



3. Supporting Diverse Industries Across the Louisiana Economy to Grow and Prosper

Phase III Recommendations

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Top Priorities for Phase III

- Legal reform
- Systemic Tax Structure Simplification
- Pension Reform
- Programs Incentivizing Investment

Top Priorities for Phase III: Legal Reform

What:

Enact legal reform measures that discourage frivolous lawsuits and lead to lower costs

Why:

- Louisiana auto insurance rates among highest in nation, hurting Louisiana families
- Businesses suffering from high costs & frivolous lawsuits

How:

- Align Louisiana's legal system with that of other states (e.g. lower jury trial threshold, reform direct action)

Top Priorities for Phase III: Systemic Tax Structure Simplification

What:

Simplify tax system to make it fair and competitive

Why:

- Enhances ease of doing business
- Results in more revenue

Top Priorities for Phase III: Systemic Tax Structure Simplification

How:

- Uniform system of tax administration, collection and audit
- Restructure, phase out, or eliminate corporate franchise tax
- Lower sales tax rate by expanding tax base
- Eliminate deduction for federal income taxes paid on individual/corporate income taxes, along with appropriate state tax rate reductions
- Ensure Louisiana is collecting taxes on all LA source income from out-of-state residents/entities
- Encourage non-filers to file and pay outstanding taxes (Amnesty Program)
- Take all steps to ensure state is collecting taxes on internet sales

Top Priorities for Phase III: Pension Reform

What:

Enact reforms to state retirement system

Why:

Reduce costs to the state that are passed along to taxpayers; high costs hamper ability to adequately invest in critical areas (e.g. education, workforce)

How:

- Move to hybrid plan with defined benefits and contributions
- Revise assumptions about investment returns

Top Priorities for Phase III: Incentivize Investment

What:

Implement tools to jumpstart investment

Why:

Make Louisiana more attractive than competitors

How:

- Payment in Lieu of Taxes agreements (PILOTs) that give locals a mechanism to secure funding up front in return for exemptions down the road
- Programs such as the Historic Tax Credit that have proven effective in incentivizing investment