

# 2016 2<sup>nd</sup> Special Session Wrap

- ▶ Session Basics
- ▶ Budget Timeline
- ▶ Prepping for Session
- ▶ What to look for in 2017



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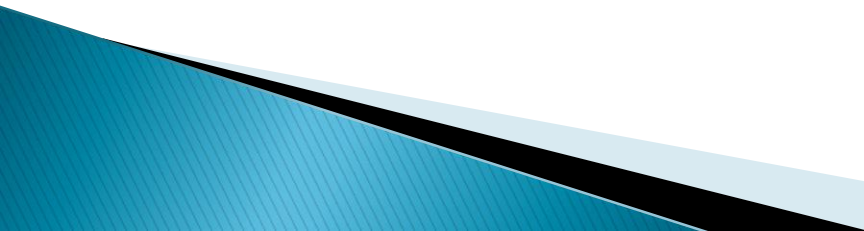
# LA Legislative Session Basics

## *Subject Matter*

- ▶ Even Numbered Years: Non-Fiscal Session
  - No bills imposing a tax can be introduced
- ▶ Odd Numbered Years: Fiscal Session Only Session
  - Five non-fiscal bills allowed per member

# LA Legislative Session Basics

## *Timelines: State Budget (HB1)*

- ▶ Agencies Submit Budget Recs. Nov 15
    - (advocates should reach out b/w July and October)
  - ▶ Gov puts Exec Budget Together Mid Nov – Feb
  - ▶ Executive Budget Released 45 Days Before Session Begins
  - ▶ Approps. Comm. Meets 2 Weeks Before Session Begins and Continues Throughout.
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# LA Legislative Session Basics

## *Timelines: Bill Introduction*

- ▶ Legislators May Prefile Unlimited # of Bills Until the Filing Deadline.
- ▶ Deadline for prefiling is 5pm on the 10<sup>th</sup> Calendar Day Before the Session.
  - After the deadline, they can only file 5 additional bills.
- ▶ Constitutional Amendments must be prefiled 10 Full Days Before start of Session

# \$1.3 billion going away

- ▶ increased levies on tobacco and alcohol, and changes to the inventory tax credit and corporate franchise tax – the biggest changes are temporary.
  - So....we need real reform

# Temporary Budget Fix

STATE GENERAL FUND REVENUE RAISED IN 2015 AND 2016 SESSIONS  
WILL PLUMMET BY THE 2018-19 FISCAL YEAR



\*Data source: Louisiana Legislative Fiscal Office, LBP Graphics

# Income Tax Reform

Louisianans pay some of the lowest per-capita income taxes in the nation, thanks in large part to generous deductions that mostly benefit the wealthiest households and are not found in most other states.

Source: The Tax Foundation



# Federal Income Tax Deduction

- ▶ \$968 million in uncollected income-tax revenue in 2015
  - More than one-third of that (36 percent) goes to the richest 1 percent of tax filers
  - More than half (57 percent) goes to the top 5 percent.
  - 1 percent of the benefits go to the bottom 40 percent of households – those earning less than \$37,000 per year.



# State Income Tax Deduction

- ▶ **\$88 million per year:**
  - Louisiana allows taxpayers to deduct the state income taxes they've paid on their following year's state tax return – a tax break mainly benefits high-earning households

# 2017 Session – Elevator Speech

- ▶ Louisiana is one of only three states that allow full deductibility of federal income taxes, and one of four states that permit the state deduction. Reforming Louisiana's broken tax structure should start by eliminating these outdated tax breaks.
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