

FISCAL REFORM PLAN

Grow Louisiana



Fix Impending Fiscal Cliff



Louisiana faces a **\$737M** deficit in FY26, **\$917M** in FY27, and **\$1.05B** in FY28

Tax reform will create **jobs**, increase **investment**, and give Louisiana a more **competitive** business environment- jumping from **#40** to the **Top 10** in Business Tax Climate according to the Tax Foundation

Smart Tax Relief



Reduce Personal and Corporate Income Tax Rates to among the **lowest in the nation**

We have a once in a generation opportunity to provide Louisiana with long-term fiscal stability and one of the nation's most competitive tax codes- driving investment to make Louisiana the economic powerhouse of the South

How Do We Do It?

Personal Income Tax

- Immediate increase in take-home pay for *every* taxpayer
- 3% flat rate from current 4.25% top rate
- \$12,500 standard deduction for low & middle-income tax relief
- Provide for future rate reductions based on economic growth
- Double retirement income exemption for senior citizen tax relief

Sales Tax

- More closely align state and local sales tax base
- Eliminate dozens of sales tax preferences
- Expand base to include additional services
- Modernize sales tax code by including digital goods
- Make partial business utility exemption permanent
- No sales tax on prescription drugs

Constitutional Changes

- Additional personal income tax rate reduction
- Double standard deduction for 65+ for additional senior citizen tax relief
- Optional inventory tax exemption for local government
- Changes to constitutional funds and property tax exemptions to give legislature more flexibility
- Permanent teacher pay raise with one-time UAL payment from funds

Corporation Income + Franchise Tax

- Repeal corporation franchise tax
- 3.5% flat corporation income rate from current 7.5% top rate
- Funding for LED to make performance based grants for job creation