

VOTE YES  ON #1 & #2

## YOUR OPPORTUNITY IN NOVEMBER:

MORE JOBS, LOWER TAX RATES IN LOUISIANA

Louisiana's business tax climate ranks among the **worst in the nation**. Not just because our tax rates are high, but because our tangled tax code is too complicated. That ties down our home-grown businesses and stifles new job opportunities. A pair of tax reform measures on the November 13th ballot could change that, enacting constitutional amendments to finally **simplify our system**, meaning **lower tax rates and more jobs in Louisiana**.<sup>1</sup> But it's up to you! Read more about your November Opportunity below.

### CONSTITUTIONAL AMENDMENT #1:

#### STREAMLINE LOCAL SALES TAX COLLECTION

Louisiana ranks **49th out of 50 states** in terms of how we collect sales taxes. That's because where almost every other state has just one, we have 54 local tax collectors for our 64 parishes, and among them are more than **100 different local tax rates**. In-state businesses required to charge local sales tax have to remit to these collectors separately, while out-of-state retailers like Wayfair have one simple portal. The current system is archaic and cumbersome, and puts our home-grown businesses at a disadvantage.

Constitutional Amendment #1 would eliminate this cumbersome system and put our local businesses on equal footing with out-of-state competitors by creating **a single commission** made up of an equal mix of local and state government stakeholders, people representing:

- Louisiana Sheriff's Association
- Louisiana School Board Association
- Louisiana Policy Jury Association
- Local Municipal Association
- Louisiana Governor
- Louisiana Department of Revenue
- State Senate President
- Speaker of the House of Representatives

This commission will have the authority to streamline electronic filing, remittance and collection of sales taxes in an efficient manner, ensuring **accuracy, transparency and accountability** to both those paying local sales tax and the local governments who will receive the funds.

The **streamlined solution** is the product of months of collaboration between local sales tax collectors, business leaders and state policy experts, and was overwhelmingly passed by the State Legislature.

**VOTE YES ON CONSTITUTIONAL AMENDMENT #1  
TO STREAMLINE LOCAL SALES TAX COLLECTIONS.**

<sup>1</sup>"Here's How Louisiana's Tax Plan Would Simplify the Tax Code and Benefit Residents," Janelle Cammenga, [www.TaxFoundation.org/louisiana-tax-plan-details/](http://www.TaxFoundation.org/louisiana-tax-plan-details/)

**ELECTION DAY IS NOVEMBER 13<sup>TH</sup>**

TO LEARN MORE, PLEASE VISIT: [UNTANGLEMYTAXES.ORG](http://UNTANGLEMYTAXES.ORG)

# VOTE YES ON #1 & #2

## CONSTITUTIONAL AMENDMENT #2: SIMPLIFY OUR TAX CODE

When economic developers work to recruit businesses to Louisiana, the most difficult sticking point in negotiations is our **complex tax code**. It's a burden to business, and that means fewer jobs and less economic opportunity for Louisiana families. What's more, one specific deduction – the "FIT," or Federal Income Tax deduction, throws uncertainty and unpredictability into our state budget process. If Congress lowers taxes, state revenue goes up. If Congress raises taxes, state revenue goes down – that leaves funding for vital state services like health care in jeopardy.

Constitutional Amendment #2, or Tax Simplification, would lower tax rates in exchange for removing the FIT from the State Constitution, and if passed by voters, this amendment triggers a trio of companion bills into effect that together create a **simpler system with lower rates**, helping Louisiana to recruit **more jobs** here. Specifically, the amendment and accompanying bills:

- **Cap personal income tax** at 4.75% - that would be the lowest in the South and fourth lowest in the country (amendment)
- **Remove current individual income tax brackets** from the State Constitution, allowing the Legislature to lower rates (amendment)
- **Remove the FIT requirement** from Louisiana's Constitution (amendment)
- **Lower rates** in the 3 brackets for personal income tax, lowering the highest from 6% to 4.25% (HB 278)
- **Collapses corporate tax brackets from 5 to 3**, capping the highest at 7.5% (HB 292)
- **Eliminate the Corporate Franchise Tax** on the first \$300,000 of taxable capital, lowers the tax from \$3 to \$2.75 per thousand on capital greater than \$300,000 (SB 161)

In an analysis of the plan, the Washington DC-based Tax Foundation predicted that **these tax reform measures will finally move Louisiana out of the bottom ten states** in business tax climate rankings. In terms of how individuals will be affected, the Tax Foundation created the following chart:



### HOW WILL THE 2021 TAX CHANGES AFFECT YOU?

	Jim	Kelly	Frank	Angela	Meredith & Jack
Adjusted Gross Income	\$20,000	\$40,000	\$49,469	\$80,000	\$100,000
Marital Status	Single	Single	Single	Single	Married
Earners	1 Earner	1 Earner	1 Earner	1 Earner	2 Earners
Children	0	1	0	0	0
Filing Status	Single	Single	Single	Single	Married Filing Joint
Current Liability	\$340.20	\$1004.76	\$1,379.51	\$2,644.75	\$2,716.40
Proposed Liability	\$336.25	\$1004.25	\$1,136.42	\$2,177.53	\$2,702.50
% Tax Liability Change	-1.16	-0.35	-17.62	-17.67	-0.51
Savings	\$3.95	\$3.51	\$243.09	\$467.22	\$13.90

\* Data from the Tax Foundation

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TO SIMPLIFY OUR TAX CODE.**

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