



2017 BUDGET STABILIZATION PLAN

Louisiana faces a more than \$1.3 billion fiscal cliff – a point when a significant amount of revenue falls off of the books and reductions to various credits and rebates return to normal. We are operating under a broken, outdated system that just simply doesn't work for Louisiana any longer.

We need to bring stability and predictability to our state and ensure that we are all paying our fair share to make Louisiana the state we all know that it can be.

INDIVIDUAL INCOME TAX PROPOSALS

- Eliminate the Federal Income Tax deduction
- Cut taxes for 90% of individual tax filers by lowering the rates to 1% / 3% / 5%

SALES TAX PROPOSALS

- Remove the 5th penny: **(\$880 Million)***
- Clean existing pennies: **Replaces \$180 Million in revenue**
- Expand sales tax to services: **Replaces \$200 Million in revenue**

CORPORATE TAX PROPOSALS

- Eliminate the Federal Income Tax deduction and lower corporate income tax rates to 3% / 5% / 7%: **Replaces \$66 Million in revenue**
- Implement a Commercial Activity Tax (CAT) for corporations and limited liability entities: **Replaces \$800-900 Million in revenue**
- Phase out Corporate Franchise Tax over 10 years

TAX EXPENDITURE PROPOSALS

- Make permanent reductions to credits and incentives: **Replaces \$192.5 Million* in revenue**
- Sunset or eliminate certain credits and incentives

BUDGET PROPOSAL

- Once our budget and tax structure is stabilized, budget for 98% of forecasted revenues to avoid mid-year cuts and to have funding available in times of emergency

* Based on fiscal notes from previous legislative sessions