

PROPOSED CONSTITUTIONAL AMENDMENTS, NOVEMBER 13

Voters statewide will make decisions on four proposed constitutional amendments on the November ballot. Below is a summary, including GNO, Inc. positions on measures that may impact economic development.

Amendment 1 Ballot Question: *“Do you support an amendment to authorize the legislature to provide for the streamlined electronic filing, electronic remittance, and the collection of sales and use taxes levied within the state by the State and Local Streamlined Sales and Use Tax Commission and to provide for the funding, duties, and responsibilities of the commission?”*

What Amendment 1 Does: A vote “yes” would pave the way for a centralized system of tax collection, instead of the current system of sales taxes being collected at both the state and local levels. Louisiana is currently one of four states that lacks unified sales tax administration, meaning sellers must remit taxes to numerous taxing jurisdictions which is costly and burdensome. This amendment would create an eight-member state commission comprised of individuals representing local and state entities. Following passage, the State Legislature would need to enact the statutory provisions in a future legislative session that further outline the operations of the Commission.

Position: Neutral

Amendment 2 Ballot Question: *“Do you support an amendment to lower the maximum allowable rate of individual income tax and to authorize the legislature to provide by law for a deduction of federal income taxes paid?”*

What Amendment 2 Does: A “yes” vote would result in personal income tax rates dropping across all brackets, with a maximum 4.75% rate set in the state constitution. The actual rate in 2022 would be 4.25%. Taxpayers would no longer deduct federal income taxes paid from their state income taxes, decoupling state tax code from federal tax code, providing more stability in state finances. Louisiana is one of just two states allowing for full deductibility of federal taxes. Among states with income tax, Louisiana’s top personal income tax rate would be the lowest rate in the South, and nationally, Louisiana would rank fourth lowest. The corporate income tax rate would drop for most taxpayers, offsetting the reduction with elimination of the federal income tax deduction. The proposal also phases out corporate franchise taxes for many businesses. Most states do not have a corporate franchise tax.

Position: Support

Amendment 3 Ballot Question: *“Do you support an amendment to allow levee districts created after January 1, 2006, and before October 9, 2021, whose electors approve the amendment to levy an annual tax not to exceed five mills for the purpose of constructing and maintaining levees, levee drainage, flood protection, and hurricane flood protection?”*

What Amendment 3 Does: A vote “yes” would give additional levee districts the constitutional authority to assess up to a 5 mill tax on taxable property within the district. If passed by voters statewide, and by voters within a respective levee district, the amendment allows a levee district created after January 1, 2006 to go directly to the levee district board for approval to assess a millage to fund hurricane protection efforts. Without this amendment, any millage for constructing and maintaining levees, levee drainage, flood protection and hurricane protection must be approved by the voters in that levee district. Levee districts created prior to 2006 already have the constitutional authority to annually assess up to 5 mills without the vote of the people, with the exception of the Orleans Levee District (annually not to exceed 2.5 mills). Within the GNO region, if passed, this amendment would give constitutional authority to the Tangipahoa Levee District and the St. Tammany Levee, Drainage, and Conservation District, as they were created after 2006. This amendment is supported by the Coastal Protection and Restoration Authority.

Position: Support

Amendment 4 Ballot Question: *“Do you support an amendment to increase the amount of allowable deficit reductions to statutory dedications and constitutionally protected funds from five percent to ten percent?”*

What Amendment 4 Does: A vote “yes” would modify the procedure to adjust appropriations to eliminate a projected shortfall. The amendment increases the amount that the Governor, the Commissioner of Administration, and the Legislature can remove from dedicated funds, while maintaining existing limits on cuts to certain funds including higher education and health care. The amendment would provide additional flexibility during budget shortfalls by increasing the adjustment authority from five percent to ten percent. This would only come into play during a severe budget situation.

Position: Neutral

