

Louisiana Tax Institute
Meeting Minutes
August 28, 2019

I. Call to Order

The meeting of the Louisiana Tax Institute was called to order at approximately 10:07 a.m. on August 28, 2019 in the Mardi Gras Room located on the ground floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

II. Roll Call

a) The following Members were confirmed as present:

- Kimberly Robinson
- Bob Angelico
- Jaye Calhoun
- Elizabeth Carter
- Cade Cole
- Steven Sheffrin

b) Approval of Meeting Minutes from the May 8, 2019
The minutes were approved as distributed.

III. Update: Pending Study with the Louisiana Law Institute on Senate Resolution No. 37 (SR 37) of the 2019 Regular Session

Ms. Carter provided an update on progress made by the Law Institute in regards to SR37. The resolution has been assigned to the law institutes corporations committee. Although no meeting date has been called for the committee yet, the first meeting is planned for the fall. Ms. Carter has been added to the Law Institute's email and meeting notification lists. She will attend the meetings and report back any updates on the resolution to the members. Members briefly discussed the advantages and disadvantages of series LLC's.

IV. Update & Discussion of Proposed Study Topics

Members reviewed and the list topics that the Institute would like to study in the future. Ms. Pierre opened the floor to allow members to add additional items to the list. The topics will be added to future agendas to allow more specific and focused discussions. Members will send Ms. Pierre or Ms. Patterson additional study topics going forward. The current working list of topics is as follows:

Proposed Study Topics

- Review of income tax dead wood provisions
- Consistent definitions of technology terms
- Use tax safe harbor based on income levels
- Review of credits and possible elimination of underutilized credits
- Impact of federal tax act on Louisiana tax system
- Definition of movable versus non-movables (Digital Goods)

- Consider the possibility of a corporation electing out of S Corp status for LA so that LA income tax could be paid at the corporate level and avoid nondeductible state income tax at the individual level
- Allocable vs. apportionable (treatment of dividends and non-business income)
- Louisiana's handling of internal provisions of TCJA

V. Franchise Tax

Members briefly discussed framework and timeline for the franchise tax report that the institute will produce for the legislature. The discussion included the following topics:

- Alternative tax mechanism that would be largely revenue neutral.
- Principals that have been used by other states that have improved the capitol stock tax short of repealing it.
- Changing the base entirely (Kentucky). Taking current base as is or tweaking base to improve in some fashion and still having it revenue neutral
- Small group of firms paying the majority of the tax.
- Advantages of an alternative tax.

Members discussed the structure of the report. Cade will start the first draft and outline of the report. Cade will send the draft to Dr. Sheffrin for further review and editing.

VI. Proposed Meeting Dates

Ms. Patterson will poll members via email to confirm the next meeting date.

VII. Adjournment

The meeting was adjourned at approximately 11:18 a.m.