2022 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 72

BY REPRESENTATIVE ROMERO

TAX/TAXATION: Urges and Requests the chairmen of the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to establish a joint subcommittee to study state tax incentives and rebates

1 A CONCURRENT RESOLUTION 2 To urge and request the chairman of the House Committee on Ways and Means and the 3 chairman of the Senate Committee on Revenue and Fiscal Affairs to establish a joint 4 subcommittee composed of three members of each respective committee to review 5 laws with respect to Louisiana's exemptions, deductions, exclusions, credits, rebates, 6 and other tax preference expenditures, identify the low-performing or antiquated tax 7 preference expenditures, and make recommendations for the temporary or permanent 8 reduction or elimination of such low-performing or antiquated tax preference 9 expenditures and to report its findings and recommendations prior to the Regular 10 Session commencing in 2023. 11 WHEREAS, Louisiana's present revenue raising system includes a myriad of tax 12 preference expenditures such as deductions, exclusions, exemptions, suspensions, credits, 13 refunds, rebates, and preferential tax calculation methods; and 14 WHEREAS, the state's existing tax preference expenditures, combined with rebate 15 programs which provide reimbursement for expenditures unconnected with the existence of 16 any tax liability, have a corresponding but unknown impact on the state budget; and 17 WHEREAS, a tenant of sound tax policy is to provide for a broad tax base in 18 exchange for lowering tax rates; and 19 WHEREAS, according to estimates included in the Fiscal Year 2020-2021 Tax 20 Exemption Budget as published by the Department of Revenue, in Fiscal Year 2019-2020,

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the state actually collected approximately eight billion seven hundred eighty million dollars in revenue from the state's individual and corporate income tax, sales tax, corporation franchise tax, severance tax, petroleum products taxes, and other tax categories and granted approximately six and one-half billion dollars in tax preferences in the form of exemptions, deductions, exclusions, credits, refunds, and rebates; and

- 6 WHEREAS, individuals and businesses in this state seek equity in Louisiana's laws
 7 concerning revenue measures and budgetary priorities; and
- 8 WHEREAS, a current review of state revenue derived from individuals and 9 corporations could assist in determining revenue equity and budgetary priorities.

10 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby 11 urge and request the chairman of the House Committee on Ways and Means and the 12 chairman of the Senate Committee on Revenue and Fiscal Affairs to establish a joint 13 subcommittee composed of three members of each respective committee to do the following: 14 (1) Determine one or more generally accepted, effective economic models to be used

15 to determine the economic impact of a tax preference expenditure.

16 (2) Use the economic model or models to establish criteria for the identification of 17 low-performing or antiquated tax preference expenditures, based on the cost of the tax 18 preference expenditure compared to the revenue gained by the state, the revenue gained by 19 local governments, and the overall economic impact of the tax preference expenditure in 20 terms of the number of jobs created by recipients of the tax preference expenditure and direct 21 economic activity through the economy.

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

(4) Recommend the temporary or permanent reduction or elimination of theidentified low-performing or antiquated tax expenditures.

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 Concurrent Resolution.

BE IT FURTHER RESOLVED that the joint subcommittee shall convene no later
 than August 1, 2022, and report findings and recommendations to the chairman of the House

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- 1 Committee on Ways and Means, the chairman of the Senate Committee on Revenue and
- 2 Fiscal Affairs, the speaker of the House of Representatives, and the president of the Senate
- 3 no later than February 1, 2023.
- 4 BE IT FURTHER RESOLVED that the chairman of the House Committee on Ways
- 5 and Means shall call the first meeting of the joint subcommittee, and, at such meeting, the
- 6 members of the joint subcommittee shall select a member of the joint subcommittee to serve
- 7 as its chairman and shall select any other officers deemed necessary by the joint
- 8 subcommittee.

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)]

HCR 72 Engrossed

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Romero

Requests the chairman of the House Committee on Ways and Means and the chairman of the Senate Committee on Revenue and Fiscal Affairs to establish a joint subcommittee composed of three members of each respective committee to review laws with respect to La.'s exemptions, deductions, exclusions, credits, rebates, and other tax preference expenditures, identify the low-performing or antiquated tax preference expenditures, and make recommendations for the temporary or permanent reduction or elimination of such low-performing or antiquated tax preference expenditures, and recommendations prior to the 2023 R.S.