

LOUISIANA

ECONOMIC RECOVERY

TASKFORCE



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Louisiana Economic Recovery Task Force

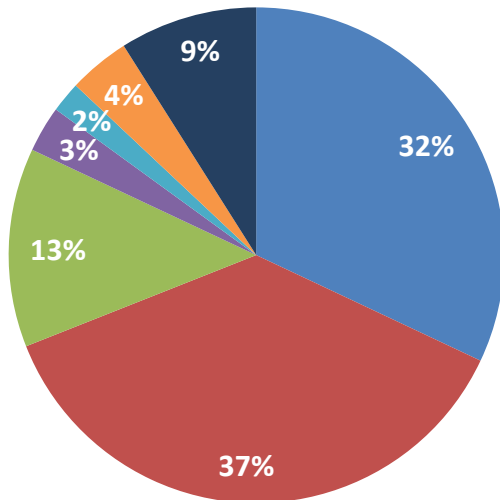
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Douglas L. Lindholm
President & Executive Director
dlindholm@cost.org

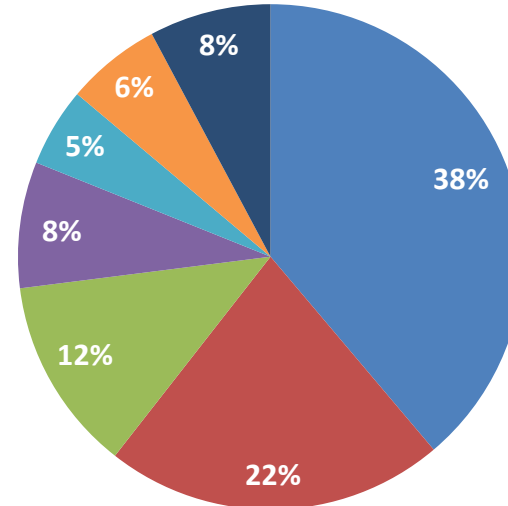
Louisiana's Business Tax Burden

Composition of State and Local *Business* Taxes by Type, FY 2018

Louisiana



United States



- Property Taxes ■ Sales Taxes on Business Inputs ■ Excise Taxes
- Corporate Income Taxes ■ Unemployment Insurance Tax
- Individual Income Tax on Pass-Thru Income ■ License and Other Taxes



Immediate Recommendations



COVID-19 Pandemic Relief for Taxpayers:

- Extend filing & payment deadlines
- Waive interest & penalties for late payment/filing
- Eliminate manual processes for compliance
 - Paper returns / paper checks
 - Wet signatures
 - Certified mail
 - Notary requirements
- Option to continue withholding at employee's prior work location
- Safe harbor from nexus created by teleworkers
- Exempt from sales/use tax donated products (e.g., PPE)



Mid-Term Recommendations



Conform to CARES Act federal tax relief:

- Allow net operating loss carrybacks; no cap
- Raise limit on interest deductibility
- Faster depreciation of qualified improvement property

Ease administrative issues for large companies

- Equalize interest rates
- Define “final determination”
- Adequate time to appeal assessments
- Safeguards for Treasury Offset participation
- Eliminate 3d party contingent fee audits
- Allow automatic state extension to file



Long-Term Recommendations



Avoid taxes that create a disincentive to locate in the state

- Phase out the franchise tax
- Avoid mandatory unitary combined reporting

Ease compliance processes for large companies

- Move toward centralized and modernized sales taxes
- Move toward a more uniform streamlined sales tax
- Avoid burdensome 3d party transfer pricing audits
- Provide 30-day safe harbor for withholding on nonresident employees

Upcoming Task Force Meeting Dates



- Task Force Meetings—Thursdays, 8:30 am
- Work Group Meetings—
Mondays and/or Tuesdays (TBD by Chair of
Work Groups)

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