

Bills to cut business taxes, expand tax breaks start moving through Legislature

BY SAM KARLIN | STAFF WRITER PUBLISHED JUN 9, 2020

Lawmakers on Tuesday started advancing a slate of proposals crafted by a task force of business executives that would suspend taxes for firms, make it easier for them to win tax breaks from local governments and fulfill other longstanding goals of business groups.

Most of the legislation was crafted by a group of 60 business owners, lobbyists and others that came together to set much of the agenda for the special session on behalf of Senate President Page Cortez, R-Lafayette, and House Speaker Clay Schexnayder, R-Gonzales.

The House Ways and Means Committee approved several bills Tuesday. They include measures to suspend the franchise tax on small businesses, allow local governments to negotiate deals with businesses on property tax breaks and expand eligibility for incentive programs, among others.

Republican legislative leaders have said they want to provide relief to the state's businesses to recover from the coronavirus pandemic, after the economy was roiled by a historic number of business closures and a cratering price of oil. They argue that while the measures cut the amount of tax revenue to the state, that revenue will fall if businesses close en masse.

"We've got to stand these businesses back up," said Jason DeCuir, a tax lobbyist and chairman of the Louisiana Economic Recovery Task Force, the panel created by Schexnayder and Cortez.

Opponents, like the advocacy network **Together Louisiana** argued many of the efforts are rife with giveaways for corporations, without addressing the needs for workers. The Louisiana Budget Project has argued the bills would cut revenue for services as the state faces a precarious financial position, with sliding oil prices and taxes causing a \$1 billion reduction in collections.

"I think at this point it seems the committee has allowed the business community to control both the committee and the Legislature," said Lady Carlson, of Together Louisiana. "You're not listening to hurting families in this."



*The House chamber as the Louisiana Legislature convened at 11 am for a short time to move bills on legal calendar and to introduce contingency measures for budget and capital outlay Tuesday March 31, 2020, in Baton Rouge, La. Everyone was sitting with a space between them and keeping the social distance guidelines.
Staff Photo by Bill Feig*

Several of the bills passed out on a party line vote, with Republicans voting for the measures and Democrats against. Decuir ushered the bills through, accompanying all the sponsors and answering questions at the table.

It is not clear what financial impact the legislation, taken collectively, would have on state and local governments. Republicans argue the measures would boost tax revenues because of greater economic activity. But the bills could lead to tens or hundreds of millions of dollars in tax benefits for companies, at the state and local level.

House Bill 13, by Rep. Mark Wright, R-Covington, and House Bill 19, by Rep. Thomas Pressly IV, R-Shreveport, would expand the incentive programs Enterprise Zone and Quality Jobs, respectively, to include retailers, restaurants and hotels, which would give several million dollars to businesses.

House Bill 17, by Ways and Means Chair Stuart Bishop, R-Lafayette, would suspend franchise taxes for small businesses, costing \$9.8 million to the state in the upcoming fiscal year and nearly \$41 million over five years. It is similar to a measure passed in the form of a resolution during the regular session that ended June 1, but DeCuir said leaders are worried that could run into constitutional issues.

House Bills 23 and 28 by Rep. Stephen Dwight, R-Lake Charles, would set up a program to let local governments dole out property tax breaks through Payment in Lieu of Taxes, or PILOT, programs. That would let certain parishes give tax exemptions to businesses outside the Industrial Tax Exemption Program, the state's largest incentive program, which Gov. John Bel Edwards overhauled to make it less lucrative.

Another bill, House Bill 36, would amend the constitution to provide an alternative to ITEP. The legislation, brought by Rep. Barry Ivey, R-Central, would set up three types of exemption programs for businesses, which could prove more lucrative than the current ITEP.