

Two Amendments Proposing Significant Changes in:

- *Collecting Sales Taxes
- *Defining Income Tax Base



Amendment 1: Collecting State and Local Sales and Use Tax

Currently, the state collects the state sales tax and the local government collects local sales tax but with a few variations such as

- ▶ Local Governments
 - 25 School Boards
 - 11 Tax Commissions
 - 7 Police Juries
 - 6 Sheriff Offices
 - 4 Municipalities
- ▶ State and local sales tax on motor vehicles paid to Office of Motor Vehicles
- ▶ Sales and Use Tax Commission for Remote Sellers

Before 1990,
we had over 200
sales tax
collectors

Establish Commission to collect—but with Questions

- ▶ Commission will have eight members (local and state)
- ▶ Legislature must create Commission
- ▶ How to Fund Commission and How much
- ▶ Commission provides rules relative to sales and use tax audits
- ▶ Commission to provide sales tax advice

Amendment 2: Defining Income Tax Base and Establishing Highest Rate

Currently, Louisiana Constitution declares

- ▶ federal income taxes paid, either individual or corporate, are deductible in determining Louisiana Taxable Income
- ▶ Highest tax rate is 6% on income of \$50,000 or more of taxable income for a joint filer but with lower rates of 2% and 4% on lower income categories

Proposed Amendment

- ▶ Eliminates constitutional requirement that federal income taxes paid have to be a deduction for individual and corporate income taxes
- ▶ Establishes a top rate of 4.75% on individual income taxpayers
- ▶ And, if it passes, permits statutory changes affecting corporate income and corporate franchise taxes to be enacted