



COST National SALT Trends

Louisiana State Legislature State Tax Structure Subcommittee of the House Ways and Means Committee

January 31, 2023

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Introduction to COST





About COST

The Council On State Taxation (COST) is the premier state tax organization representing taxpayers. COST is a nonprofit trade association consisting of over 500 multistate corporations engaged in interstate and international business.

COST's objective is to preserve and promote equitable and nondiscriminatory state and local taxation of multijurisdictional business entities.

COST was formed in 1969 by a handful of companies under the aegis of the Council of State Chambers of Commerce, an organization with which COST is still associated. That auspicious formation of COST was precipitated by the need of corporate taxpayers to be represented by a united voice on state tax issues - to counterbalance a number of organizations of state tax authorities. Over fifty years later, COST is more successful than ever as a result of the hard work of its nationally respected professional staff and the significant contributions of its Board of Directors and member companies.



COST Scorecards

COST's goal is to work with state tax policy makers (legislative and executive branches) to improve tax administration through sound tax policy. Objective standards (laws & regulations), not subjective opinions of tax administrators, used.

- The Best and Worst of State Tax Administration, December 2019
- The Best (and Worst) of International Property Tax Systems, June 2019
- The Best and Worst of State Sales Tax Systems, December 2022
- The Best and Worst of State Unclaimed Property Laws, 2013



Administrative Scorecard – Louisiana – D*

Kudos!

- Automatic* extension to file corporate income tax returns
- 25-Day* Safe Harbor for Nonresident Employees and Their Employers
- Reporting of Federal Adjustments
- Even-Handed Interest Rates
- Independent Tax Tribunal

Areas Where LA May Not Favorably Compare

- Participation in Federal Treasury Offset Program's State Reciprocal Program
- Local Contingent-Fee Audits



Sales Tax Scorecard – Louisiana – F

Kudos!

- Efforts toward centralized sales tax administration
- False Claims Act limited to Medicaid-related claims (does not include tax claims)
- Class action suits not allowed unless admin. remedies exhausted

Areas Where LA May Not Favorably Compare

- Centralized sales tax administration
- Business-to-Business transactions (est. 41% of tax base)
- Consider joining Streamlined Sales and Use Tax Agreement (SSUTA)
- At a minimum, participate as a “SSUTA Light” state – including liability relief for relying on LA DOR information
- Exemption Certificates – “good faith” requirement, use of MTC and SSUTA forms

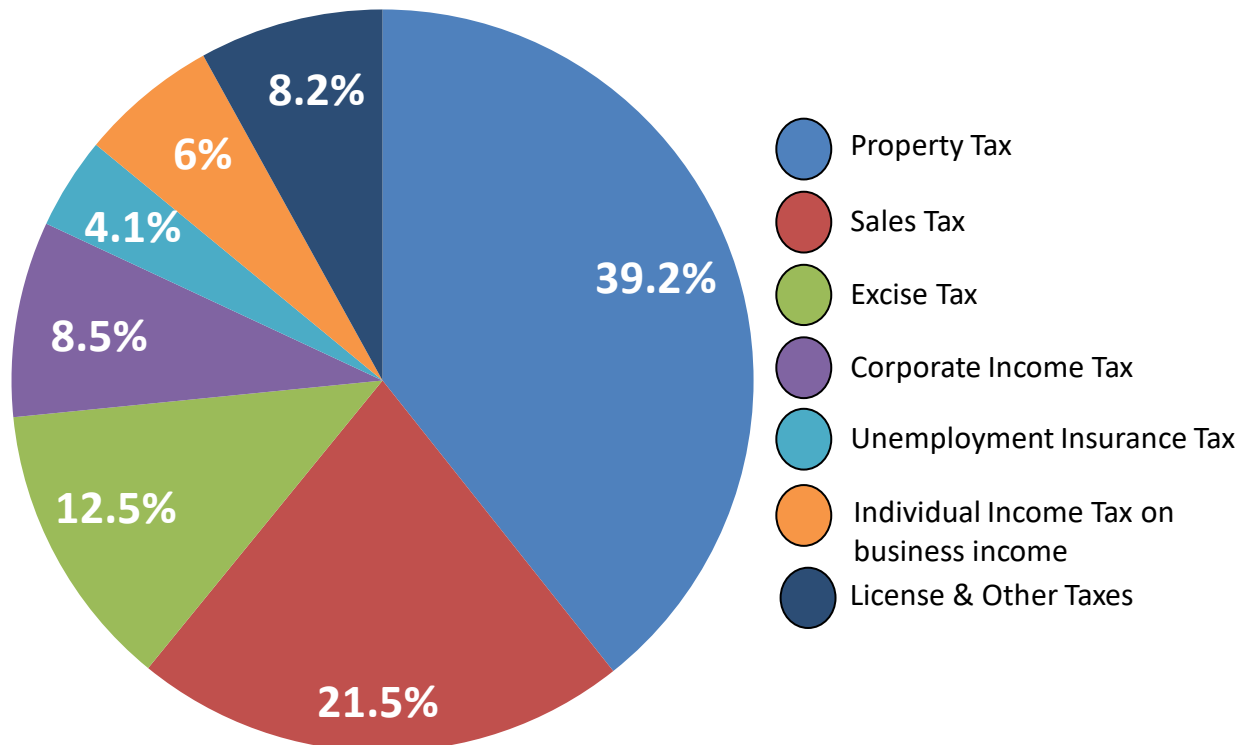


State Business Tax Burdens



FY 2020 State and Local Business Tax Burden Study

State and Local Business Taxes by Type, FY20 - US



How Much Do Businesses Pay?

- Businesses paid more than \$839 Billion in U.S. state and local taxes in FY20, an increase of 0.5% from FY19
- State business taxes decreased by 1.9% and local business taxes grew by 3.1%
- In FY20, business tax revenue accounted for 44.3% of all state and local tax revenue
- Remarkably, the business share of SALT nationally has been within approximately **1% of 44% since FY03**

Source: Total State and Local Business Taxes: State-by-State Estimates for Fiscal Year 2020 (October 2021). Available at www.cost.org.



THANK YOU!

Questions?

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