,129.70	21.50	3,291.38	183.18
Total (Act 419)		7,861.60	1,914.29	1,974.13	59.83	1,974.13	59.83
Total Funds		10,769.41	5,022.49	5,103.82	81.33	5,265.50	243.01

Notes:

- 1) Any balance remaining at the end of any fiscal year is available revenue for subsequent years.
- 2) For presentation purposes, the revenues are rounded to 2 decimal places.
- 3) Due to minor understatements of actual amounts available due to rounding, the amount available for appropriation in any particular fund which is so understated shall be increased by an amount not to exceed the understatement.
- 4) The estimates may differ from the Page 2 estimates amounts due to interest or other revenue sources that are not part of Page 2.

Revenue Estimating Conference (REC)

The REC sheets include several schedules that forecast all state revenue

Non-SGF Dedications and Self-Generated Revenue

Act 419 of 2013 Regular Session directs the REC to include a forecast of all state funds

Schedule E1 (current year)
Schedule F1 (ensuing year)

All funds that contain state revenue not derived from state general fund sources arranged by unique identifier

Schedule G

All self-generated funds arranged by the generating agency and the dedicated fund accounts that were previously statutory dedications for current and ensuing fiscal years

Revenue Estimating Conference (REC)

Schedule E1/F1 contain all the specific funds that receive deposits from non-SGF state sources (federal funds not required) in the same format as Schedule E2.

Schedule E2 includes about 400 funds and multiple pages that are appropriated in the budget. The forecast of these funds is not as stringent as the SGF forecast but still requires intricate attention to detail.

Act 419 was enacted in response to ad hoc resources placed into certain funds and anticipates an in-depth analysis of those funds. However, it requires a forecast of the entire population of state funds, which is time consuming.

This forecast limits what can be appropriated in the same manner as the SGF.

OFFICIAL FORECAST

ADOPTED 5-9-22

Schedule E1

REVENUE ESTIMATING CONFERENCE						
FISCAL YEAR 2021-2022 FORECAST STATUTORY DEDICATIONS						
(In Million \$)						
SD #	STATUTORY DEDICATION	Beginning Balance as of 7/1/2021	Official Forecast FY22 1/11/2022	Proposed DOA FY22 5/9/2022	DOA over/under Official Forecast	LFO As Per DOA FY22 5/9/2022
A01	Fuller-Edwards Arboretum Trust	0.17	-	-	-	-
A02	Structural Pest Control Commission Fund	0.73	1.46	1.46	-	1.46
A09	Pesticide Fund	-	6.24	6.24	-	6.24
A11	Forest Protection Fund	-	0.82	0.82	-	0.82
A12	Boll Weevil Eradication Fund	-	-	-	-	-
A13	Agricultural Commodity Commission Self-Insurance Fund	0.64	0.06	0.06	-	0.06
A17	Livestock Brand Commission Fund	-	0.01	0.01	-	0.01
A18	Agricultural Commodity Dealers and Warehouse Fund	-	2.17	2.17	-	2.17

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Z07	Louisiana Investment Fund For Enhancement	0.00	-	-	-	-
Z08-2	Budget Stabilization Fund - BP Settlement	-	-	-	-	-
Z08-3	Budget Stabilization Fund - Surplus	-	-	-	-	-
Z09	Mineral Resources Audit and Settlement Fund	10.62	-	-	-	-
Z10	Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund	1,389.01	-	-	-	-
Z12	Coastal Protection and Restoration Fund	480.77	328.91	328.91	-	328.91
Z14	Wetlands-Mitigation Account	1.97	-	-	-	-
Z15	Deepwater Horizon Economic Damages Fund	-	-	-	-	-
Z20	Millennium Leverage Fund	-	-	-	-	-
Z22	Education Excellence Fund (Non-State Entities Fund)	48.53	-	-	-	-
Z24	Agricultural and Seafood Products Support Fund	-	-	-	-	-
Z25	Revenue Stabilization Trust Fund	235.94	-	-	-	-
Z26	Louisiana Unclaimed Property Trust Fund	-	-	-	-	-
Total		7,861.60	1,914.29	1,974.13	59.83	1,974.13

Notes:

- 1) Any balance remaining at the end of any fiscal year is available revenue for subsequent years.
- 2) For presentation purposes, the revenues are rounded to 2 decimal places.
- 3) Due to minor understatements of actual amounts available due to rounding, the amount available for appropriation in any particular fund which is so understated shall be increased by an amount not to exceed the understatement.

Revenue Estimating Conference (REC)

Schedule G contains all self-generated revenue by agency in which it is generated along with dedicated fund accounts that contain self-generated revenue

OFFICIAL FORECAST

ADOPTED 5-9-22

REVENUE ESTIMATING CONFERENCE

FISCAL YEARS 2021-2022 and 2022-2023 FORECASTS - SELF-GENERATED REVENUES
(in Million \$)

Schedule G

Dep/LDFA Code	Department	Balance as of 7/1/2021	Official Forecast FY22 1/1/2022	Official Forecast FY23 1/1/2022	Proposed DOA FY22 5/9/2022	Proposed DOA FY23 5/9/2022	DOA FY22 over/(under) Official Forecast	DOA FY23 over/(under) Official Forecast	ADOPTED LFO As Per DOA FY22 5/9/2022	LFO As Per DOA FY23 5/9/2022	LFO FY22 over/(under) Official Forecast	LFO FY23 over/(under) Official Forecast
01A_EXEC	Executive Department	107.42	137.19	158.41	137.20	159.23	0.01	0.82	137.20	159.23	0.01	0.82
03A_VETS	Department of Veterans Affairs	1.35	15.00	15.00	15.00	15.00	-	-	15.00	15.00	-	-
04A_SOS	Secretary of State	6.02	37.71	33.39	37.71	33.39	-	-	37.71	33.39	-	-
04B_AG	Office of the Attorney General	8.79	8.67	10.00	8.67	10.00	-	-	8.67	10.00	-	-
04C_LGOV	Lieutenant Governor	-	0.01	-	0.01	-	-	-	0.01	-	-	-
04D_TREA	State Treasurer	3.00	10.10	10.14	10.10	10.14	-	-	10.10	10.14	-	-
04E_PSER	Public Service Commission	-	-	9.16	-	9.16	-	-	-	9.16	-	-
04F_AGR	Agriculture and Forestry	-	7.30	7.30	7.30	7.30	-	-	7.30	7.30	-	-
04G_INSU	Commissioner of Insurance	0.16	47.84	48.04	47.84	48.04	-	-	47.84	48.04	-	-
05A_LED	Department of Economic Development	2.32	2.23	5.55	2.23	5.45	-	(0.10)	2.23	5.45	-	(0.10)

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DEDICATED FUND ACCOUNTS (in Million \$)												
CR2	Youthful Offender Management Fund Account	0.00	0.15	0.15	0.15	0.15	-	-	0.15	0.15	-	-
CT4	LA State Parks Improvement and Repair Dedicated Fund Account	-	-	13.16	-	15.46	-	2.30	-	15.46	-	2.30
CT9	Poverty Point Reservoir Development Dedicated Fund Account	-	-	0.50	-	0.50	-	-	-	0.50	-	-
E04	Proprietary School Students Protection Fund Account	1.23	0.20	-	0.20	-	-	-	0.20	-	-	-
EDH	Louisiana Entertainment Development Dedicated Fund Account	-	-	2.70	-	2.70	-	-	-	2.70	-	-
H18	Vital Records Conversion Dedicated Fund Account	-	-	0.45	-	0.45	-	-	-	0.45	-	-
HW3	Right-of-Way Permit Processing Dedicated Fund Account	-	-	0.43	-	0.43	-	-	-	0.43	-	-
HWA	LTRC Transportation Training and Education Center Fund Account	-	-	0.59	-	0.59	-	-	-	0.59	-	-

Revenue Estimating Conference (REC)

At each meeting, the Department of Revenue presents a forecast of the incentive expenditures that is informative but not explicitly built into the REC forecast

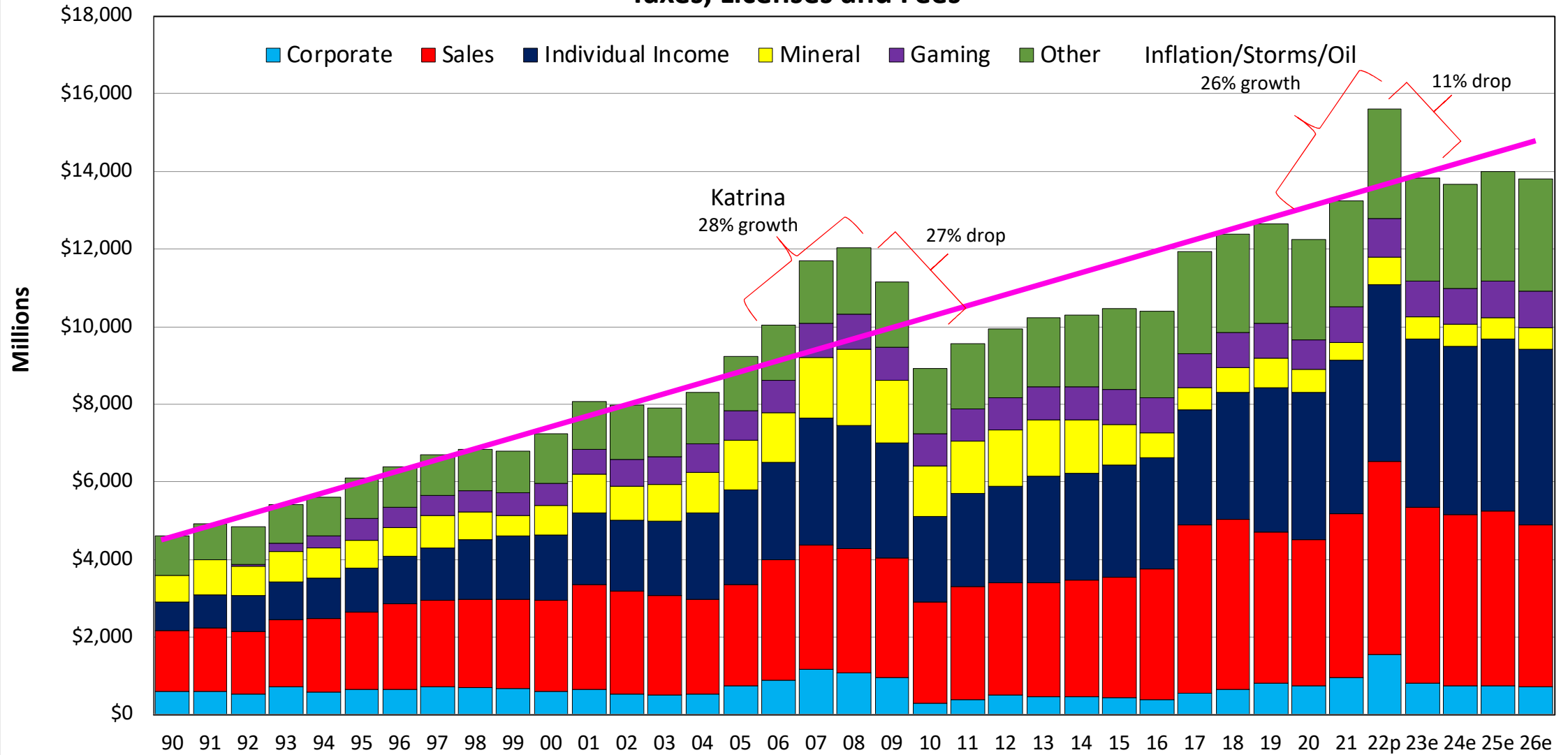
INCENTIVE EXPENDITURE FORECAST
HISTORICAL AND CURRENT PROJECTIONS AND ACTUALS

Incentive Expenditure	Legal Authority	Adm. Agency	FYE 6-20 (Projected)	FYE 6-20 (Actual)	FYE 6-21 (Projected)	FYE 6-21 (Actual)	FYE 6-22 (Projected)	FYE 6-22 (YTD Actual)	FYE 6-23 (Projected)
Tax Credit for Rehabilitation of Historic Structures	R.S. 47:6019	CRT/LDR	\$150,000,000	\$132,893,757	\$123,000,000	\$63,431,384	\$185,000,000	\$75,788,609	\$125,000,000
Atchafalaya Trace Heritage Area Development Zone	R.S. 25:1226	CRT/LED	Unable to anticipate	\$0	Unable to anticipate	\$0	\$0	\$0	\$0
Cane River Heritage Tax Credit	R.S. 47:6026	CRT	Unable to anticipate	\$0	Unable to anticipate	\$0	\$0	\$0	\$0
		Subtotal	\$150,000,000	\$132,893,757	\$123,000,000	\$63,431,384	\$185,000,000	\$75,788,609	\$125,000,000
Brownfields Investor Tax Credit	R.S. 47:6021	DEQ	Negligible	\$19,614	Negligible	\$32,025	Negligible	\$0	\$0
		Subtotal	\$0	\$19,614	\$0	\$32,025	\$0	\$0	\$0
Motion Picture Investor Tax Credit (See Note 1)	R.S. 47:6007	LED	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$122,818,074	\$180,000,000
Louisiana Quality Jobs Program Act	R.S. 51:2451	LED	\$160,000,000	\$51,571,578	\$165,000,000	\$157,512,623	\$150,000,000	\$90,174,647	\$155,000,000
Louisiana Enterprise Zone Act	R.S. 51:1781	LED	\$52,000,000	\$26,653,920	\$40,000,000	\$43,941,660	\$43,800,000	\$34,483,734	\$38,700,000
Digital Interactive Media and Software Act	R.S. 47:6022	LED	\$75,000,000	\$30,809,258	\$31,700,000	\$20,819,668	\$33,825,000	\$19,262,570	\$83,042,000
Research and Development Tax Credit	R.S. 47:6015	LED	\$7,000,000	\$5,076,436	\$7,000,000	\$5,521,533	\$6,400,000	\$6,929,994	\$6,500,000
Angel Investor Tax Credit Program	R.S. 47:6020	LED	\$4,000,000	\$2,922,511	\$4,000,000	\$1,992,437	\$3,127,000	\$2,426,572	\$3,050,000
Industrial Tax Equalization Program	R.S. 47:3201-3205	LED	\$6,000,000	\$7,037,106	\$14,500,000	\$4,889,021	\$6,100,000	\$2,064,849	\$5,540,000
Exemptions for Manufacturing Establishments	R.S. 47:4301-4306	LED	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,250,290	\$0

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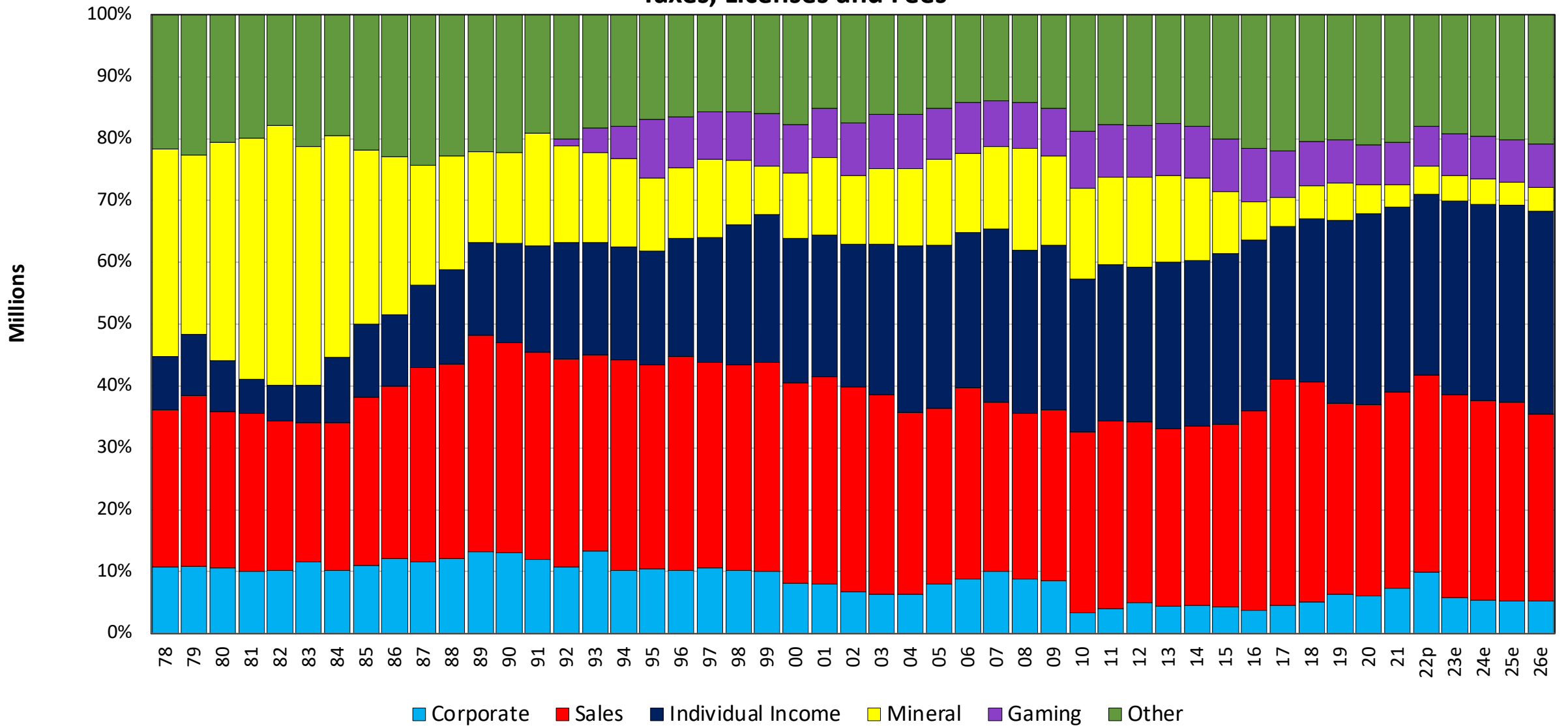
Collections of Gross State General Fund Revenue by Fiscal Year

Taxes, Licenses and Fees



Percent of Gross State General Fund Revenue by Fiscal Year

Taxes, Licenses and Fees



Income and Franchise Tax Fiscal Notes

Items of consideration:

- The year of tax filing because annual collections contain multiple tax year filings
- Percentage and timing of taxes payments through withholding, estimated, and fiduciary including extensions, depending on the legislation
- Refundable credits, rebates, and any other state obligations that are outstanding against the tax (if the tax goes away, what will need to be deducted from other taxes)

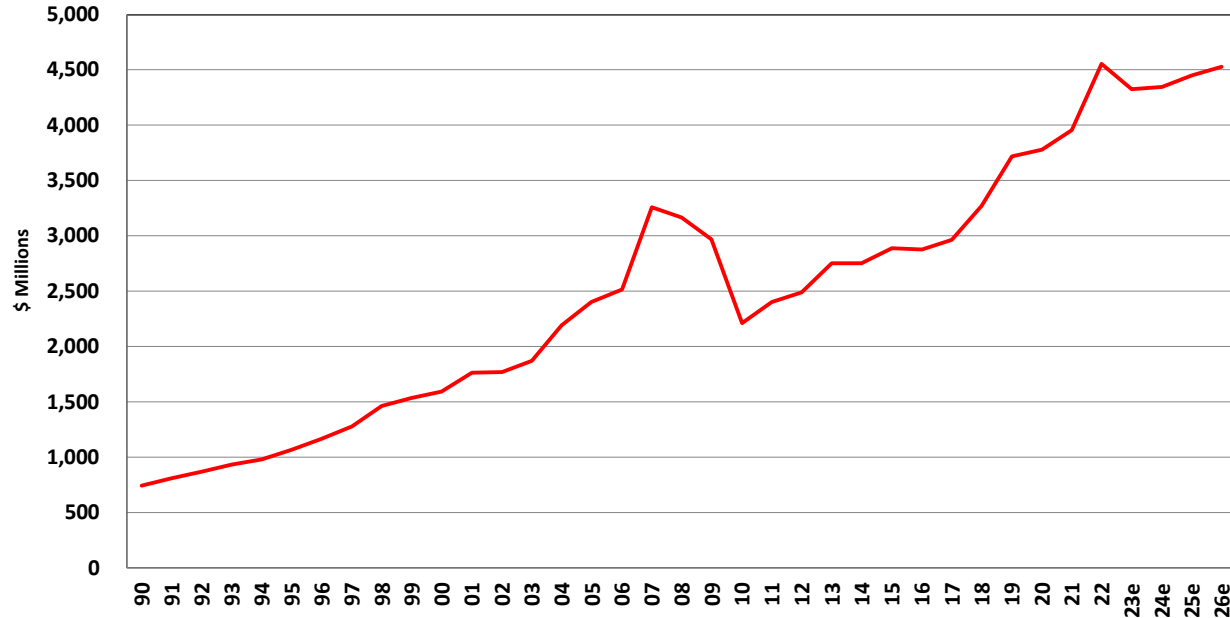
➤ For Tax Year 2020, credit carryforwards are currently:

Personal Income Tax	\$176.9 M
Corporation Income Tax	\$691.5 M

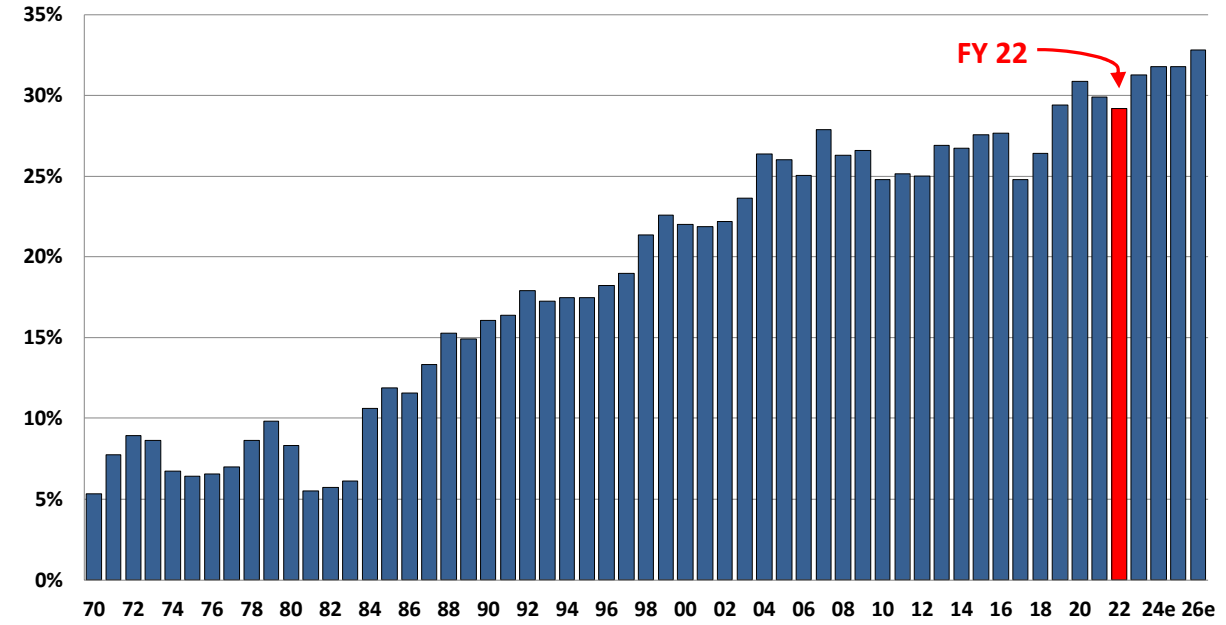
TY 2021 still has valid extensions or due dates and cannot be finalized; Carryforwards require a complex determination and do not include outstanding credits or rebates from certain programs

- Programs implemented through income or franchise tax that may require a direct payment if the tax is eliminated (such as the Quality Jobs Program)

Personal Income Tax Revenue by Fiscal Year



Personal Income Tax Percentage of TLF by Fiscal Year



(\$ millions)

	Implied Gross Revenue	All Deductions (Tax Exemption Budget)	Net Revenue Collections (REC page 1)	Dedications (REC page 2)	Contributions to State General Fund Direct	% of State General Fund Direct
FY21	6,347.9	2,391.3	3,956.6	0	3,956.6	37.8%
FY22	6,889.2	2,333.1	4,556.1	0	4,556.1	41.1%
FY23 (est.)	6,715.9	2,390.8	4,325.1	0	4,325.1	39.2%

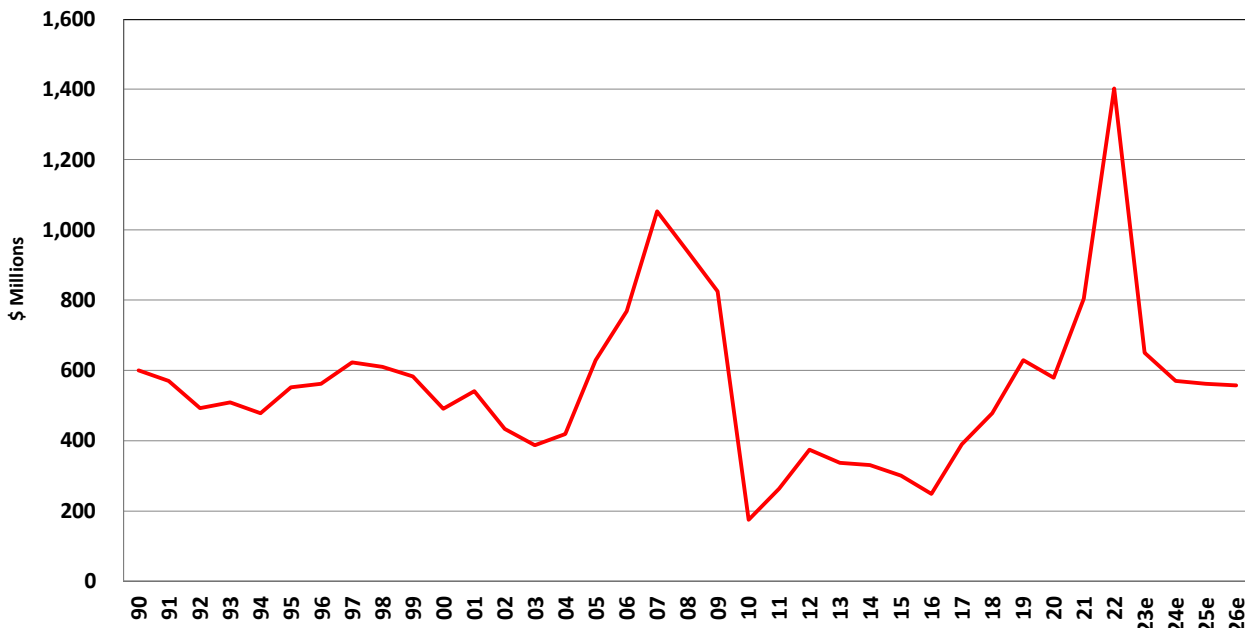
Budgeted as:

100% SGF (no dedications)

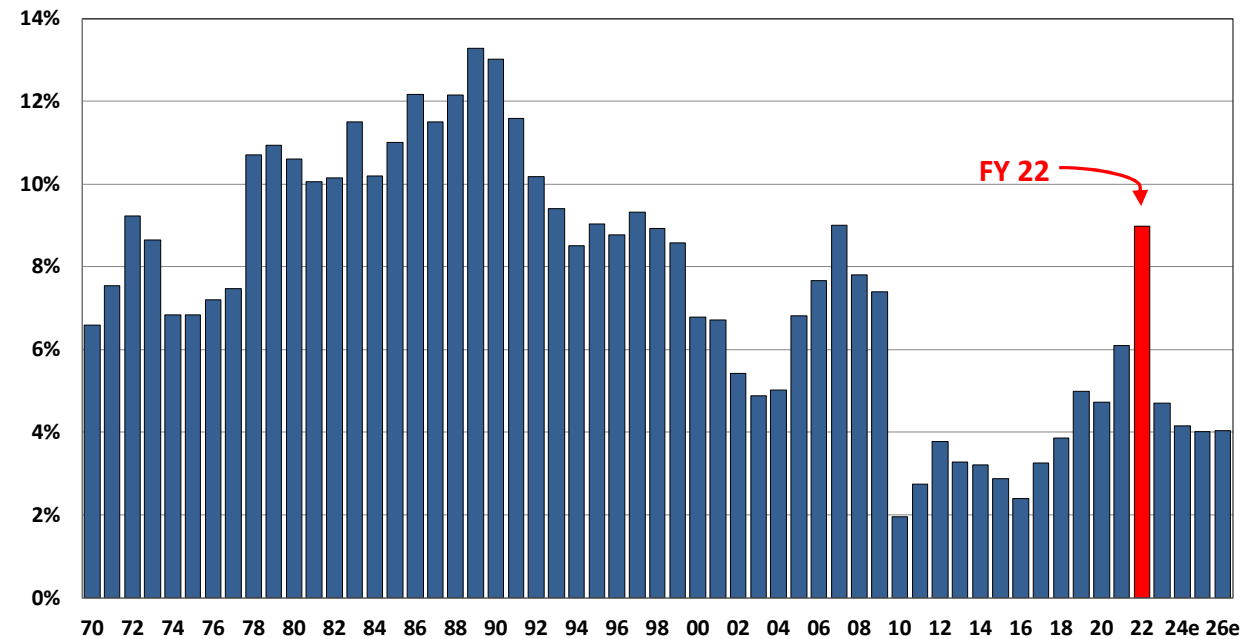
Other Notes:

- LSED - Sports Facility Assistance Fund non-resident athlete income tax payments that are not included in REC figures, roughly \$5-6M annually.
- Elective check-offs are dependent on overpayments (i.e., Coastal Protection & Restoration Fund, Military Family Assistance Fund, Cancer and Lung Trust Fund, etc.)
- Collections from the offset program could be impacted, particularly through the Office of Debt Recovery as well as LDR self-generated fees
- Contracted payments, such as Quality Jobs, film credits, etc.
- Earned Income Tax Credit, Refundable Childcare credits and School Readiness credits are used as state match to draw down federal funding.

Corporate Income and Franchise Tax Revenue by Fiscal Year



Corporate Income and Franchise Tax Percentage of TLF by Fiscal Year



2018 CIFT returns:

37% Franchise
63% Income

(\$ millions)

	Implied Gross Revenue	All Deductions (Tax Exemption Budget)	Net Revenue Collections (REC page 1)	Dedications (REC page 2)	Contributions to State General Fund Direct	% of State General Fund Direct
FY21	2,043.4	1,238.0	805.4	205.4	600.0	5.7%
FY22	2,711.5	1,309.3	1,402.2	802.2	600.0	5.1%
FY23 (est.)	1,927.4	1,277.4	650.0	50.0	600.0	5.4%

Budgeted as:

\$600M in SGF

Remainder to Revenue Stabilization Fund - savings

Other Notes:

- Collections from the offset program could be impacted, particularly through the Office of Debt Recovery as well as LDR self-generated fees
- Contracted payments, such as Quality Jobs, film credits, etc.
- School Readiness credits are used as state match to draw down federal funding.

Tax Year 2022 Income and Franchise Tax Reform

Enacted Legislation with Estimated Fiscal Impacts

Act of 2021 Regular Session	Summary	FY 22	FY 23	FY 24	FY 25	FY 26
395	Personal Income Tax rate reductions and base expansion by eliminating the federal income tax deduction and the excess itemized (except medical) deduction; imposes a revenue trigger for further personal income tax rate reductions	\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)
134	Constitutional amendment – federal income tax deduction made permissive for both personal and corporate income tax; removes fixed rates and brackets for personal income tax but limits the maximum rate to 4.75%	NA <i>(impact of lowering top personal income tax rate from 6% to 4.75% is included in Act 395 impacts)</i>				
PERSONAL TOTAL		\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)
396	Corporate Income Tax rate changes and bracket compression; base expansion by eliminating the federal income tax deduction; imposes revenue growth trigger for further corporate franchise tax rate reductions	\$5,300,000	\$26,300,000	\$ 29,200,000	\$ 29,200,000	\$29,200,000
389	Corporate Franchise Tax permanent elimination of the lower tier and reduction in upper tier rate	(\$7,500,000)	(\$25,200,000)	(\$50,300,000)	(\$55,900,000)	(\$55,900,000)
CORPORATE TOTAL		(\$2,200,000)	\$1,100,000	(\$21,100,000)	(\$26,700,000)	(\$26,700,000)
NET IMPACT		(\$700,000)	\$2,100,000	(\$21,700,000)	(\$27,300,000)	(\$27,300,000)

Tax Year 2022 Personal Income Tax Reform

Fiscal Note Estimates

Act of 2021 Regular Session	Summary	FY 22	FY 23	FY 24	FY 25	FY 26
395	Personal Income Tax rate reductions and base expansion by eliminating the federal income tax deduction and the excess itemized (except medical) deduction; imposes a revenue trigger for further personal income tax rate reductions	\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)

Goal: revenue neutrality to the state fisc – broaden base, lower rate

Assumptions for taxes paid through various methods are:

79% Withholding (assuming a one quarter lag in withholding adjustments)

13% with Returns

8% Quarterly Declarations

FY22 one quarter of TY22 withholdings (small impact)

FY23 three quarters of TY22 withholdings, TY 22 returns, two quarters of TY23 withholdings (inflated impact)

FY24 two quarters of TY23 withholdings, TY23 returns, two quarters of TY24 withholdings (normal year)

Personal Income Tax collections are in excess of \$4 billion annually. The impact of this law is essentially revenue neutral to the state, but not necessarily to every household.

Liability Change

	FY 22	FY 23	FY 24	FY 25	FY 26	5-Year Total
Liability Change	\$1,500,000	\$8,500,000	\$6,900,000	\$6,900,000	\$6,900,000	\$30,700,000
Medical Excess Itemized Deduction*	\$0	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)	(\$30,000,000)
Revenue Change	\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)	\$700,000

* Excess Itemized Deduction was eliminated and the remaining deduction related to medical expenses estimated at \$7.5M annually was reincorporated.

Tax Year 2022 Personal Income Tax Reform

Fiscal Note Estimates

	FY 22	FY 23	FY 24	FY 25	FY 26	5-Year Total
Liability Change	\$1,500,000	\$8,500,000	\$6,900,000	\$6,900,000	\$6,900,000	\$30,700,000
Medical Excess Itemized Deduction*	\$0	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)	(\$30,000,000)
Revenue Change	\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)	\$700,000

* Excess Itemized Deduction was eliminated and the remaining deduction related to medical expenses estimated at \$7.5M annually was reincorporated.

- Revenue neutral to the state is NOT the same as revenue neutral to every taxpayer.
- Taxpayers can no longer take the federal tax deduction. The impact of this component of tax reform is equal to or less than the decrease in rates for non-itemizers, resulting in an expected flat or declining tax liability.
- However, those itemizing can no longer take the excess itemized deduction (except medical). The loss of this deduction is predicted to increase their taxable base income more than the rate decrease, resulting in an increased tax liability for many. This increase is offset by any allowable excess itemized deductions due to medical expenses.

Full Year Tax Liability estimates (includes non-resident and resident filers and federal AGI less than zero):

Itemizers	\$83.8 M
Non-Itemizers	-\$76.9 M
Net	\$6.9 M

- Prior to the Federal Tax cuts of 2018, about 20% of taxpayers were itemizers. After the increase in the federal standard deduction, only about 7% of resident taxpayers were itemizers (18% of non-resident taxpayers).

Personal Income Tax Microsimulation Model Statistics

DISTRIBUTION OF STATE PERSONAL INCOME TAX LIABILITY

ALL RESIDENT FILERS
TAX YEAR 2019 TAX RETURNS

Cumu. Return %	Federal Gross	Adjusted Income	Number Returns	Exemption Count ⁴	Average FAGI ¹	% FAGI Sbjt To Tax ²	Average Tax Liability	Effective Tax Rate ³
4.9%	\$0	\$5,000	87,303	107,152	\$2,637	92%	\$1	0%
11.0%	\$5,000	\$10,000	107,961	153,889	\$7,564	92%	\$40	0.5%
19.8%	\$10,000	\$15,000	155,743	277,975	\$12,557	93%	\$106	0.8%
28.3%	\$15,000	\$20,000	151,645	294,746	\$17,427	93%	\$249	1.4%
35.7%	\$20,000	\$25,000	130,868	244,128	\$22,420	91%	\$404	1.8%
42.2%	\$25,000	\$30,000	114,808	215,484	\$27,422	91%	\$553	2.0%
52.7%	\$30,000	\$40,000	186,264	349,262	\$34,740	90%	\$769	2.2%
60.8%	\$40,000	\$50,000	144,754	269,728	\$44,764	89%	\$1,057	2.4%
67.1%	\$50,000	\$60,000	112,576	215,637	\$54,791	88%	\$1,334	2.4%
72.2%	\$60,000	\$70,000	89,386	183,503	\$64,820	87%	\$1,636	2.5%
76.3%	\$70,000	\$80,000	73,563	162,688	\$74,830	87%	\$1,941	2.6%
79.8%	\$80,000	\$90,000	62,404	146,768	\$84,835	88%	\$2,248	2.6%
82.9%	\$90,000	\$100,000	53,617	132,508	\$94,858	88%	\$2,563	2.7%
87.7%	\$100,000	\$120,000	85,252	220,863	\$109,403	90%	\$3,072	2.8%
91.0%	\$120,000	\$140,000	58,892	159,638	\$129,376	92%	\$3,868	3.0%
93.3%	\$140,000	\$160,000	40,879	114,229	\$149,399	93%	\$4,708	3.2%
94.9%	\$160,000	\$180,000	27,826	78,954	\$169,330	93%	\$5,571	3.3%
95.9%	\$180,000	\$200,000	19,141	54,474	\$189,434	94%	\$6,431	3.4%
97.5%	\$200,000	\$250,000	27,004	76,235	\$221,682	94%	\$7,824	3.5%
98.2%	\$250,000	\$300,000	13,370	37,541	\$272,910	95%	\$10,033	3.7%
98.7%	\$300,000	\$350,000	7,844	21,681	\$323,104	96%	\$12,230	3.8%
98.9%	\$350,000	\$400,000	5,129	14,243	\$373,218	96%	\$14,365	3.8%
99.1%	\$400,000	\$450,000	3,640	10,254	\$423,314	97%	\$16,411	3.9%
99.3%	\$450,000	\$500,000	2,566	7,140	\$473,474	97%	\$18,325	3.9%
99.5%	\$500,000	\$600,000	3,532	10,110	\$545,931	98%	\$21,103	3.9%
99.6%	\$600,000	\$700,000	2,222	6,380	\$645,701	98%	\$25,036	3.9%
99.7%	\$700,000	\$800,000	1,505	4,258	\$746,586	98%	\$28,748	3.9%
99.8%	\$800,000	\$900,000	1,026	2,952	\$847,632	98%	\$32,518	3.8%
99.8%	\$900,000	\$1,000,000	726	2,010	\$947,833	98%	\$36,501	3.9%
100.0%	\$1,000,000 plus		3,581	9,695	\$2,123,452	96%	\$79,531	3.7%
			1,775,027	3,584,125				
			Approx. % of HHs & Pop ⁵ :	102%	77%			

1 FAGI stands for federal adjusted gross income; the starting point for the state income tax return.

2 % FAGI Subject To Tax is taxable income divided by FAGI. Taxable income is FAGI after the standard deduction/personal exemptions and Schedule E adjustments to income (primarily deductions).

3 Effective tax rate is tax liability divided by federal adjusted gross income. It reflects the overall tax imposed, inclusive of the actual taxable income base and the marginal tax rate structure.

4 Exemption Count is the sum of personal exemptions for taxpayers + spouses + dependents claimed on tax returns.

5 Return count and exemption count are utilized as proxies for households and population represented. Total households and population from U.S. Census Bureau: 2015-2019 average for households, and as of July 2019 estimate for population.

Discrepancies: Over 58,000 returns with FAGI <=\$0 not included in the table above (if over 69,000 filers & dependents were included, table would reflect 88% of population). Census household definition ≠ household proxy utilized in table above, with return count slightly larger than household count of 1,739,497.

Individual Income Tax, 2019 Returns
Base Expansion Compared To Rate Reduction
Summary Table: All Filing Status' Combined

		Base Expansion		Rate Reduction	Net Impact	
		<u>NON-ITEMIZERS</u>	<u>ITEMIZERS</u>		<u>NON-ITEMIZERS</u>	<u>ITEMIZERS</u>
		Base Expansion	Base Expansion	Rate Cut		
		FIT Deduc	FIT & EID Deducs			
Federal	Adjusted	% Chg In	% Chg In	% Chg In	% Chg In	% Chg In
Gross	Income	Taxable Income	Taxable Income	Marginal Rates	Effec Tax Rate	Effec Tax Rate
\$0	\$5,000	0.3%	816.5%	<u>2% to 1.85%</u>	-0.2%	25.3%
\$5,000	\$10,000	0.2%	2425.2%	-7.5%	-6.4%	188.7%
\$10,000	\$15,000	0.3%	225.8%		-6.9%	111.5%
\$15,000	\$20,000	1.2%	178.4%		-7.5%	153.4%
\$20,000	\$25,000	2.2%	153.6%		-7.0%	129.5%
\$25,000	\$30,000	3.0%	98.0%	<u>4% to 3.50%</u>	-6.5%	87.3%
\$30,000	\$40,000	4.4%	71.1%	-12.5%	-5.3%	66.1%
\$40,000	\$50,000	6.0%	53.5%		-4.0%	48.9%
\$50,000	\$60,000	7.3%	42.9%		-2.6%	38.6%
\$60,000	\$70,000	8.6%	37.5%		-3.2%	32.9%
\$70,000	\$80,000	9.3%	35.5%		-3.5%	25.8%
\$80,000	\$90,000	9.7%	31.5%		-3.2%	19.0%
\$90,000	\$100,000	9.9%	32.1%	<u>6% to 4.25%</u>	-3.2%	17.8%
\$100,000	\$120,000	10.8%	28.6%	-29.2%	-2.3%	12.9%
\$120,000	\$140,000	12.8%	26.4%		-1.0%	10.0%
\$140,000	\$160,000	14.4%	25.8%		-1.9%	8.3%
\$160,000	\$180,000	15.9%	25.4%		-3.1%	5.7%
\$180,000	\$200,000	17.1%	25.6%		-3.8%	3.8%
\$200,000	\$250,000	18.8%	27.6%		-4.7%	3.2%
\$250,000	\$300,000	20.9%	29.5%		-5.4%	2.2%
\$300,000	\$350,000	22.4%	30.6%		-5.8%	1.3%
\$350,000	\$400,000	23.7%	32.5%		-5.8%	1.5%
\$400,000	\$450,000	26.0%	34.3%		-4.8%	2.1%
\$450,000	\$500,000	28.1%	36.3%		-3.8%	3.0%
\$500,000	\$600,000	30.0%	39.1%		-3.0%	4.4%
\$600,000	\$700,000	32.5%	41.1%		-1.8%	5.0%
\$700,000	\$800,000	34.4%	44.3%		-0.9%	6.9%
\$800,000	\$900,000	35.6%	45.4%		-0.5%	7.2%
\$900,000	\$1,000,000	37.0%	45.6%		0.2%	6.9%
\$1,000,000	plus	41.3%	52.8%		1.7%	10.0%

DISTRIBUTION OF STATE PERSONAL INCOME TAX LIABILITY
RESIDENT NONITEMIZER FILERS ONLY
ALL RESIDENT FILING STATUS' COMBINED*
TAX TABLE LIABILITY BASIS**
TAX YEAR 2019 TAX RETURNS

Reform Impact

Cumu. Return %	Federal Gross	Adjusted Income	Number Returns	Average FAGI ¹	Curr Effec Tax Rate ²	Curr Law Tax Liability	Prop Law Tax Liability	Income Tax \$ Change	Income Tax % Change	Prop Effec Inc Tax Rate	Aggregate Inc Tax Change
5.3%	\$0	\$5,000	86,920	\$2,638	0.0%	\$1	\$1	(\$0)	-0.2%	0.0%	(\$170)
11.8%	\$5,000	\$10,000	107,382	\$7,562	0.5%	\$40	\$37	(\$3)	-6.4%	0.5%	(\$273,828)
21.2%	\$10,000	\$15,000	154,803	\$12,555	0.8%	\$106	\$99	(\$7)	-6.9%	0.8%	(\$1,124,292)
30.3%	\$15,000	\$20,000	150,108	\$17,425	1.4%	\$250	\$232	(\$19)	-7.5%	1.3%	(\$2,816,992)
38.1%	\$20,000	\$25,000	128,893	\$22,418	1.8%	\$407	\$379	(\$28)	-7.0%	1.7%	(\$3,653,536)
44.9%	\$25,000	\$30,000	112,392	\$27,419	2.0%	\$559	\$523	(\$36)	-6.5%	1.9%	(\$4,052,630)
55.8%	\$30,000	\$40,000	180,027	\$34,726	2.2%	\$779	\$738	(\$42)	-5.3%	2.1%	(\$7,480,448)
64.1%	\$40,000	\$50,000	137,499	\$44,749	2.4%	\$1,072	\$1,029	(\$43)	-4.0%	2.3%	(\$5,953,042)
70.5%	\$50,000	\$60,000	105,006	\$54,774	2.5%	\$1,354	\$1,319	(\$35)	-2.6%	2.4%	(\$3,721,254)
75.5%	\$60,000	\$70,000	82,008	\$64,810	2.6%	\$1,661	\$1,608	(\$53)	-3.2%	2.5%	(\$4,337,962)
79.5%	\$70,000	\$80,000	66,560	\$74,823	2.6%	\$1,966	\$1,897	(\$70)	-3.5%	2.5%	(\$4,626,760)
82.9%	\$80,000	\$90,000	56,098	\$84,829	2.7%	\$2,262	\$2,190	(\$72)	-3.2%	2.6%	(\$4,031,158)
85.8%	\$90,000	\$100,000	47,826	\$94,851	2.7%	\$2,580	\$2,496	(\$84)	-3.2%	2.6%	(\$4,001,471)
90.3%	\$100,000	\$120,000	74,991	\$109,362	2.8%	\$3,083	\$3,013	(\$70)	-2.3%	2.8%	(\$5,240,699)
93.4%	\$120,000	\$140,000	50,175	\$129,293	3.0%	\$3,885	\$3,848	(\$38)	-1.0%	3.0%	(\$1,885,642)
95.4%	\$140,000	\$160,000	33,557	\$149,318	3.2%	\$4,739	\$4,649	(\$89)	-1.9%	3.1%	(\$2,999,571)
96.7%	\$160,000	\$180,000	21,578	\$169,237	3.3%	\$5,624	\$5,449	(\$175)	-3.1%	3.2%	(\$3,770,785)
97.6%	\$180,000	\$200,000	14,075	\$189,334	3.4%	\$6,490	\$6,244	(\$246)	-3.8%	3.3%	(\$3,464,525)
98.7%	\$200,000	\$250,000	18,086	\$221,231	3.6%	\$7,936	\$7,567	(\$370)	-4.7%	3.4%	(\$6,688,998)
99.1%	\$250,000	\$300,000	7,893	\$272,518	3.8%	\$10,228	\$9,678	(\$550)	-5.4%	3.6%	(\$4,341,173)
99.4%	\$300,000	\$350,000	4,350	\$322,744	3.9%	\$12,518	\$11,797	(\$721)	-5.8%	3.7%	(\$3,134,855)
99.6%	\$350,000	\$400,000	2,543	\$372,958	4.0%	\$14,775	\$13,923	(\$852)	-5.8%	3.7%	(\$2,167,512)
99.7%	\$400,000	\$450,000	1,715	\$422,729	4.0%	\$16,869	\$16,062	(\$807)	-4.8%	3.8%	(\$1,384,323)
99.7%	\$450,000	\$500,000	1,148	\$473,332	4.0%	\$18,876	\$18,154	(\$721)	-3.8%	3.8%	(\$828,198)
99.8%	\$500,000	\$600,000	1,432	\$545,864	4.0%	\$21,837	\$21,182	(\$655)	-3.0%	3.9%	(\$938,430)
99.9%	\$600,000	\$700,000	846	\$644,611	4.0%	\$25,816	\$25,348	(\$468)	-1.8%	3.9%	(\$395,756)
99.9%	\$700,000	\$800,000	556	\$744,939	4.0%	\$30,013	\$29,728	(\$285)	-0.9%	4.0%	(\$158,483)
99.9%	\$800,000	\$900,000	328	\$848,409	4.0%	\$34,128	\$33,950	(\$178)	-0.5%	4.0%	(\$58,373)
99.9%	\$900,000	\$1,000,000	246	\$946,840	4.0%	\$38,043	\$38,107	\$64	0.2%	4.0%	\$15,811
100.0%	\$1,000,000 plus		1,093	\$2,014,532	3.9%	\$78,667	\$80,002	\$1,335	1.7%	4.0%	\$1,459,372
			1,650,134								(\$82,055,683)

Current Law Scenario (Single / Joint)

\$0 - \$12,500 / \$0 - \$25,000	2%
\$12,500 - \$50,000 / \$50,000 - \$100,000	4%
\$50,000 + / \$100,000 +	6%
100% Federal Income Tax Deduction	
100% Excess Federal Itemized Deduction	
\$4,500 / \$9,000 / \$1,000 Standard & Dependent Deductions	

Proposed Law Scenario (Single/Joint)

\$0 - \$12,500 / \$0 - \$25,000	1.85%
\$12,500 - \$50,000 / \$50,000 - \$100,000	3.50%
\$50,000 + / \$100,000 +	4.25%
0% Federal Income Tax Deduction	
0% Excess Federal Itemized Deduction	
\$4,500 / \$9,000 / \$1,000 Standard & Dependent Deductions	

* Includes all resident filing status'; single, married filing separately, joint, qualifying surviving spouses, and head-of-household filers.

** Tax table liability is prior to any credits (nonrefundable or refundable) that determine final liability. Final liability incorporates all such tax credits, but credits are largely unique to each taxpayer and not generally applicable or utilized.

1 FAGI stands for federal adjusted gross income; the starting point for the state income tax return.

2 Effective tax rate is tax liability divided by federal adjusted gross income. It reflects the overall tax imposed, inclusive of the actual taxable income base and the marginal tax rate structure.

**DISTRIBUTION OF STATE PERSONAL INCOME TAX LIABILITY
RESIDENT ITEMIZER FILERS ONLY
ALL RESIDENT FILING STATUS* COMBINED*
TAX TABLE LIABILITY BASIS**
TAX YEAR 2019 TAX RETURNS**

Reform Impact

Cumu. Return %	Federal Gross Income	Adjusted Income	Number Returns	Average FAGI ¹	Curr Effec Tax Rate ²	Curr Law Tax Liability	Prop Law Tax Liability	Income Tax \$ Change	Income Tax % Change	Prop Effec Inc Tax Rate	Aggregate Inc Tax Change
0.3%	\$0	\$5,000	383	\$2,378	0.7%	\$17	\$22	\$4	25.3%	0.9%	\$1,689
0.8%	\$5,000	\$10,000	579	\$7,823	0.2%	\$12	\$35	\$23	188.7%	0.4%	\$13,294
1.5%	\$10,000	\$15,000	940	\$12,768	0.6%	\$72	\$152	\$80	111.5%	1.2%	\$75,424
2.8%	\$15,000	\$20,000	1,537	\$17,620	0.5%	\$89	\$225	\$136	153.4%	1.3%	\$209,149
4.3%	\$20,000	\$25,000	1,975	\$22,560	0.8%	\$177	\$407	\$229	129.5%	1.8%	\$453,047
6.3%	\$25,000	\$30,000	2,416	\$27,580	1.0%	\$288	\$539	\$252	87.3%	2.0%	\$607,686
11.3%	\$30,000	\$40,000	6,237	\$35,138	1.4%	\$475	\$789	\$314	66.1%	2.2%	\$1,958,310
17.1%	\$40,000	\$50,000	7,255	\$45,045	1.7%	\$764	\$1,137	\$373	48.9%	2.5%	\$2,706,510
23.1%	\$50,000	\$60,000	7,570	\$55,033	1.9%	\$1,051	\$1,457	\$406	38.6%	2.6%	\$3,073,698
29.0%	\$60,000	\$70,000	7,378	\$64,926	2.1%	\$1,354	\$1,799	\$445	32.9%	2.8%	\$3,282,822
34.6%	\$70,000	\$80,000	7,003	\$74,894	2.3%	\$1,703	\$2,143	\$440	25.8%	2.9%	\$3,081,921
39.7%	\$80,000	\$90,000	6,306	\$84,887	2.5%	\$2,124	\$2,526	\$402	19.0%	3.0%	\$2,537,736
44.3%	\$90,000	\$100,000	5,791	\$94,917	2.6%	\$2,423	\$2,855	\$432	17.8%	3.0%	\$2,504,061
52.5%	\$100,000	\$120,000	10,261	\$109,704	2.7%	\$2,995	\$3,382	\$387	12.9%	3.1%	\$3,969,939
59.5%	\$120,000	\$140,000	8,717	\$129,856	2.9%	\$3,770	\$4,145	\$375	10.0%	3.2%	\$3,271,209
65.4%	\$140,000	\$160,000	7,322	\$149,771	3.1%	\$4,569	\$4,949	\$380	8.3%	3.3%	\$2,778,755
70.4%	\$160,000	\$180,000	6,248	\$169,653	3.2%	\$5,386	\$5,695	\$308	5.7%	3.4%	\$1,927,071
74.5%	\$180,000	\$200,000	5,066	\$189,712	3.3%	\$6,266	\$6,503	\$237	3.8%	3.4%	\$1,199,908
81.6%	\$200,000	\$250,000	8,918	\$222,598	3.4%	\$7,595	\$7,841	\$246	3.2%	3.5%	\$2,197,244
86.0%	\$250,000	\$300,000	5,477	\$273,476	3.6%	\$9,750	\$9,961	\$211	2.2%	3.6%	\$1,155,505
88.8%	\$300,000	\$350,000	3,494	\$323,552	3.7%	\$11,871	\$12,025	\$154	1.3%	3.7%	\$537,920
90.8%	\$350,000	\$400,000	2,586	\$373,473	3.7%	\$13,961	\$14,177	\$216	1.5%	3.8%	\$558,428
92.4%	\$400,000	\$450,000	1,925	\$423,835	3.8%	\$16,003	\$16,339	\$336	2.1%	3.9%	\$646,164
93.5%	\$450,000	\$500,000	1,418	\$473,589	3.8%	\$17,879	\$18,416	\$537	3.0%	3.9%	\$760,864
95.2%	\$500,000	\$600,000	2,100	\$545,976	3.8%	\$20,603	\$21,507	\$904	4.4%	3.9%	\$1,899,200
96.3%	\$600,000	\$700,000	1,376	\$646,371	3.8%	\$24,557	\$25,785	\$1,228	5.0%	4.0%	\$1,689,722
97.1%	\$700,000	\$800,000	949	\$747,551	3.7%	\$28,007	\$29,941	\$1,934	6.9%	4.0%	\$1,835,009
97.6%	\$800,000	\$900,000	698	\$847,267	3.7%	\$31,762	\$34,055	\$2,293	7.2%	4.0%	\$1,600,363
98.0%	\$900,000	\$1,000,000	480	\$948,342	3.8%	\$35,711	\$38,172	\$2,462	6.9%	4.0%	\$1,181,540
100.0%	\$1,000,000 plus		2,488	\$2,171,301	3.7%	\$79,911	\$87,912	\$8,001	10.0%	4.0%	\$19,906,450
			124,893								\$67,620,639

Current Law Scenario (Single / Joint)

\$0 - \$12,500 / \$0 - \$25,000

\$12,500 - \$50,000 / \$50,000 - \$100,000

\$50,000 + / \$100,000 +

100% Federal Income Tax Deduction

100% Excess Federal Itemized Deduction

\$4,500 / \$9,000 / \$1,000 Standard & Dependent Deductions

Rates

2%

4%

6%

Proposed Law Scenario (Single/Joint)

\$0 - \$12,500 / \$0 - \$25,000

\$12,500 - \$50,000 / \$50,000 - \$100,000

\$50,000 + / \$100,000 +

0% Federal Income Tax Deduction

0% Excess Federal Itemized Deduction

\$4,500 / \$9,000 / \$1,000 Standard & Dependent Deductions

Rates

1.85%

3.50%

4.25%

* Includes all resident filing status; single, married filing separately, joint, qualifying surviving spouses, and head-of-household filers.

** Tax table liability is prior to any credits (nonrefundable or refundable) that determine final liability. Final liability incorporates all such tax credits, but credits are largely unique to each taxpayer and not generally applicable or utilized.

1 FAGI stands for federal adjusted gross income; the starting point for the state income tax return.

2 Effective tax rate is tax liability divided by federal adjusted gross income. It reflects the overall tax imposed, inclusive of the actual taxable income base and the marginal tax rate structure.

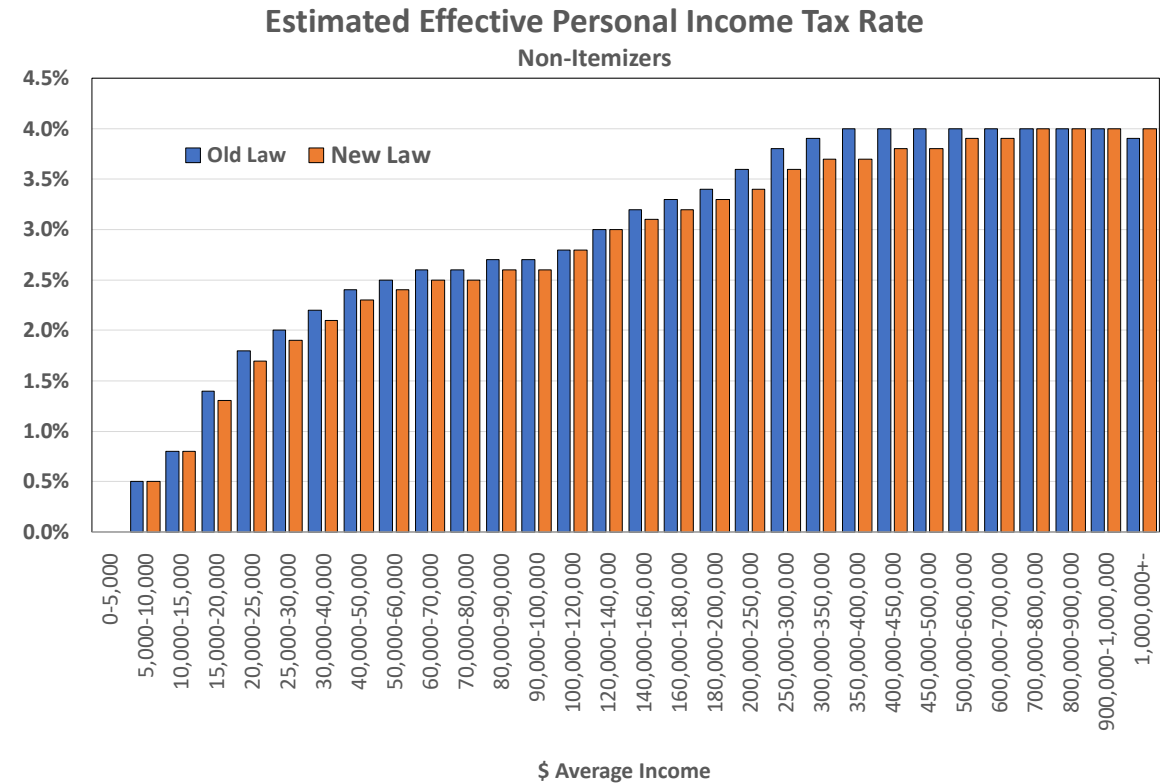
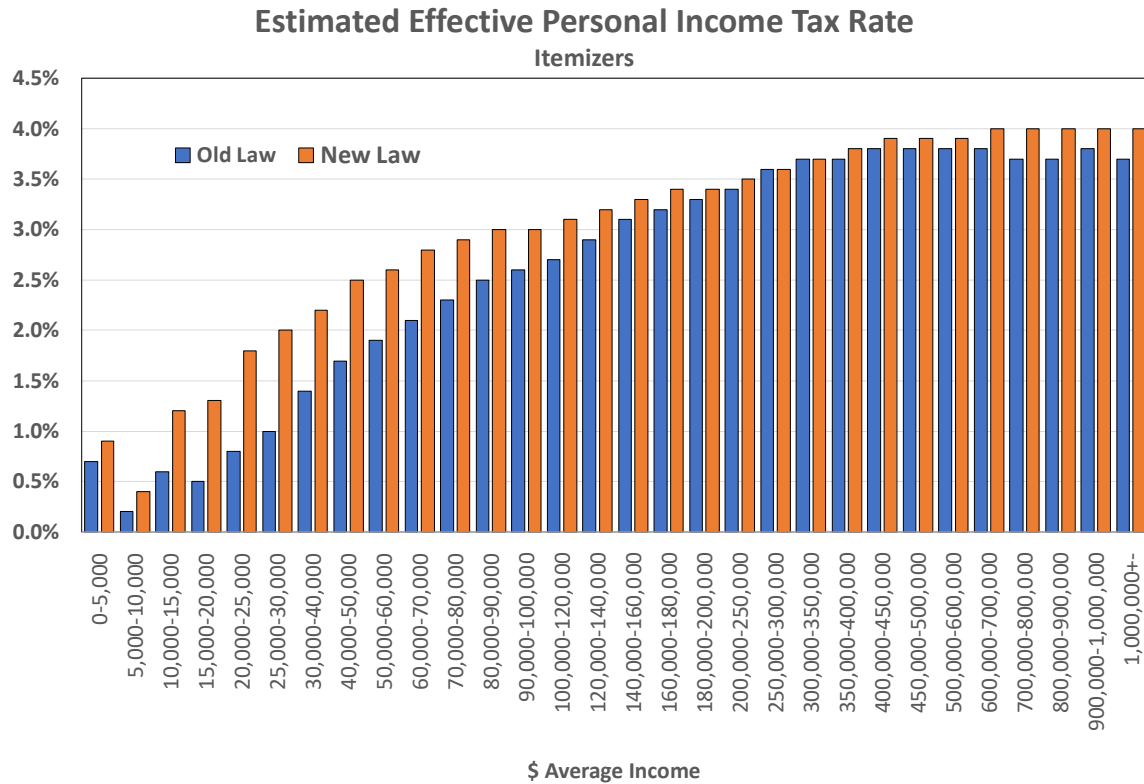
Tax Year 2022 Personal Income Tax Reform

Distributional Impacts

Filing Status	Non-Itemizers				Itemizers			
	# Returns	% of Returns	Aggregate Change in Tax Liability	% of Aggregate Change	# Returns	% of Returns	Aggregate Change in Tax Liability	% of Aggregate Change
Single/Married Filing Separately	754,116	46%	-\$7,951,112	10%	53,240	43%	\$27,224,440	40%
Joint/Surviving Spouse	526,401	32%	-\$41,862,684	51%	57,694	46%	\$36,418,098	54%
Head of Household	369,617	22%	-\$32,241,887	39%	13,959	11%	\$3,978,101	6%
TOTAL RESIDENT	1,650,134	100%	-\$82,055,683	100%	124,893	100%	\$67,620,639	100%

Tax Year 2022 Personal Income Tax Reform

Estimated Distributional Impacts



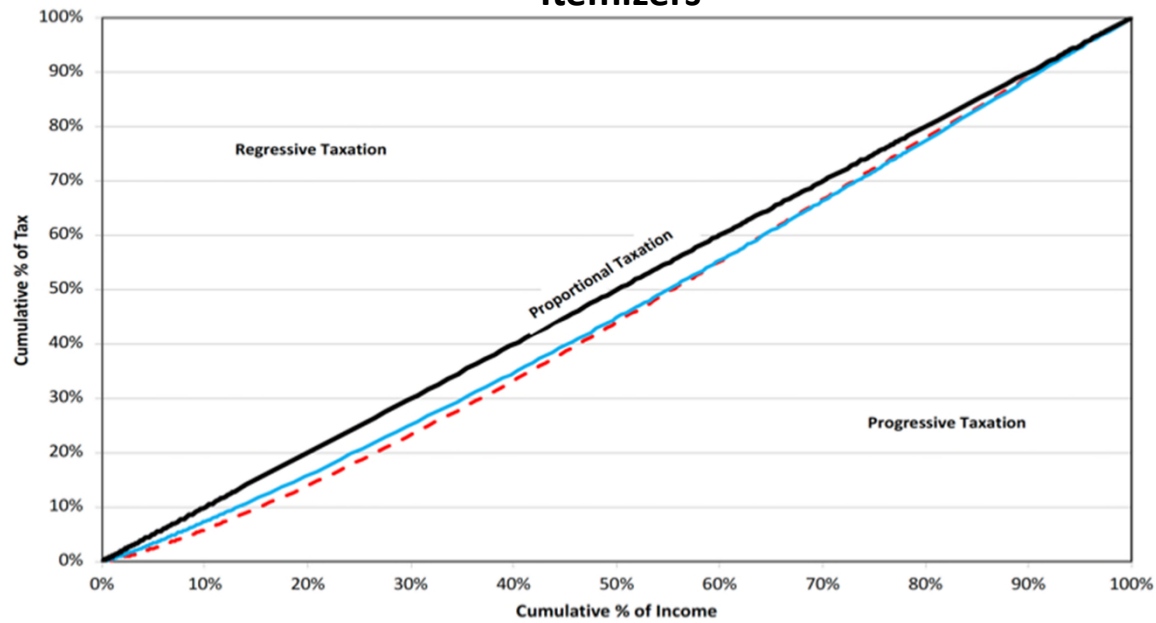
Progressive Taxation

Personal Income 2021 Tax Reform

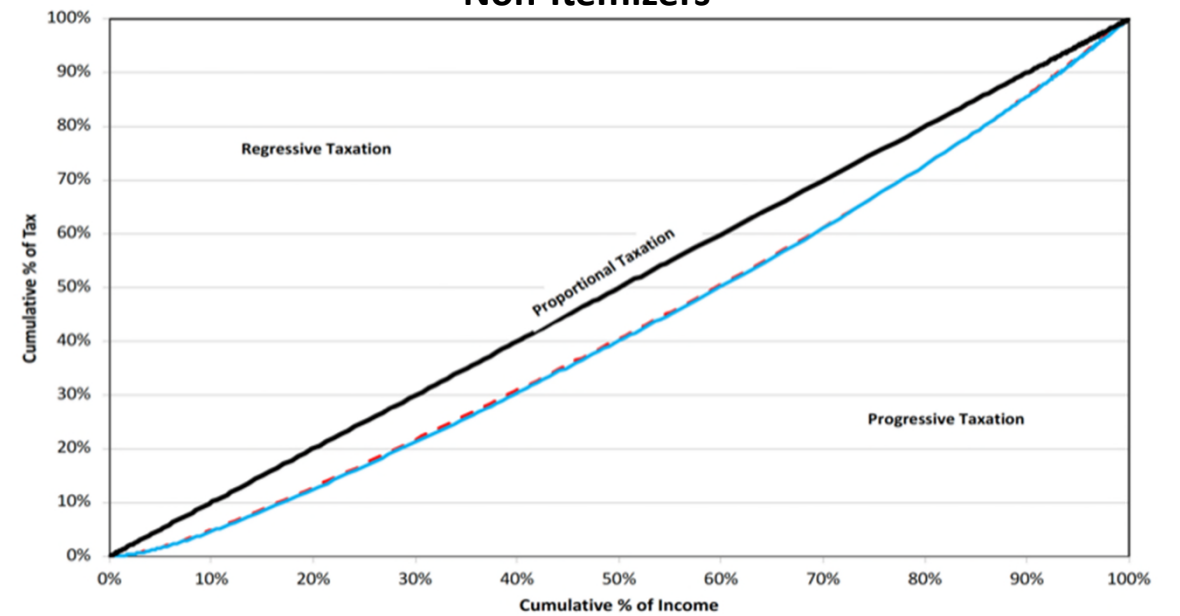
— New Law

- - - Old Law

Itemizers



Non-Itemizers



Tax Year 2022 Corporate Income Tax Reform

Fiscal Note Estimates

Act of 2021 Regular Session	Summary	FY 22	FY 23	FY 24	FY 25	FY 26
396	Corporate Income Tax rate changes and bracket compression; base expansion by eliminating the federal income tax deduction; imposes revenue growth trigger for further corporate franchise tax rate reductions	\$5,300,000	\$26,300,000	\$ 29,200,000	\$ 29,200,000	\$29,200,000

Goal: to increase corporate income tax collections to cover a reduction in the corporate franchise tax rate

Rates on all taxable income except \$150,000-\$200,000 were reduced and the federal tax deduction was eliminated to broaden the base. The net impact was estimated to raise corporate income tax collections slightly, which is why this bill as a standalone was estimated to have a positive impact to the state general fund.

Corporate Income Tax Rates

Taxable Income	Pre-2021 Tax Reform	Post-2021 Tax Reform
\$0-25,000	4%	3.5%
\$25,000-\$50,000	5%	3.5%
\$50,000-\$100,000	6%	5.5%
\$100,000-\$150,000	7%	5.5%
\$150,000-\$200,000	7%	7.5%
\$200,000+	8%	7.5%

Assumptions for the flow of returns:

18% in Year 1 (estimated payments)

72% in Year 2 (returns and extensions)
Aggregate 90%

10% in Year 3
Aggregate 100%

DISTRIBUTION OF STATE CORPORATE INCOME TAX LIABILITY
RETURNS WITH NO S-CORP EXCLUSION *
ALL BUSINESS ENTERPRISES COMBINED
POSITIVE NET INCOME, TAX TABLE LIABILITY BASIS *****
TAX YEAR 2019 TAX RETURNS

Cumu. Return %	La. Net Income		Number Returns	Average Net Income ¹	Curr Effec Tax Rate ²	Curr Law Avg Tax Liability	Prop Law Avg Tax Liability	Income Tax \$ Change	Income Tax % Change	Prop Effec Tax Rate	% Chg Effec Tax Rate	Aggregate Inc Tax Change
40.0%	\$1	\$12,500	10,049	\$3,964	2.9%	\$115	\$111	(\$5)	-4.0%	2.8%	-4.0%	(\$46,556)
52.0%	\$12,501	\$25,000	2,990	\$18,328	3.0%	\$542	\$522	(\$21)	-3.8%	2.8%	-3.8%	(\$61,929)
64.0%	\$25,001	\$50,000	3,024	\$35,918	3.1%	\$1,114	\$1,026	(\$88)	-7.9%	2.9%	-7.9%	(\$266,941)
70.3%	\$50,001	\$75,000	1,563	\$61,631	3.3%	\$2,062	\$1,914	(\$147)	-7.1%	3.1%	-7.1%	(\$230,368)
74.4%	\$75,001	\$100,000	1,034	\$86,613	3.6%	\$3,119	\$2,966	(\$152)	-4.9%	3.4%	-4.9%	(\$157,358)
84.6%	\$100,001	\$250,000	2,561	\$159,260	4.2%	\$6,763	\$6,636	(\$127)	-1.9%	4.2%	-1.9%	(\$324,449)
90.2%	\$250,001	\$500,000	1,387	\$355,006	5.1%	\$18,139	\$18,677	\$538	3.0%	5.3%	3.0%	\$746,279
92.5%	\$500,001	\$750,000	581	\$617,419	5.5%	\$33,729	\$34,895	\$1,166	3.5%	5.7%	3.5%	\$677,418
93.9%	\$750,001	\$1,000,000	348	\$886,074	5.8%	\$51,371	\$52,492	\$1,122	2.2%	5.9%	2.2%	\$390,416
95.0%	\$1,000,001	\$1,250,000	253	\$1,128,594	5.7%	\$64,506	\$66,582	\$2,076	3.2%	5.9%	3.2%	\$525,204
95.6%	\$1,250,001	\$1,500,000	172	\$1,385,971	5.7%	\$79,230	\$82,293	\$3,063	3.9%	5.9%	3.9%	\$526,819
96.6%	\$1,500,001	\$2,000,000	241	\$1,755,883	5.8%	\$102,312	\$107,550	\$5,238	5.1%	6.1%	5.1%	\$1,262,413
98.2%	\$2,000,001	\$4,000,000	390	\$2,780,727	5.8%	\$160,067	\$167,256	\$7,189	4.5%	6.0%	4.5%	\$2,803,769
98.8%	\$4,000,001	\$6,000,000	152	\$4,986,666	5.8%	\$290,188	\$301,473	\$11,285	3.9%	6.0%	3.9%	\$1,715,379
99.1%	\$6,000,001	\$8,000,000	79	\$6,905,632	5.8%	\$399,071	\$407,253	\$8,182	2.1%	5.9%	2.1%	\$646,380
99.3%	\$8,000,001	\$10,000,000	48	\$8,886,723	5.5%	\$488,532	\$509,728	\$21,196	4.3%	5.7%	4.3%	\$1,017,414
100.0%	\$10,000,001 plus		178	\$34,256,235	6.2%	\$2,136,317	\$2,202,587	\$66,270	3.1%	6.4%	3.1%	\$11,795,994
			25,050									\$21,019,884

* The table does not include S-corporation returns where all or a portion of net income was excluded from corporate taxation and passed through to individual income tax returns.

** For state tax purposes, it is typical for large numbers of corporate returns to report zero or negative net income. For the 2019 tax year, there have been over 57,000 such returns.

*** Tax table liability is prior to any credits (nonrefundable or refundable) and rebates, that determine final liability. While final liability incorporates all credits and rebates, they are largely unique to each firm, and are not generally applicable or utilized.

¹ Average net income is the average amount of total income apportioned to La. as reported on the returns included in each net income cohort row.

² Effective tax rate is the income tax liability divided by La net income. It reflects the overall tax imposed, inclusive of the actual taxable income base and the marginal tax rate and bracket structure.

Corporate Income Tax, 2019 Returns
Base Expansion Compared To Rate Reduction

La. Net Income		Base Expansion FIT Deduc % Chg In Taxable Income	% Chg In Marginal Rates	% Chg Effec Tax Rate
\$1	\$12,500	8.7%	-12.5%	-4.0%
\$12,501	\$25,000	9.1%	-12.5%	-3.8%
\$25,001	\$50,000	9.4%	-30.0%	-7.9%
\$50,001	\$75,000	9.9%	-30.0%	-7.1%
\$75,001	\$100,000	9.9%	-8.3%	-4.9%
\$100,001	\$250,000	10.0%	-21.4%	-1.9%
\$250,001	\$500,000	10.0%	-6.3%	3.0%
\$500,001	\$750,000	10.2%	-6.3%	3.5%
\$750,001	\$1,000,000	9.4%	-6.3%	2.2%
\$1,000,001	\$1,250,000	9.4%	-6.3%	3.2%
\$1,250,001	\$1,500,000	10.4%	-6.3%	3.9%
\$1,500,001	\$2,000,000	10.1%	-6.3%	5.1%
\$2,000,001	\$4,000,000	11.1%	-6.3%	4.5%
\$4,000,001	\$6,000,000	11.0%	-6.3%	3.9%
\$6,000,001	\$8,000,000	8.9%	-6.3%	2.1%
\$8,000,001	\$10,000,000	11.3%	-6.3%	4.3%
\$10,000,001 plus		10.0%	-6.3%	3.1%

Tax Year 2022 Corporate Franchise Tax Reform

Fiscal Note Estimates

Act of 2021 Regular Session	Summary	FY 22	FY 23	FY 24	FY 25	FY 26
389	Corporate Franchise Tax permanent elimination of the lower tier and reduction in upper tier rate	(\$7,500,000)	(\$25,200,000)	(\$50,300,000)	(\$55,900,000)	(\$55,900,000)

Goal: to reduce the corporate franchise tax rate

With the permanent elimination of the lower tier and a rate reduction in the upper tier, all entities paying Corporate Franchise Tax will have reduced liabilities.

Entities paying the Corporate Franchise Tax will have a taxable equity capital greater than \$300,000.

The lower tier was suspended through FY 23 and is permanently eliminated with this bill. Thus, only FY 24 and beyond contain the impact of the lower tier elimination.

Estimates based on total collections

Assumptions for the flow of returns:

45% for current tax year

50% for the previous tax year

5% for an earlier tax year

DISTRIBUTION OF STATE CORPORATE FRANCHISE TAX LIABILITY
RETURNS WITH NO S-CORP EXCLUSION *
ALL BUSINESS ENTERPRISES COMBINED
ALL NET INCOMES, TAX TABLE LIABILITY BASIS *****
TAX YEAR 2019 TAX RETURNS

Cumu. Return %	La. Net Income		Number Returns	Avg Taxable Capital ¹	Curr Effec Tax Rate ²	Curr Law Avg Tax Liability	Prop Law Avg Tax Liability	Franchise Tax \$ Change	Franchise Tax % Change	Prop Effec Tax Rate	% Chg Effec Tax Rate	Aggregate Franchise Tax Change
0.88%	Exempt from Corp Inc Tax		652	\$2,886,120	0.270%	\$7,793	\$6,983	(\$810)	-10.4%	0.242%	-10.4%	(\$528,101)
37.7%	Less than \$0		27,442	\$2,430,393	0.279%	\$6,773	\$6,122	(\$651)	-9.6%	0.252%	-9.6%	(\$17,858,196)
68.1%	Equal to \$0		22,632	\$345,689	0.246%	\$852	\$765	(\$87)	-10.2%	0.221%	-10.2%	(\$1,966,518)
81.0%	\$1	\$12,500	9,573	\$171,186	0.144%	\$246	\$176	(\$69)	-28.2%	0.103%	-28.2%	(\$664,237)
84.8%	\$12,501	\$25,000	2,822	\$239,477	0.157%	\$377	\$248	(\$129)	-34.2%	0.104%	-34.2%	(\$363,953)
88.6%	\$25,001	\$50,000	2,845	\$408,987	0.171%	\$700	\$501	(\$199)	-28.5%	0.122%	-28.5%	(\$566,940)
90.6%	\$50,001	\$75,000	1,479	\$620,105	0.179%	\$1,112	\$835	(\$277)	-24.9%	0.135%	-24.9%	(\$409,814)
91.9%	\$75,001	\$100,000	989	\$1,116,482	0.226%	\$2,521	\$2,096	(\$425)	-16.9%	0.188%	-16.9%	(\$420,362)
95.1%	\$100,001	\$250,000	2,383	\$1,600,791	0.259%	\$4,153	\$3,573	(\$580)	-14.0%	0.223%	-14.0%	(\$1,383,070)
96.9%	\$250,001	\$500,000	1,319	\$2,728,794	0.274%	\$7,487	\$6,559	(\$928)	-12.4%	0.240%	-12.4%	(\$1,223,970)
97.6%	\$500,001	\$750,000	552	\$4,820,466	0.285%	\$13,736	\$12,275	(\$1,460)	-10.6%	0.255%	-10.6%	(\$806,020)
98.1%	\$750,001	\$1,000,000	332	\$6,528,392	0.289%	\$18,847	\$16,959	(\$1,888)	-10.0%	0.260%	-10.0%	(\$626,951)
98.4%	\$1,000,001	\$1,250,000	244	\$10,355,697	0.292%	\$30,234	\$27,380	(\$2,855)	-9.4%	0.264%	-9.4%	(\$696,502)
98.6%	\$1,250,001	\$1,500,000	169	\$9,495,904	0.270%	\$25,657	\$23,179	(\$2,478)	-9.7%	0.244%	-9.7%	(\$418,789)
98.9%	\$1,500,001	\$2,000,000	229	\$15,400,064	0.265%	\$40,792	\$37,063	(\$3,729)	-9.1%	0.241%	-9.1%	(\$854,027)
99.4%	\$2,000,001	\$4,000,000	371	\$25,349,783	0.295%	\$74,807	\$68,276	(\$6,531)	-8.7%	0.269%	-8.7%	(\$2,422,904)
99.6%	\$4,000,001	\$6,000,000	144	\$49,673,413	0.295%	\$146,567	\$134,048	(\$12,519)	-8.5%	0.270%	-8.5%	(\$1,802,670)
99.7%	\$6,000,001	\$8,000,000	78	\$49,918,972	0.299%	\$149,386	\$136,617	(\$12,768)	-8.5%	0.274%	-8.5%	(\$995,939)
99.8%	\$8,000,001	\$10,000,000	45	\$57,624,275	0.299%	\$172,493	\$157,770	(\$14,723)	-8.5%	0.274%	-8.5%	(\$662,523)
100.0%	\$10,000,001 plus		169	\$199,916,092	0.298%	\$595,147	\$545,642	(\$49,505)	-8.3%	0.273%	-8.3%	(\$8,366,334)
			74,469									(\$43,037,818)

* The table does not include S-corporation returns where all or a portion of net income was excluded from corporate taxation and passed through to individual income tax returns.

** Firms reporting zero or negative La net income for corporate tax purposes, or are exempt from the corporate income tax entirely, are still subject to the corporate franchise tax and are included in table. Firms exempt from the corporate franchise tax are not included in the table.

*** Tax table liability is prior to any credits (nonrefundable or refundable) and rebates, that determine final liability. While final liability incorporates all credits and rebates, they are largely unique to each firm, and are not generally applicable or utilized.

¹ Average taxable capital is the average amount of total taxable capital apportioned to La. as reported on the returns included in each net income cohort row.

² Effective tax rate is the franchise tax liability divided by La taxable capital. It reflects the overall tax imposed, inclusive of the actual taxable capital base and the marginal tax rate and bracket structure.

Tax Year 2022 Income and Franchise Tax Reform

Enacted Legislation with Estimated Fiscal Impacts

Act of 2021 Regular Session	Summary	FY 22	FY 23	FY 24	FY 25	FY 26
395	Personal Income Tax rate reductions and base expansion by eliminating the federal income tax deduction and the excess itemized (except medical) deduction; imposes a revenue trigger for further personal income tax rate reductions	\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)
134	Constitutional amendment – federal income tax deduction made permissive for both personal and corporate income tax; removes fixed rates and brackets for personal income tax but limits the maximum rate to 4.75%	NA <i>(impact of lowering top personal income tax rate from 6% to 4.75% is included in Act 395 impacts)</i>				
PERSONAL TOTAL		\$1,500,000	\$1,000,000	(\$600,000)	(\$600,000)	(\$600,000)
396	Corporate Income Tax rate changes and bracket compression; base expansion by eliminating the federal income tax deduction; imposes revenue growth trigger for further corporate franchise tax rate reductions	\$5,300,000	\$26,300,000	\$ 29,200,000	\$ 29,200,000	\$29,200,000
389	Corporate Franchise Tax permanent elimination of the lower tier and reduction in upper tier rate	(\$7,500,000)	(\$25,200,000)	(\$50,300,000)	(\$55,900,000)	(\$55,900,000)
CORPORATE TOTAL		(\$2,200,000)	\$1,100,000	(\$21,100,000)	(\$26,700,000)	(\$26,700,000)
NET IMPACT		(\$700,000)	\$2,100,000	(\$21,700,000)	(\$27,300,000)	(\$27,300,000)

DISTRIBUTION OF COMBINED STATE CORPORATE INCOME & FRANCHISE TAX LIABILITY
RETURNS WITH NO S-CORP EXCLUSION *
ALL BUSINESS ENTERPRISES COMBINED
ALL NET INCOMES, TAX TABLE LIABILITY BASIS *****
TAX YEAR 2019 TAX RETURNS

La. Net Income		Number	Average	Average	Aggregate	Average	Average	Aggregate	Combined	Combined
		Returns	Taxable	Income Tax	Income Tax	Taxable	Franchise Tax	Franchise Tax	Avg Tax	Aggregate
			Income ¹	\$ Change	Change	Capital ¹	\$ Change	Change	\$ Change	\$ Change
Exempt from CIT		955	n/a	n/a	n/a	\$2,886,120	(\$810)	(\$528,101)	(\$810)	(\$528,101)
Less than 0		32,945	n/a	n/a	n/a	\$2,430,393	(\$651)	(\$17,858,196)	(\$651)	(\$17,858,196)
Equal to 0		24,649	n/a	n/a	n/a	\$345,689	(\$87)	(\$1,966,518)	(\$87)	(\$1,966,518)
\$1	\$12,500	10,058	\$2,912	(\$5)	(\$46,556)	\$171,186	(\$69)	(\$664,237)	(\$74)	(\$710,793)
\$12,501	\$25,000	2,991	\$13,659	(\$21)	(\$61,929)	\$239,477	(\$129)	(\$363,953)	(\$150)	(\$425,882)
\$25,001	\$50,000	3,030	\$26,809	(\$88)	(\$266,941)	\$408,987	(\$199)	(\$566,940)	(\$288)	(\$833,881)
\$50,001	\$75,000	1,569	\$45,668	(\$147)	(\$230,368)	\$620,105	(\$277)	(\$409,814)	(\$424)	(\$640,182)
\$75,001	\$100,000	1,037	\$63,778	(\$152)	(\$157,358)	\$1,116,482	(\$425)	(\$420,362)	(\$577)	(\$577,720)
\$100,001	\$250,000	2,570	\$120,598	(\$127)	(\$324,449)	\$1,600,791	(\$580)	(\$1,383,070)	(\$707)	(\$1,707,519)
\$250,001	\$500,000	1,396	\$273,387	\$538	\$746,279	\$2,728,794	(\$928)	(\$1,223,970)	(\$390)	(\$477,691)
\$500,001	\$750,000	589	\$473,301	\$1,166	\$677,418	\$4,820,466	(\$1,460)	(\$806,020)	(\$294)	(\$128,602)
\$750,001	\$1,000,000	355	\$695,444	\$1,122	\$390,416	\$6,528,392	(\$1,888)	(\$626,951)	(\$767)	(\$236,535)
\$1,000,001	\$1,250,000	255	\$863,664	\$2,076	\$525,204	\$10,355,697	(\$2,855)	(\$696,502)	(\$779)	(\$171,298)
\$1,250,001	\$1,500,000	174	\$1,047,997	\$3,063	\$526,819	\$9,495,904	(\$2,478)	(\$418,789)	\$585	\$108,030
\$1,500,001	\$2,000,000	243	\$1,356,027	\$5,238	\$1,262,413	\$15,400,064	(\$3,729)	(\$854,027)	\$1,509	\$408,387
\$2,000,001	\$4,000,000	392	\$2,062,622	\$7,189	\$2,803,769	\$25,349,783	(\$6,531)	(\$2,422,904)	\$658	\$380,865
\$4,000,001	\$6,000,000	153	\$3,681,567	\$11,285	\$1,715,379	\$49,673,413	(\$12,519)	(\$1,802,670)	(\$1,233)	(\$87,291)
\$6,000,001	\$8,000,000	79	\$5,035,267	\$8,182	\$646,380	\$49,918,972	(\$12,768)	(\$995,939)	(\$4,586)	(\$349,559)
\$8,000,001	\$10,000,000	48	\$6,153,521	\$21,196	\$1,017,414	\$57,624,275	(\$14,723)	(\$662,523)	\$6,473	\$354,891
\$10,000,001 plus		178	\$26,750,837	\$66,270	\$11,795,994	\$199,916,092	(\$49,505)	(\$8,366,334)	\$16,765	\$3,429,660
		83,666			\$21,019,884			(\$43,037,818)		(\$22,017,934)

* The table does not include S-corporation returns where all or a portion of net income was excluded from corporate taxation and passed through to individual income tax returns.

** For state tax purposes, It is typical for large numbers of corporate returns to report zero or negative net income.

*** Tax table liability is prior to any credits (nonrefundable or refundable) and rebates, that determine final liability. While final liability incorporates all credits and rebates, they are largely unique to each firm, and are not generally applicable or utilized.

¹ Average taxable income and capital are the reported tax table tax bases on the returns included in each net income cohort row under current law, prior to the effect the proposed tax changes.