

2016 Regular Session

HOUSE BILL NO. 1120

BY REPRESENTATIVE SCHRODER

TAX/TAXATION: Creates the Louisiana Tax Institute within the Dept. of Revenue as an advisory body on tax related matters

1 AN ACT

2 To enact R.S. 47:1525, relative to the Department of Revenue; to provide for the review and
3 revision of the tax laws of the state; to establish the Louisiana Tax Institute; to
4 provide for the membership, terms, powers, and duties of the Institute; to authorize
5 the Institute to assist in the reform and continuous revision of the state's tax laws and
6 policies; to provide for the submission of certain reports and recommendations; to
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:1525 is hereby enacted to read as follows:

10 §1525. Louisiana Tax Institute; membership, terms, and duties and powers

11 A. There is hereby established within the Department of Revenue the
12 Louisiana Tax Institute, hereinafter referred to as "Institute" which shall be a public
13 body and shall serve as the official advisory tax law revision and tax law reform
14 agency of the state of Louisiana.

15 B.(1) The Institute shall be governed by a board of eight members which
16 shall include:

17 (a) The secretary of the Department of Revenue, or his designee.

18 (b) A member of the governor's executive staff appointed by the governor,
19 or his designee.

1 (c) A member from the Louisiana Society of Certified Public Accountants
2 appointed by the chairman of the Board of the Louisiana Society of Certified Public
3 Accountants from a list of three names submitted by the organization.

4 (d) One member representing the Taxation Section of the Louisiana State
5 Bar Association appointed by the president of the Louisiana State Bar Association
6 from a list of nominees submitted by the officers of the Taxation Section of the bar.

7 (e) One member from the Paul M. Hebert Law Center on the campus of
8 Louisiana State University appointed by the dean of the law center after consultation
9 with the dean of the Louisiana State University E.J. Ourso College of Business. This
10 member of the board shall be a professor who teaches classes on tax law.

11 (f) One member from the Tulane University Law School appointed by the
12 dean of the law school after consultation with the dean of the Tulane University A.B.
13 Freeman School of Business. This member of the board shall be a professor who
14 teaches classes on tax law.

15 (g) One member from the Southern University Law Center appointed by the
16 chancellor of the law school after consultation with the dean of the Southern
17 University College of Business. This member of the board shall be a professor who
18 teaches classes on tax law.

19 (h) One member from the Loyola University College of Law appointed by
20 the dean of the law school after consultation with the dean of the Loyola University
21 New Orleans Joseph A. Butt, S.J. College of Business. This member of the board
22 shall be a professor who teaches classes on tax law.

23 (2)(a) Except for the secretary of the Department of Revenue and the
24 governor's designee, all members of the board shall serve three-year terms, except
25 for initial terms which shall be determined by lot at the first meeting of the board as
26 follows:

27 (i) Two members shall serve until July 1, 2018.

28 (ii) Two members shall serve until July 1, 2019.

29 (iii) Two members shall serve until July 1, 2020.

1 **(b) The secretary of the Department of Revenue and the governor's designee**
2 **shall serve during the duration of their appointment to those positions by the**
3 **governor.**

4 **(3) Vacancies in the membership on the board created by death, resignation,**
5 **or other than by the expiration of the terms of office of the memberships as defined**
6 **in Subparagraph (2)(a) of this Subsection shall be filled using the procedure for**
7 **initial appointments.**

8 **(4) Each board member shall serve without compensation from the Institute;**
9 **however, members may receive per diem or other reimbursement for travel expenses**
10 **in accordance with the guidelines of the entity they represent.**

11 **C. The Louisiana Tax Institute is formed to promote and encourage the**
12 **clarification and simplification of the tax laws of Louisiana and its political**
13 **subdivisions. To accomplish these goals, the Institute shall:**

14 **(1) Consider needed improvements in both substantive and procedural tax**
15 **law and make recommendations in accordance with its findings to the legislature.**

16 **(2) Examine and study existing laws of Louisiana to discover defects and**
17 **inequities in the tax laws and make recommendations to address such issues.**

18 **(3) Cooperate with the Multi-State Tax Commission, the Federation of Tax**
19 **Administrators, the Louisiana Bar Association, the Society of Louisiana Certified**
20 **Public Accountants, and other organizations to receive, consider, and propose**
21 **changes to the tax laws as recommended by these bodies.**

22 **(4) Receive and consider suggestions based on decisions of the Louisiana**
23 **Board of Tax Appeals, the Louisiana Supreme Court and other Louisiana courts, and**
24 **the public generally, as to needed changes to existing tax law.**

25 **(5) Recommend changes in the tax law as needed to modify, conform, and**
26 **eliminate inequities and to bring the tax law of Louisiana into harmony with other**
27 **jurisdictions.**

28 **(6) Render reports, as needed, to the legislature, and if it deems advisable,**
29 **to accompany its reports with proposed bills to carry out any of its recommendations.**

1 (7) Recommend the repeal of obsolete provisions in the tax laws.

2 (8) Organize and conduct meetings and seminars for the discussion of
3 current problems in Louisiana tax laws.

4 (9) Review proposed and pending legislation and make recommendations
5 thereon.

6 (10) Consider suggestions from, and work collaboratively with, the executive
7 directors of the Louisiana Municipal Association, the Louisiana Police Jury
8 Association, the Louisiana Sheriffs Association, the Louisiana School Board
9 Association, the Louisiana District Attorneys Association, and the Louisiana
10 Association of Tax Administrators when addressing policy issues concerning parish
11 and local government tax issues.

12 D. Any recommendation or report of the Institute shall require the approval
13 of three-quarters of the members of the board.

14 E. The Institute, in submitting reports to the legislature, shall act solely in an
15 advisory capacity. Its reports, studies, and recommended publications shall be
16 printed and shall be distributed through the secretary of state in the same manner as
17 acts of the legislature.

18 Section 2. This Act shall become effective upon signature by the governor or, if not
19 signed by the governor, upon expiration of the time for bills to become law without signature
20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
22 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1120 Reengrossed

2016 Regular Session

Schroder

Abstract: Establishes the Louisiana Tax Institute within the Dept. of Revenue as the official advisory tax law revision and tax law reform agency of the state.

Proposed law establishes the Louisiana Tax Institute, hereinafter "Institute" within the Dept. of Revenue as the official advisory tax law revision and tax law reform agency of the state.

The Institute shall be governed by a board of eight members as follows:

- (1) The secretary of the Dept. of Revenue, or his designee.
- (2) A member of the governor's executive staff appointed by the governor.
- (3) A member from the La. Society of Certified Public Accountants (CPAs) appointed by the chairman of the Board of the La. Society of CPAs from a list of three names submitted by the organization.
- (4) One member representing the Taxation Section of the La. State Bar Association (LSBA) appointed by the president of the LSBA from a list of nominees submitted by the Taxation Section of the bar.
- (5) One member from the LSU Law Center appointed by the chancellor of the law center.
- (6) One member from the Tulane Law School appointed by the dean of the law school.
- (7) One member from the Southern University Law Center appointed by the chancellor of the law school.
- (8) One member from the Loyola College of Law appointed by the dean of the law school.

Proposed law requires that the members appointed from the law schools be a professor who teaches classes on tax law at the respective law school.

Proposed law provides for the terms of the members of the board, including the staggering of the initial terms and the filling of vacancies. Further provides that members of the board shall serve without compensation; however, members may receive reimbursement for travel expenses in accordance with the guidelines of the entity they represent.

Proposed law provides that the purpose of the Institute is to promote and encourage the clarification and simplification of the state's tax laws and its political subdivisions. To accomplish these goals, the institute is required to:

- (1) Consider needed improvements in both substantive and procedural tax law and make recommendations concerning this to the legislature.
- (2) Examine and study existing state laws to discover defects and inequities in the tax laws and make recommendations concerning these laws.
- (3) Cooperate with the professional organizations to receive, consider, and propose changes to the tax laws as recommended by these bodies.
- (4) Receive and consider suggestions based on decisions of the La. Board of Tax Appeals, other state courts, and the public generally, as to needed changes to existing tax law.
- (5) Recommend changes in the tax law as needed to modify, conform, and eliminate inequities and to bring the state's tax law into harmony with other jurisdictions.
- (6) Render reports, as needed, to the legislature, and if it deems advisable, to accompany its reports with proposed bills to carry out any of its recommendations.
- (7) Recommend the repeal of obsolete provisions in the tax laws.

- (8) Organize and conduct meetings and seminars for the discussion of current problems in La. tax laws.
- (9) Review proposed and pending legislation and make recommendations.

Proposed law requires that any recommendation or report of the Institute shall require the approval of three-quarters of the members of the board.

Proposed law requires the Institute, in submitting reports to the legislature, to act solely in an advisory capacity. Its reports, studies, and recommended publications shall be printed and distributed through the secretary of state in the same manner as acts of the legislature.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:1525)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

- 1. Add requirement that any recommendation or report of the Institute shall require the approval of three-quarters of the members of the board.