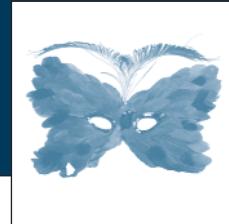
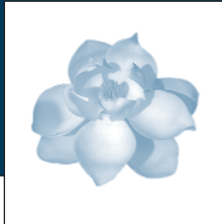


State of Louisiana—*Department of Revenue*—59TH ANNUAL REPORT (2001-02)



M. J. "Mike" Foster, Jr.  
Governor

Cynthia Bridges  
Secretary






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ADMINISTRATION





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## Vision and Mission Statement

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<b>The Vision</b>
of the Louisiana Department of Revenue is to be recognized as a leader in customer service through a unified effort of dedicated employees and continuous improvement.
<b>The Mission</b>
of the Louisiana Department of Revenue is to administer applicable laws and collect revenues to fund state services and programs. To this end, the Department has pledged the following commitments as its overall philosophy and values in the pursuit of its mission: <ul style="list-style-type: none"><li>• <b>Unity</b> - One team working together to accomplish common goals.</li><li>• <b>Communication</b> - An environment that encourages an ongoing creative exchange of ideas between employees and management.</li><li>• <b>Responsiveness</b> - A focus on identifying and satisfying internal and external customer needs.</li><li>• <b>Professionalism</b> - A reputation with internal and external customers of fairness, courtesy, and reliability.</li><li>• <b>Integrity</b> - An ethical standard of honesty and consistency.</li><li>• <b>Trust</b> - A mutual respect and a shared confidence between managers and all fellow employees.</li></ul>

Message from the Governor



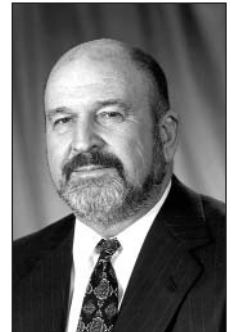
To the citizens of Louisiana

As Governor of our great State of Louisiana, I am proud to present the Louisiana Department of Revenue's 2001-2002 Annual Report. During the past fiscal year, the Department of Revenue has not only proved its resilience during a time of many changes, but has also achieved many important accomplishments. This report documents those accomplishments.

The Department of Revenue helps provide the necessary resources needed for services and improvements in our state. Total net collections in FY 01-02 increased nearly one percent to \$6.14 billion. At the same time, the Department implemented organizational changes that not only provided better and faster assistance to taxpayers, but also increased tax collections.

I think you will be impressed with the progress documented in this Annual Report. I want to personally thank and congratulate employees of the Department of Revenue for their contributions to the state's growth and improvements. I take pride in their achievements and sense that you, as citizens who care about our wonderful state, will share that pride.

M. J. "Mike" Foster, Jr.  
Governor



M. J. "Mike" Foster, Jr.  
Governor of Louisiana

Message from the Secretary

The Honorable M. J. "Mike" Foster, Jr.  
Governor of Louisiana  
and  
Members of the Louisiana Legislature

I am pleased to present to you the Annual Report of the Louisiana Department of Revenue for the fiscal year ending June 30, 2002. Total net collections were up .86 percent from the previous fiscal year to \$6.14 billion.

The Department has undergone a number of progressive changes that have enhanced efficiency, saved taxpayer dollars, and resulted in better service to taxpayers. We are currently in the first phase of implementing the DELTA Project (Defining Excellence in Louisiana Tax Administration), an integrated tax system that will replace the Department's 30-year old system. The system is easier to use, easier to modify, and easier to maintain. We have also instituted a Total Knowledge Management program that stores the knowledge of Department functions in a software format. By accessing this knowledge, Department employees are able to provide faster and more efficient service to taxpayers.

We have expanded our highly successful electronic filing program. In addition to individual income tax, taxpayers may now electronically file their sales and withholding tax returns. This has resulted in more accurate returns, faster refunds to taxpayers, and a reduction in processing costs. Citizens also now have the convenience of electronically submitting tax payments that are debited directly from their checking account.

Several new programs have dramatically increased tax collections. A 60-day Tax Amnesty Program authorized by the legislature in 2001 resulted in the collection of more than \$192 million in delinquent taxes. The Department's CyberShame Program publishes the names of chronically delinquent taxpayers on our website and has resulted in the collection of \$3.1 million from more than 120 chronic delinquent taxpayers. Our Consumer Use Tax initiative has increased awareness of this tax responsibility and resulted in raising the average yearly collection from less than \$50,000 to more than \$500,000.

Other positive steps include expanding our Internet website services, reorganization of the Department's tax divisions in order to eliminate duplication of services, expanding taxpayer outreach programs to better assist taxpayers, instituting a computer-assisted audit program that cuts audit costs and manpower needs, and an enhanced remittance processing program to speed deposits of tax monies.

All of these programs have been highly successful in helping fulfill our mission to efficiently administer the state's tax and regulatory statutes to better serve the taxpayers of Louisiana. I want to personally thank you for your support and cooperation. The Department looks forward to even greater successes in the coming year.

Sincerely,



Cynthia Bridges  
Secretary of Revenue



Cynthia Bridges  
Secretary



Department Directory

Louisiana Department of Revenue  
617 North Third Street  
Post Office Box 201  
Baton Rouge, Louisiana 70821-0201  
225•219•7318

Office of the Secretary  
Cynthia Bridges, Secretary  
225•219•2700



Deputy Secretary  
Gary Matherne, Deputy Secretary  
225•219•2710



Office of Tax Administration, Group I  
Kenneth Comeaux, Assistant Secretary  
225•219•2152



Office of Management and Finance  
Stephen Hymel, Undersecretary  
225•219•2710



Office of Tax Administration, Group II  
Gwendolyn M. Scott, Assistant Secretary  
225•219•2150



Office of Legal Affairs  
Kimberly Robinson, Assistant Secretary  
225•219•2700



Office of Tax Administration, Group III  
Clarence Lymon, Assistant Secretary  
225•219•2157



Office of Alcohol and Tobacco Control  
Murphy J. Painter, Commissioner  
8549 United Plaza  
Suite 220  
Baton Rouge, Louisiana 70809-0206  
225•925•4054



Office of Charitable Gaming  
Michael E. Legendre, Director  
8549 United Plaza  
Suite 110  
Baton Rouge, Louisiana 70809-2251  
225•925•1835



Louisiana Tax Free Shopping Commission  
Lisa Ponce de Leon, Executive Director  
2 Canal Street  
Suite 2017  
New Orleans, Louisiana 70130  
504•568•5323

Louisiana Tax Commission  
Russell R. Gaspard, Chairman  
Jewette Farley, Jr., Member  
Kenneth P. Naquin, Jr., Member  
5420 Corporate Boulevard, Suite 107  
Baton Rouge, Louisiana 70808-2343  
225•925•7830



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Regional/District Offices

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**Alexandria**

900 Murray Street  
Room B-100  
Alexandria, Louisiana 71301-7661  
318•487•5333

**Baton Rouge**

8549 United Plaza, Suite 200  
Baton Rouge, Louisiana 70809-2251  
225•922•2300

**Lafayette**

825 Kaliste Saloom Road  
Brandywine III, Suite 150  
Lafayette, Louisiana 70508-4237  
337•262•5455

**Lake Charles**

One Lakeshore Drive  
Suite 1550  
Lake Charles, Louisiana 70629-0001  
337•491•2504

**Monroe**

122 St. John Street, Room 105  
Monroe, Louisiana 71201-7338  
318•362•3151

**New Orleans**

1555 Poydras Street, Suite 900  
New Orleans, Louisiana 70112-3707  
504•568•5233

**Shreveport**

1525 Fairfield Avenue  
Shreveport, Louisiana 71101-4371  
318•676•7505

**Thibodaux**

1418 Tiger Drive  
Thibodaux, Louisiana 70301-4337  
985•447•0976

**Dallas, Texas**

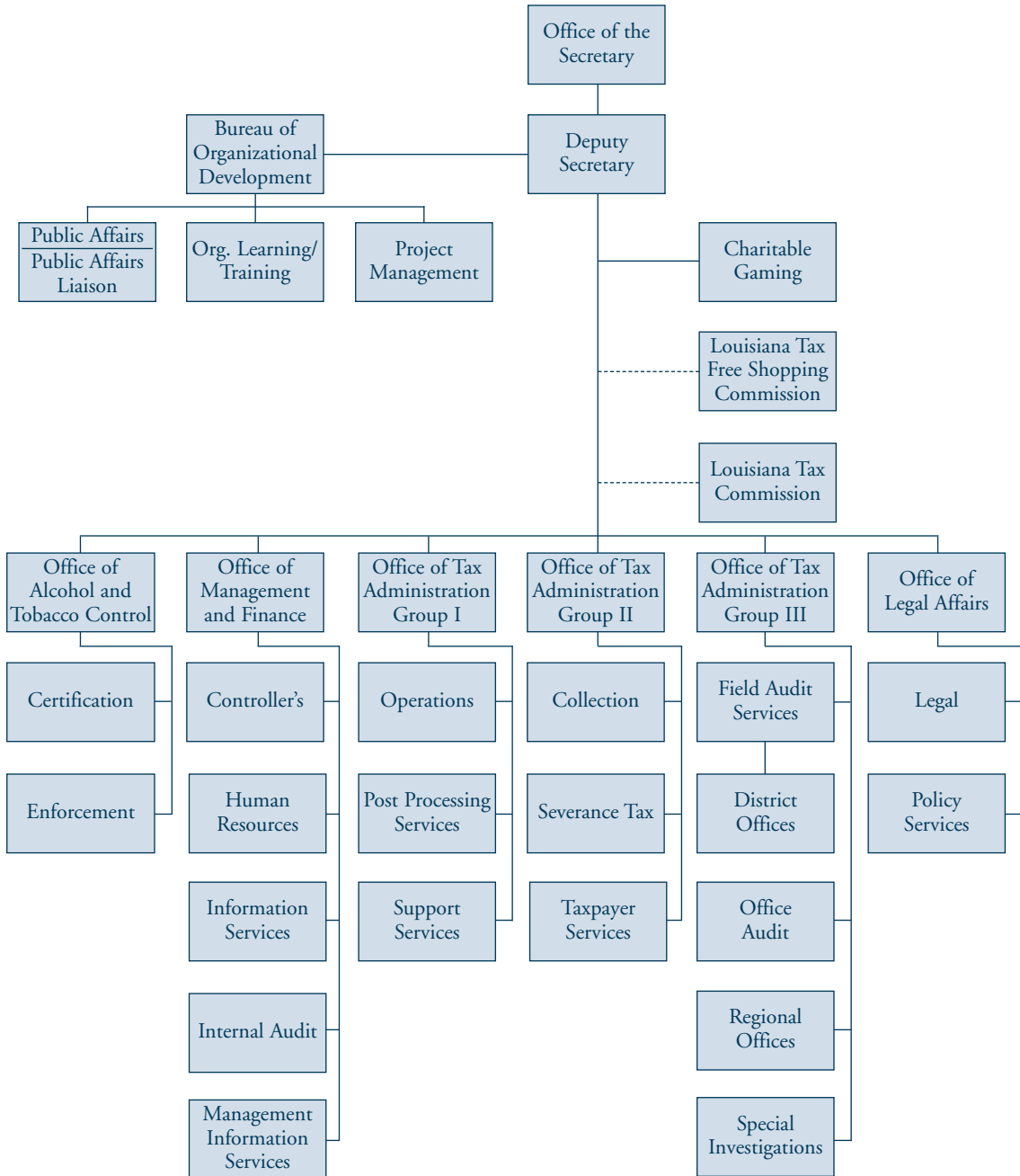
4100 Spring Valley Road  
Suite 315-LB#15  
Dallas, Texas 75244-3618  
972•701•9682

**Houston, Texas**

5177 Richmond Avenue, Suite 325  
Houston, Texas 77056-6704  
713•629•8335



# Organizational Chart



## Department Profile

The Department is organized into eight management groups: the Office of the Secretary; the Office of Legal Affairs; the Office of Management and Finance; the Office of Tax Administration, Group I; the Office of Tax Administration, Group II; the Office of Tax Administration, Group III; the Office of Charitable Gaming; and the Office of Alcohol and Tobacco Control.

The Department of Revenue receives funding for three programs: tax collection, alcohol and tobacco control, and charitable gaming.

The *Tax Collection Program* comprises the Department's entire tax collection effort and includes the Office of Management and Finance, the Offices of Tax Administration, Groups I, II, and III, and the Office of Legal Affairs. The Office of Management and Finance handles all accounting and personnel functions, computer services, and internal audits. The Office of Tax Administration, Group I, is responsible for processing all tax returns and remittances and for providing all postal services. The Office of Tax Administration, Group II, is responsible for providing billing and collection of all tax revenues and for providing taxpayers with assistance when inquiring about their accounts. The Office of Tax Administration, Group III, is responsible for all audit functions that discover and recover tax revenues that would otherwise go unreported and uncollected. Group III is also responsible for providing taxpayers with full-service offices in all regions of the state. The Office of Legal Affairs is responsible for drafting and reviewing all contracts, rules, regulations, and tax legislation, and representing the Department in tax litigation cases in courts and before the Board of Tax Appeals.

The *Alcohol and Tobacco Control Program* regulates the alcoholic beverage and tobacco industries in the state; licenses alcoholic beverage manufacturers, native wineries, retailers, and wholesalers, as well as retail and wholesale tobacco product dealers; and enforces state alcoholic beverage and tobacco laws.

The *Charitable Gaming Program* is responsible for issuing and renewing annual state licenses required for organizations conducting games of chance, such as charitable raffles and bingo. The office also monitors licenses for compliance with gaming laws and regulations and trains gaming organizations in the proper use of the Uniform Accounting System.





## Department Profile

<p><b>OFFICE OF THE SECRETARY</b></p>	<p>The <i>Organizational Learning/Training</i> Section is the resource base for the training of employees in the Department. The responsibilities of this section include the coordination of training for all employees, development of training initiatives, and the structuring of steering committees to plan, design, and implement training opportunities within each tax division. The division also coordinates orientation for all new employees, addresses organizational development issues, and works as a resource for special projects within various divisions in the Department.</p> <p>The <i>Project Management Section</i> has the responsibility to assist the Executive group of the Department in assuring that high profile, high cost, department-wide projects are planned, initiated, executed, and concluded in a timely manner and within budgetary confines. This section utilizes project management tools and concepts to guide and monitor the progress of deliverables defined within the project. The projects may or may not be technologically based, but can have the potential of impacting a substantially large segment of the Department.</p>
<p>The Department's executive management team consists of the Secretary, who heads the agency and is a member of the Governor's cabinet, a Deputy Secretary, an Undersecretary, and five Assistant Secretaries. The Deputy Secretary has responsibility for the Bureau of Organizational Development, the Office of Charitable Gaming, and the Louisiana Tax Free Shopping Commission. The tax collection and enforcement activities of the Department are administered by the Assistant Secretaries. The Undersecretary oversees the Office of Management and Finance, which includes the financial and service activities of the Department.</p> <p>The <i>Office of Charitable Gaming</i> is responsible for regulating the charitable gaming industry, issuing and renewing state licenses for organizations conducting games of chance, and ensuring compliance with all gaming laws and regulations.</p> <p>The <i>Bureau of Organizational Development</i> is located within the Office of the Secretary. As such, it assists in identifying, utilizing, and developing methods and approaches that strengthen the organization's effectiveness. Its long-range efforts focus on technology, processes, and the knowledge vested in the Department's human resources to address changes, challenges, and adaptations that occur at any time during the life-cycle of the organization. Through problem solving, performance measures, communications, strategic planning, and learning opportunities, the Bureau strives to assist the Department in reaching its vision, mission, and goals. The Bureau consists of the following sections:</p> <p>The <i>Public Affairs Section</i> is responsible for administering all internal and external informational programs. Functions include media relations, information dissemination, document development and printing, publications, and management of the Speaker's Bureau.</p> <p>The <i>Public Affairs Liaison</i> serves as the Department's liaison with the legislature, Governor's Office, state and local agencies, other states' revenue departments, and various taxpayer groups and associations. Responsibilities include developing and fostering relationships/partnerships and outreach programs with external groups, such as the Internal Revenue Service, other states' revenue departments, and taxpayer groups/associations for taxpayer assistance, administration, taxpayer education, and tax compliance purposes.</p>	<p><b>OFFICE OF LEGAL AFFAIRS</b></p> <p>The Office is comprised of the Legal and Policy Services Divisions. The Office provides comprehensive legal representation and guidance for the Department. This includes the litigation of cases, issuance of policy statements, collection of delinquent taxes, contractual review and drafting, and representation in civil service personnel matters and EEOC claims.</p> <p>The <i>Legal Division</i> is responsible for representing the Department's interest in tax litigation in the courts and before the Board of Tax Appeals. In addition, the division is responsible for litigating bankruptcy cases in the federal bankruptcy courts, appeals before the Civil Service Commission, and employment discrimination cases before the Equal Employment Opportunity Commission. The legal staff also drafts and reviews departmental contracts for such matters as professional services and leases; reviews lien releases; and participates in taxpayer conferences.</p> <p>The <i>Policy Services Division</i> serves as a single source of contact for official policy guidance for the public and the employees. The Policy Services Division is comprised of research tax analysts and attorneys. The staff drafts and issues various policy statements, including the promulgation of Rules, Revenue Rulings, Private Letter Rulings, and Revenue</p>

## Department Profile



<p>Information Bulletins. In addition, the division drafts and monitors legislation.</p>	<p>bility for monitoring internal controls that do the following:</p>
<p><b>OFFICE OF MANAGEMENT AND FINANCE</b></p>	
<p>The Office of Management and Finance is comprised of the Controller's Division, the Human Resources Division, the Information Services Division, the Internal Audit Division, and the Management Information Services Section.</p> <p>The <i>Controller's Division</i> is responsible for all fiscal matters of the Department. The division deposits and classifies approximately \$6.0 billion annually to the State Treasury and accounts for more than one million refund checks. In addition, the division prepares the annual budget request, strategic and operating plans, and administers and monitors all expenditures according to the budget. The 2001-02 budget expenditure was \$68,621,106. The division also analyzes financial data and prepares monthly and annual financial reports. The Purchasing Section of the division procures all goods and services for the agency's personnel and performs all contract/grant/lease management functions.</p>	<ul style="list-style-type: none"> <li>• safeguard resources;</li> <li>• ensure reliable data and information;</li> <li>• promote effective, efficient operations; and,</li> <li>• encourage compliance with laws/regulations and management's plans, policies, and procedures.</li> </ul> <p>The <i>Management Information Services Section</i> is responsible for developing, processing, maintaining, and distributing executive information that aids in management decision-making, planning, and forecasting. It also coordinates electronic filing and payments. The section performs help-desk functions for tax preparers and software vendors involved with electronic filing.</p>
<p>The <i>Human Resources Division</i> provides personnel and payroll services, placement counseling to applicants, classification analysis, pay administration, rule and law interpretation, and compliance monitoring. Special pay options are also coordinated through Human Resources. The staff coordinates employee recruitment, placement, testing, and various benefits including life and health insurances. Processing of personnel requests, disciplinary action assistance, performance planning and review program, the employee assistance program, and grievance procedure guidance are also provided by this division.</p>	<p><b>OFFICE OF TAX ADMINISTRATION, GROUP I</b></p>
<p>The <i>Information Services Division</i> is responsible for supporting the Department's use of information technology. The division's role is to identify, develop, and maintain those technologies that will best serve the public and the Department in accomplishing its mission.</p>	<p>The <i>Operations Division</i> is responsible for the initial processing of all tax returns, remittances, supporting documentation, and correspondence received by the Department. This includes opening, sorting, and reviewing all returns and accompanying mail, performing archival capture functions, remittance deposit preparation, and data entry into the computer systems. These functions are generally performed using high-speed character recognition and imaging technologies. The division processes four million returns and remittances each year.</p>
<p>The <i>Internal Audit Division</i> reviews and evaluates internal controls and operational activities, and has full authority to access all records, property, and employees of the Department in order to fulfill its responsibilities. Internal Audit is also responsible for providing objective analysis and constructive recommendations to assist management with their responsibilities.</p>	<p>The <i>Post Processing Services Division</i> performs the post audit function for the sales, excise, individual income, and corporation income and franchise taxes. The division's primary mission is to examine and resolve data input discrepancies and questionable reporting identified through computer system edits and to review and approve refunds.</p>
	<p>The <i>Support Services Division</i> provides a wide variety of services that support the operation of all other divisions within the Department's headquarters facility, its regional and district offices, and affiliated agencies. The Mail Services Section processes more than 4.7 million pieces of mail each year. The Forms Distribution Section receives practitioners' requests for tax forms and prepares the forms for shipping. These requests are received through USPS mail, Internet e-mail, telephone, walk-in traffic, or the Department's automated telephone system. This section also answers general information telephone inquiries. The Forms/Supplies Inventory Section monitors and maintains adequate levels of the Department's inventory of forms and office supplies.</p>

## Department Profile



<p>This includes preparing requisitions for these items, performing annual inventory duties, and determining the value of the Department's forms and office supplies inventory. Other Support Services Division responsibilities include:</p> <ul style="list-style-type: none"> <li>• providing security services that comply with IRS federal tax data storage requirements;</li> <li>• assisting the Department with record retention and destruction duties; and,</li> <li>• serving as the coordinator with the Office of Telecommunications for communication system requests.</li> </ul>	<p>and regulations that are applicable to the individual's type of business. Additionally, the presence of an active audit program contributes to a higher level of voluntary tax compliance by serving as a deterrent to would-be tax evaders. The division also provides a state tax audit program in district offices located outside Louisiana and assists in the planning and administration of the Department's regional offices within the state in order to achieve uniform and efficient application of their audit, taxpayer assistance, inspection, collection, cashier service, and excise taxes enforcement. Auditors are located throughout Louisiana, as well as in major metropolitan centers around the country. This division is comprised of several key functions designed to support the enforcement activities. The key functions are: Audit Review, Assignment Control, Audit Selection and Development, Audit Technology, and Excise Taxes - Field Audit Group. Total audit collections in fiscal year 2001-02 were \$235.2 million.</p>
<p><b>OFFICE OF TAX ADMINISTRATION, GROUP II</b></p>	
<p>The <i>Collection Division</i> is the billing center for the Department and provides a central contact point for taxpayers inquiring about their account. During this fiscal year, the Collection Division reported collections of \$149.7 million as a direct result of billing notices issued by the division.</p> <p>The <i>Severance Tax Division</i> is responsible for the collection of taxes on all natural resources severed from Louisiana lands. Natural resources include oil, gas, liquefied petroleum gas (LPG), natural casinghead gasoline, sand, shell, salt, sulphur, coal, and timber. The Severance Tax Division also administers the natural gas franchise tax and collects the pipeline safety and odorization inspection fee, the hazardous liquids fee, the surface mining fee, the oil spill contingency fee, and the oilfield site restoration fee. More than 56,500 severance tax returns were filed during the 2001-02 fiscal year.</p> <p>The <i>Taxpayer Services Division</i> registers new businesses for all applicable taxes, provides tax assistance and information, updates taxpayer accounts, registers nonresident contractors, and certifies resident contractors.</p>	<p>The <i>Office Audit Division</i> is responsible for receiving, verifying, and paying claims for refunds and rebates submitted by the taxpayers of the state. This division is responsible for processing claims related to excise taxes, sales and use taxes, motor vehicle tax, and corporation income and franchise taxes. This division was created to ensure that immediate attention is given to claims for rebates and refunds and the return of tax overpayments to taxpayers in the most expedient manner.</p> <p>The <i>Regional Offices</i> provide taxpayers with a full-service state tax office in their area. Each office is a center for conducting the Department's business with the taxpayer on a regional basis. These regional offices provide administrative support, cashier service, taxpayer assistance, field inspection and collection, field audits, and excise taxes enforcement.</p>
<p><b>OFFICE OF TAX ADMINISTRATION, GROUP III</b></p>	
<p>The Office of Tax Administration, Group III, is comprised of the following divisions: Field Audit Services, Office Audit, Regional Offices, and Special Investigations.</p> <p>The <i>Field Audit Services Division</i> is the enforcement division primarily responsible for the discovery and generation of tax revenues that would otherwise go unreported and uncollected. Through the audit process, future voluntary compliance is improved by informing the taxpayer of Louisiana tax laws, rules,</p>	<p>The <i>Special Investigations Division</i> is the Department's primary criminal tax enforcement unit. Its function is to review alleged violations of the tax laws, to investigate those violations, and to recommend criminal prosecutions as warranted. The Special Investigations Division also investigates alleged criminal violations and serious misconduct by Department employees. In carrying out its role to identify willful noncompliance with the state's tax laws, the division relies on referrals from other divisions, as well as information from other governmental agencies and the public.</p>

Department Profile



**OFFICE OF ALCOHOL AND TOBACCO CONTROL**

The Office of Alcohol and Tobacco Control (ATC) is responsible for overseeing the alcoholic beverage and tobacco industries within the state. Retail dealers selling alcohol or tobacco products must be licensed and are monitored for compliance with Title 26, the Alcohol and Tobacco Control Law. This office monitors wholesale dealers to ensure compliance with Fair Trade regulations and retail dealers to prevent access to alcoholic beverages for persons under age 21 and access to tobacco products for persons under age 18.

The office is comprised of two divisions: the Certification Division and the Enforcement Division.

The *Certification Division* is responsible for licensing alcoholic beverage manufacturers, native wineries, retailers, wholesalers, and wholesale and retail tobacco product dealers. Permits are issued to eligible applicants upon a completed investigation by the Enforcement Division. The Certification Division issues approximately 30,000 permits annually. In addition, the Certification Division is responsible for notifying permit holders of renewal dates and collecting permit fees and administrative fines.

The *Enforcement Division* is responsible for investigating permit applications for compliance with permit regulations. Based on these investigations, permits can be issued or denied by the Certification Division. This division is also responsible for administering Title 26, the Alcohol and Tobacco Control Law. Enforcement agents, in conjunction with federal, state, and local law enforcement personnel, conduct random inspections to uncover violations of law (including drug trafficking) at locations where alcoholic beverages and tobacco products are sold. Agents also investigate the current license holder's operations to assure compliance with the laws that govern the alcohol and tobacco industries. Annually, the division conducts more than 15,000 inspections and responds to 10,000 dealer requests. Legislation in 1997 created the Responsible Vendor Program within the Enforcement Division. This section monitors, certifies, and issues more than 150,000 Responsible Vendor permits statewide to all employees of permitted alcohol beverage outlets. The intent of this program is to educate vendors as to their responsibilities and deter sales of alcohol and tobacco to underage citizens.

**OFFICES ASSOCIATED WITH THE DEPARTMENT**

The *Louisiana Tax Commission* is a three-member board responsible for the ad valorem assessments for a number of public service corporations or companies. The Commission is also responsible for ensuring that all properties are assessed equitably and uniformly.

The *Louisiana Tax Free Shopping Commission* is a five-member commission that administers the sales tax refund program that applies to retail purchases made by international visitors. Louisiana is the first state in the nation to approve tax-free shopping for foreign visitors.







# COLLECTIONS





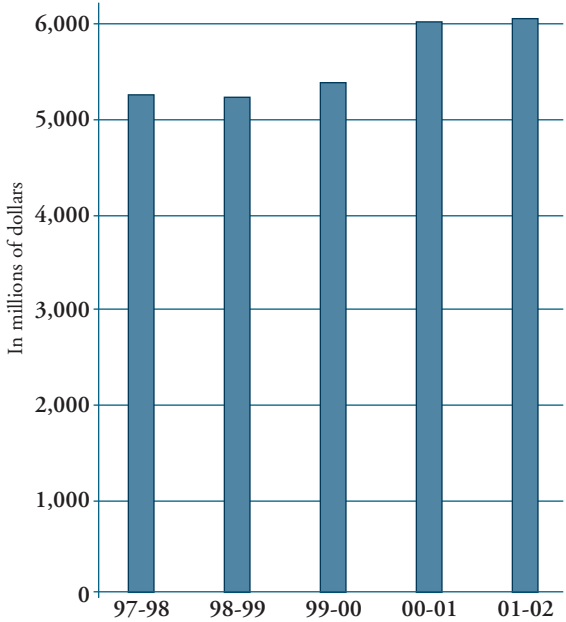


**Total Net Collections**

Fiscal Year	Total Net Collections	% Change
2001-02	\$6,137,085,999	.86
2000-01	\$6,084,647,391*	11.51
1999-00	\$5,456,354,169	2.68
1998-99	\$5,313,782,227	-0.02
1997-98	\$5,314,744,067	3.73

Total net collections of the Department of Revenue have risen at an average rate of 3.09% annually for the past five years. Sales and individual income taxes comprise more than 69% of the Department’s total collections.

\*This amount was adjusted from the amount listed in last year’s annual report to reflect audit adjustments.





## Accrued Revenues

Revenues are accounted for on a modified accrual basis. This means that revenues associated with a particular fiscal year must be accrued to and reported in that year or within 45 days after the end of that fiscal year.

The following table lists taxes, cash collections, amounts accrued to fiscal years 2000-01 and 2001-02, and total net collections for fiscal year 2001-02, which

appear in the Comparative Revenues statement on the facing page.

For the purposes of this report, all totals are net collections (including accruals) unless otherwise indicated. Care should be taken to note whether a figure is a cash collection amount that was actually collected during the 12-month fiscal year, or a net amount after adjustments for the beginning and end-of-the-year accruals.

State Revenues	Cash Collections	Less Revenues Accrued to FY 2000-01	Plus Revenues Accrued to FY 2001-02	Total Net Collections FY 2001-02
Automobile Rental Tax	\$ 4,443,598.81	\$ 455,282.52	\$ 355,938.54	\$ 4,344,254.83
Contractor Fee, Nonresident	5,443.66	1,420.00	1,030.00	5,053.66
Corporation Franchise Tax	262,082,731.44	3,843,098.82	2,100,000.00	260,339,632.62
Electrical Cooperative Fee	32,369.00	11,158.00	4,424.00	25,635.00
Gift Tax	4,317,297.76	68,593.41	67,321.89	4,316,026.24
Hazardous Waste Disposal Tax	4,318,001.44	1,056,925.45	1,167,716.09	4,428,792.08
Income Taxes				
Corporation	270,028,148.82	2,355,447.66	(3,253,369.07)	264,419,332.09
Fiduciary	9,345,269.17	179,327.06	60,939.93	9,226,882.04
Individual	1,774,201,136.48	137,521,507.36	142,826,459.44	1,779,506,088.56
Inheritance and Estate Transfer Taxes	65,193,936.24	5,248,707.53	4,733,958.68	64,679,187.39
Liquors-Alcoholic Beverage Tax				
High Alcoholic Content: (Liquor/Wine)	16,128,781.39	1,103,063.05	1,260,194.84	16,285,913.18
Out-of-State Shippers	23,664.92	2,668.41	3,739.34	24,735.85
Low Alcoholic Content: (Beer)	35,128,536.40	3,125,381.38	3,070,973.62	35,074,128.64
Marijuana and Controlled Dangerous Substance Tax	13,387.94	5,631.90	924.93	8,680.97
Minerals, Oil, and Gas Fees				
Hazardous Liquid Pipeline Fee	60,409.11	0.00	0.00	60,409.11
Master Meter Safety Inspection Fee	17,071.45	0.00	0.00	17,071.45
Pipeline Safety Inspection Fee	608,946.16	0.00	0.00	608,946.16
Surface Mining	244,808.45	0.00	0.00	244,808.45
Oil Spill Contingency Fee	2,560,826.66	0.00	591,462.82	3,152,289.48
Oilfield Site Restoration Fee-Gas	2,533,737.95	72,506.80	321,121.12	2,782,352.27
Oilfield Site Restoration Fee-Oil	1,006,454.91	30,755.03	39,240.75	1,014,940.63
Natural Resources-Severance Tax	493,208,008.03	38,429,076.23	41,719,179.46	496,498,111.26
Occupational License Tax	339.04	339.04	0.00	0.00
Petroleum Products				
Gasoline Tax	435,091,609.54	37,222,609.40	44,539,355.89	442,408,356.03
Inspection Fee-Gasoline	879,393.49	71,604.89	75,300.00	883,088.60
Special Fuels Tax	116,115,161.90	9,579,390.68	9,947,767.14	116,483,538.36
Public Utilities and Carriers				
Inspection and Supervision Fee	5,194,065.37	530,839.29	712,121.47	5,375,347.55
Natural Gas Franchise Tax	5,310,501.90	1,505,542.24	924,458.97	4,729,418.63
Transportation and Communication Utilities Tax	2,852,293.81	277,964.81	245,101.39	2,819,430.39
Sales Tax, Louisiana General	2,418,174,776.39	212,685,986.87	198,091,472.08	2,403,580,261.60
Telecommunications Tax for the Deaf	1,492,540.35	24,460.74	343,396.69	1,811,476.30
Tobacco Tax	113,994,671.71	10,228,109.35	24,754,386.34	128,520,948.70
Tobacco Permit	11,717.24	200.00	50.00	11,567.24
<b>Subtotals-State Revenues</b>	<b>\$6,044,619,636.93</b>	<b>\$ 465,637,597.92</b>	<b>\$ 474,704,666.35</b>	<b>\$ 6,053,686,705.36</b>
<b>Other Taxes</b>				
Beer Tax-Parishes and Municipalities	6,701,425.52	0.00	0.00	6,701,425.52
Louisiana Tourism Promotion District Tax	17,196,973.47	1,622,463.05	1,498,832.37	17,073,342.79
Hotel/Motel Room Occupancy Tax				
Louisiana Stadium and Exposition District	32,728,604.41	0.00	0.00	32,728,604.41
New Orleans Exhibition Hall Authority	14,510,007.04	0.00	0.00	14,510,007.04
New Orleans Exhibition Hall Authority Flat Room				
Occupancy Fee and Food and Beverage Tax	10,118,946.94	0.00	0.00	10,118,946.94
Service Contractor Tax	1,608,813.28	0.00	0.00	1,608,813.28
Tour Tax	164,979.54	0.00	0.00	164,979.54
Consumer Use Tax	491,348.75	1,347.00	2,601.49	492,603.24
Consumer Use Tax - Excise	396.77	0.00	68.60	465.37
Local Catalog Sales Tax	105.60	0.00	0.00	105.60
<b>Subtotals-Other Taxes</b>	<b>\$ 83,521,601.32</b>	<b>\$ 1,623,810.05</b>	<b>\$ 1,501,502.46</b>	<b>\$ 83,399,293.73</b>
<b>Grand Totals</b>	<b>\$6,128,141,238.25</b>	<b>\$ 467,261,407.97</b>	<b>\$ 476,206,168.81</b>	<b>\$ 6,137,085,999.09</b>



## Comparative Revenues

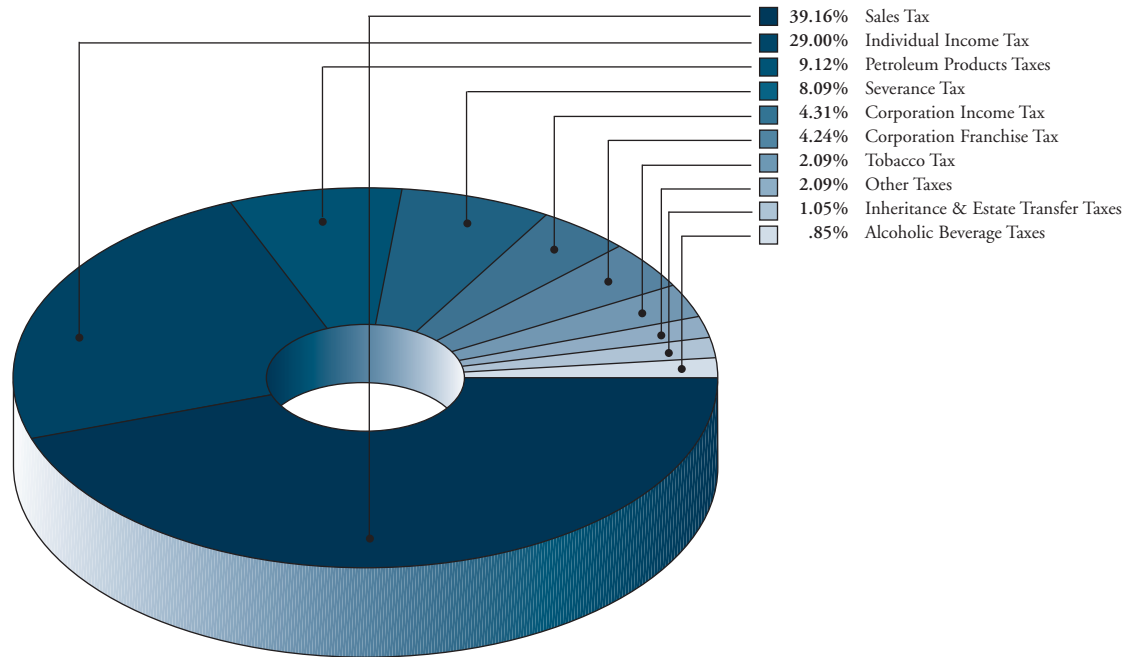
State Revenues	Total Net Collections FY 2000-01	Total Net Collections FY 2001-02	% Change
Automobile Rental Tax	\$ 4,768,217.13	\$ 4,344,254.83	(8.89)
Contractor Fee, Nonresident	13,321.20	5,053.66	(62.06)
Corporation Franchise Tax	248,546,215.78	260,339,632.62	4.75
Electrical Cooperative Fee	33,741.00	25,635.00	(24.02)
Gift Tax	4,569,963.12	4,316,026.24	(5.56)
Hazardous Waste Disposal Tax	4,817,303.45	4,428,792.08	(8.06)
Income Tax			
Corporation	293,056,052.83	264,419,332.09	(9.77)
Fiduciary	12,973,989.30	9,226,882.04	(28.88)
Individual	1,750,261,234.95*	1,779,506,088.56	1.67
Inheritance and Estate Transfer Taxes	78,360,212.23	64,679,187.39	(17.46)
Liquors-Alcoholic Beverage Tax			
High Alcoholic Content (Liquor/Wine)	15,846,719.70	16,285,913.18	2.77
Out-of-State Shippers	17,176.40	24,735.85	44.01
Low Alcoholic Content (Beer)	36,522,572.67	35,074,128.64	(3.97)
Retail Alcoholic Beverage	5,115.57	0.00	(100.00)
Marijuana and Controlled Dangerous Substance Tax	23,217.06	8,680.97	(62.61)
Minerals, Oil, & Gas Fees			
Hazardous Liquid Pipeline Fee	90,108.78	60,409.11	(32.96)
Master Meter Safety Inspection Fee	12,958.64	17,071.45	31.74
Pipeline Safety Inspection Fee	481,371.28	608,946.16	26.50
Surface Mining	312,456.92	244,808.45	(21.65)
Oil Spill Contingency Fee	365,385.62	3,152,289.48	762.73
Oilfield Site Restoration Fee-Gas	2,404,979.46	2,782,352.27	15.69
Oilfield Site Restoration Fee-Oil	891,902.49	1,014,940.63	13.80
Natural Resources-General Severance Tax	445,003,934.26	496,498,111.26	11.57
Occupational License	339.04	0.00	(100.00)
Petroleum Products			
Gasoline Tax	423,843,234.12	442,408,356.03	4.38
Inspection Fee-Gasoline	830,052.25	883,088.60	6.39
Special Fuels Tax	114,966,765.22*	116,483,538.36	1.32
Public Utilities and Carriers			
Inspection and Supervision Fee	5,297,107.67*	5,375,347.55	1.48
Natural Gas Franchise Tax	6,438,374.60	4,729,418.63	(26.54)
Transportation and Communication Utilities Tax	2,627,466.31	2,819,430.39	7.31
Sales Taxes, Louisiana General	2,448,203,788.26**	2,403,580,261.60	(1.82)
Soft Drink	(3,292.99)	0.00	100.00
Telecommunications Tax for the Deaf	1,157,851.03	1,811,476.30	56.45
Tobacco Tax	96,582,533.06	128,520,948.70	33.07
Tobacco Permit	38,173.72	11,567.24	(69.70)
<b>Subtotals-State Revenues</b>	<b>\$ 5,999,360,542.13</b>	<b>\$ 6,053,686,705.36</b>	<b>0.91</b>
<b>Other Taxes</b>			
Beer Tax-Parish and Municipalities	5,274,779.92	6,701,425.52	27.05
Louisiana Tourism Promotion District Sales Tax	18,664,188.46	17,073,342.79	(8.52)
Hotel/Motel Room Occupancy			
Louisiana Stadium and Exposition District	34,099,916.45	32,728,604.41	(4.02)
New Orleans Exhibition Hall Authority	14,950,306.97	14,510,007.04	(2.95)
New Orleans Exhibition Hall Authority Flat Room			
Occupancy Fee and Food and Beverage Tax	10,227,769.01	10,118,946.94	(1.06)
Service Contractor Tax	1,879,149.94	1,608,813.28	(14.39)
Tour Tax	188,353.62	164,979.54	(12.41)
Consumer Use Tax	1,347.00	492,603.24	36,470.40
Consumer Use Tax - Excise	0.00	465.37	0.00
Local Catalog Sales Tax	1,038.00	105.60	(89.83)
<b>Subtotals-Other Taxes</b>	<b>85,286,849.37</b>	<b>83,399,293.73</b>	<b>(2.21)</b>
<b>Totals</b>	<b>\$ 6,084,647,391.50</b>	<b>\$ 6,137,085,999.09</b>	<b>0.86</b>

\*These amounts were adjusted from the amounts published in last year's Annual Report to reflect corrections and audit adjustments.

\*\*The sales tax collections were adjusted from the amount published in last year's Annual Report to include \$53 million in state hotel occupancy taxes collected that are dedicated to local jurisdictions, which were omitted in error, and other corrections and audit adjustments.



## Major Revenue Sources





## Corporation Franchise Tax

Fiscal Year	Amount Collected	% Change
2001-02	\$260,339,633	4.74
2000-01	\$248,546,216	-7.73
1999-00	\$269,382,461	-9.14
1998-99	\$296,489,547	18.04
1997-98	\$251,170,074	2.95

The corporation franchise tax is levied on any corporation doing business or qualified to do business in Louisiana, unless specifically exempt by statute.

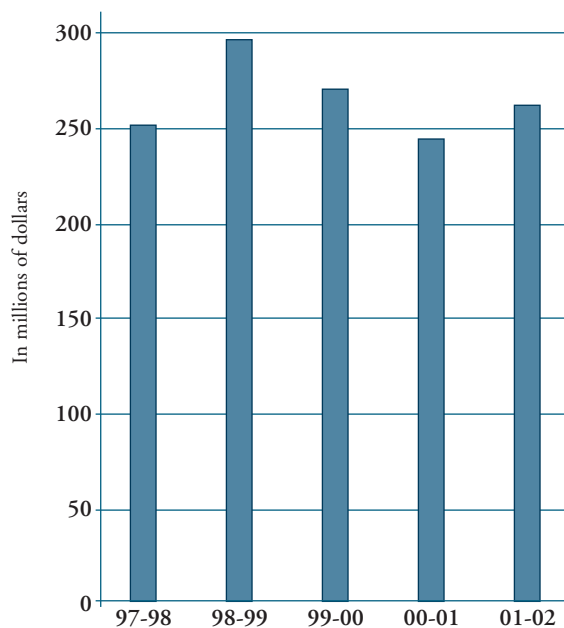
The total taxable base consists of the corporation's capital stock, surplus, undivided profits, and borrowed capital. The tax is computed on the basis of the portion of the total taxable base employed in Louisiana.

The corporation franchise tax rate is as follows:

- \$1.50 per each \$1,000 of taxable base up to \$300,000;
- \$3.00 per each \$1,000 of taxable base over \$300,000.

There is a minimum \$10 corporation franchise tax.

Corporation franchise tax collections represents 4.24% of the Department's total tax collections.





## Corporation Income Tax

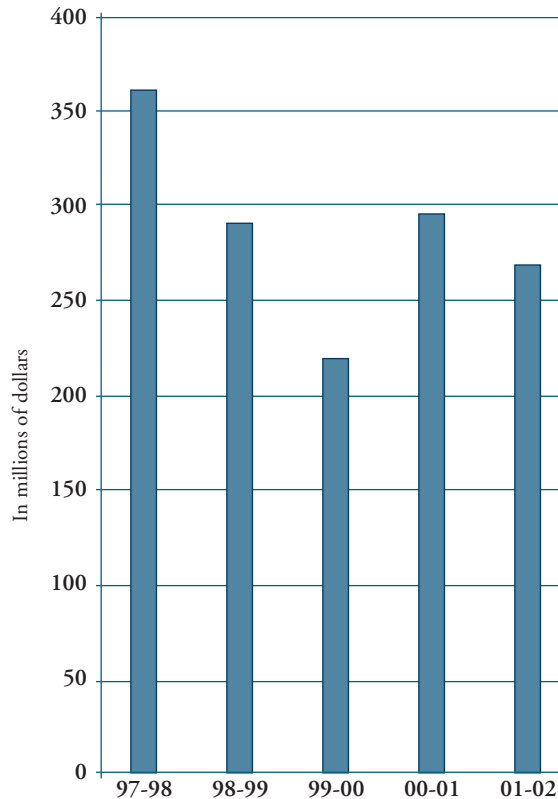
Fiscal Year	Amount Collected	% Change
2001-02	\$264,419,332	-9.77
2000-01	\$293,056,053	32.00
1999-00	\$222,007,596	-22.46
1998-99	\$286,322,372	-20.36
1997-98	\$359,509,580	-5.43

The corporation income tax is levied on net taxable income of domestic and foreign corporations that derive income from Louisiana sources. All corporations deriving income from Louisiana sources are liable for Louisiana corporation income tax, unless specifically exempted by statute.

The corporation income tax rates are as follows:

- 4% on the first \$25,000 of net taxable income;
- 5% on the next \$25,000;
- 6% on the next \$50,000;
- 7% on the next \$100,000;
- 8% on amounts over \$200,000.

Corporation income tax amounts to 4.31% of the Department's total tax collection.





## Individual Income Tax



Fiscal Year	Amount Collected	% Change
2001-02	\$1,779,506,089	1.67
2000-01	\$1,750,261,235*	10.63
1999-00	\$1,582,130,561	3.91
1998-99	\$1,522,540,583	4.94
1997-98	\$1,450,813,683	15.14

Louisiana individual income tax is based on federal tax laws for simplification, although Louisiana's tax is not a true "piggyback" system. The starting point for the computation of the tax is the federal adjusted gross income less federal excess itemized deductions. A deduction is also allowed for the amount of federal income taxes paid.

The Louisiana individual income tax rates are as follows: A taxpayer filing single, as married filing separately, or as head of household:

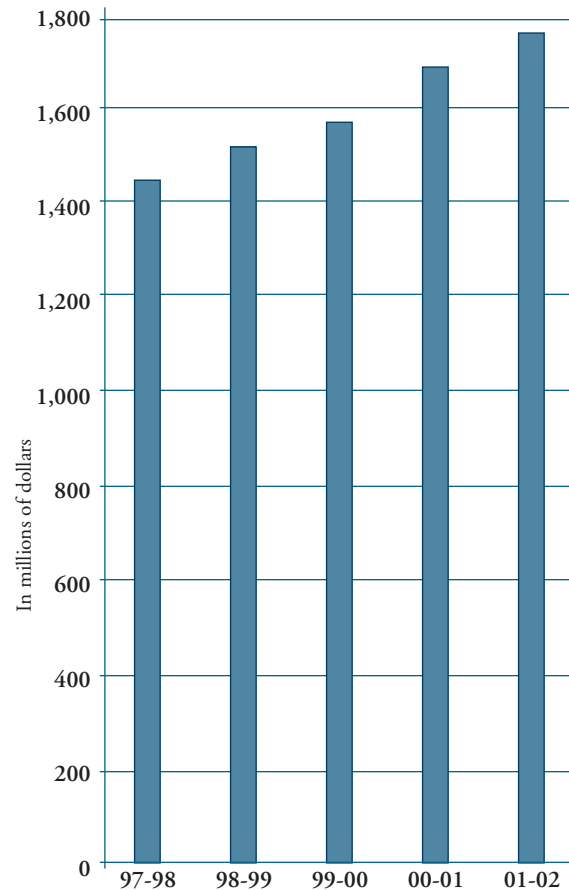
- 2% of the first \$10,000 of taxable income;
- 4% of the next \$40,000;
- 6% of the taxable income over \$50,000.

A qualified widow(er) or married persons filing jointly:

- 2% of the first \$20,000 of taxable income;
- 4% of the next \$80,000;
- 6% of the taxable income over \$100,000.

Individual income tax amounts to 29.00% of the Department's total collections.

\*This amount was adjusted from the amount listed in the previous year's annual report to reflect audit adjustments.





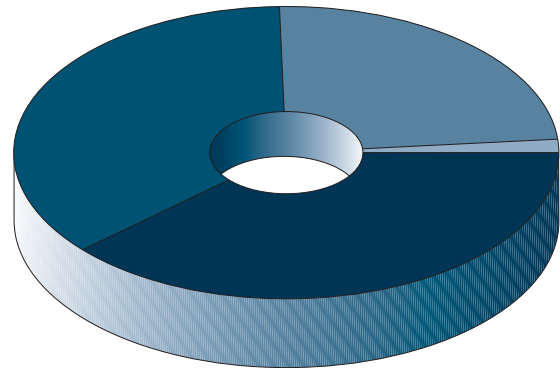
Individual Income Tax

Louisiana Income Tax After Credits for 2001 Tax Year

Brackets of Louisiana Income Tax After Credits	Number of Returns Filed	Total Adjusted Louisiana Tax (Line 13 A)
\$0 -99	342,138	\$ 0
1-9.99	26,311	138,896
10-19.99	27,139	413,339
20-39.99	51,134	1,529,226
40-59.99	45,960	2,305,144
60-99.99	85,007	6,771,688
100-199.99	142,789	20,970,920
200-299.99	105,038	26,066,060
300-399.99	89,641	31,249,671
400-599.99	146,384	72,548,439
600-999.99	211,000	166,079,495
1,000-1,599.99	195,812	248,998,921
1,600-2,199.99	111,720	209,064,783
2,200-3,999.99	96,967	268,362,843
4,000-5,999.99	17,086	82,311,979
6,000-9,999.99	11,319	86,034,936
\$10,000 & over	9,663	248,180,269
<b>Totals</b>	<b>1,715,108</b>	<b>\$1,471,026,609</b>

Individual Income Tax Returns by Filing Status for 2001 Tax Year

Filing Status	Number of Returns	% of Total
Single	629,299	36.69
Married Filing Jointly	670,480	39.09
Married Filing Separately	17,997	1.05
Head of Household and Qualifying Widow(er)	397,332	23.17
<b>Total Returns Filed</b>	<b>1,715,108</b>	<b>100.00</b>



- 39.09 Married, Filing Jointly
- 36.69 Single
- 23.17 Head of Household & Qualifying Widow(er)
- 1.05 Married, Filing Separately




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## Individual Income Tax

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### Number of Returns by Income Brackets for 2001 Tax Year

Federal Adjusted Gross Income Brackets (≥ - <)	Total Federal Adjusted Gross Income (Line 7)	Number of Returns Filed
Less than \$0	\$ 0	0
0	0	38,221
1-6,000	694,885,735	214,751
6,001-8,000	577,436,173	82,360
8,001-10,000	757,015,978	83,982
10,001-12,000	963,781,059	87,806
12,001-15,000	1,616,451,640	120,052
15,001-20,000	2,899,068,212	166,603
20,001-25,000	2,942,443,015	131,379
25,001-30,000	2,888,913,202	105,358
30,001-35,000	2,862,734,494	88,283
35,001-40,000	2,842,538,231	75,931
40,001-45,000	2,787,905,054	65,696
45,001-50,000	2,705,527,837	57,013
50,001-60,000	5,295,711,688	96,610
60,001-70,000	4,856,542,144	74,976
70,001-80,000	4,185,603,921	55,987
80,001-90,000	3,422,030,469	40,380
90,001-100,000	2,696,427,015	28,472
100,001-150,000	6,954,584,260	58,541
150,001-250,000	4,559,953,500	24,376
250,001-500,000	4,005,506,730	11,815
500,001-1,000,000	2,805,590,595	4,159
Over \$1,000,000	7,411,945,102	2,357
<b>Total</b>	<b>\$70,732,596,054</b>	<b>1,715,108</b>



**Individual Income Tax**

**Louisiana Refund Checkoffs for 2001 Tax Year**

Donation	Number of Taxpayers Contributing	Total Amount Donated	% of Total Donations	Average Donation
Wildlife Habitat	721	\$ 8,345	28.04	\$ 11.57
Prostate Cancer	496	5,642	18.96	11.38
Breast Cancer	689	6,987	23.48	10.14
Children's Trust Fund	689	8,783	29.52	12.75
<b>Total</b>	<b>2,595</b>	<b>\$29,757</b>	<b>100.00</b>	<b>\$ 11.47</b>

**Number of Returns by ZIP Code Areas for 2001 Tax Year**

ZIP Code Area	Number of Returns Filed	Louisiana Tax Table Income	Average Louisiana Tax Table Income	Total Adjusted Louisiana Tax	Average Adjusted Louisiana Tax
700 Kenner, Metairie, Westwego, Harvey, Litcher, Marrero	237,418	\$ 7,466,750,792	\$ 31,450	\$ 218,863,841	\$ 922
701 New Orleans	175,454	5,112,698,430	29,140	157,226,259	896
703 Houma, Morgan City, Raceland, Thibodaux	98,673	3,158,042,579	32,005	93,322,286	946
704 Bogalusa, Covington, Hammond, Mandeville, Slidell	126,869	4,237,601,560	33,401	122,894,612	969
705 Crowley, Jennings, Lafayette, Opelousas	218,262	6,620,759,154	30,334	190,851,844	874
706 Cameron, DeRidder, Lake Charles, Sulphur, Westlake	92,157	2,834,379,324	30,756	80,247,998	871
707 Baker, Denham Springs, Gonzales, Plaquemine, Zachary	120,811	3,866,447,288	32,004	107,154,011	887
708 Baton Rouge	129,009	4,371,975,586	33,889	136,277,820	1,056
710 Coshatta, Mansfield	61,967	1,671,835,922	26,979	42,542,102	687
711 Bossier City, Shreveport	105,067	3,119,146,448	29,687	91,020,102	866
712 Monroe, Ruston, Winnsboro	113,013	3,069,002,314	27,156	80,138,172	709
713 Alexandria, Bunkie, Ferriday, Vidalia	70,145	1,857,775,403	26,485	48,921,942	697
714 Fort Polk, Leesville, Many, Natchitoches, Zwolle	56,608	1,457,329,550	25,744	36,663,232	648
Out-of-State	109,655	2,662,906,824	24,284	64,902,388	592
<b>Totals</b>	<b>1,715,108</b>	<b>\$51,506,651,174</b>	<b>\$ 30,031</b>	<b>\$1,471,026,609</b>	<b>\$ 858</b>

## Liquors-Alcoholic Beverage Taxes

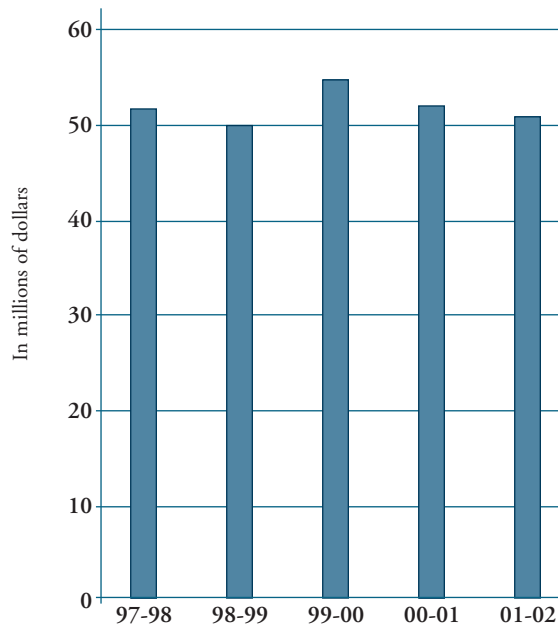


Fiscal Year	Low Alcoholic Content	High Alcoholic Content (Includes out-of-state shippers)	Total	% Change
2001-02	\$ 35,074,129	\$ 16,310,649	\$ 51,384,778	-1.91
2000-01	\$ 36,522,573	\$ 15,863,896	\$ 52,386,469	-4.66
1999-00	\$ 38,489,740	\$ 16,458,854	\$ 54,948,594	9.57
1998-99	\$ 36,478,327	\$ 13,670,443	\$ 50,148,770	-4.12
1997-98	\$ 36,172,622	\$ 16,130,010	\$ 52,302,632	4.55

Louisiana levies a tax on beer of \$10 per 31-gallon barrel. Other alcoholic beverage tax rates are: liquor – 66¢ per liter; sparkling wine – 42¢ per liter; still and native wine (alcoholic content 14% and under) – 3¢ per liter; still and native wine (alcoholic content over 14%, but not over 24%) – 6¢ per liter.

The alcoholic beverage taxes are levied on beer, liquor, and wine, including wine from out-of-state shippers.

In fiscal year 2001-02, alcoholic beverage taxes collections decreased from \$52.39 million to \$51.38 million, a decrease of 1.91%.





## Natural Resources-Severance Tax

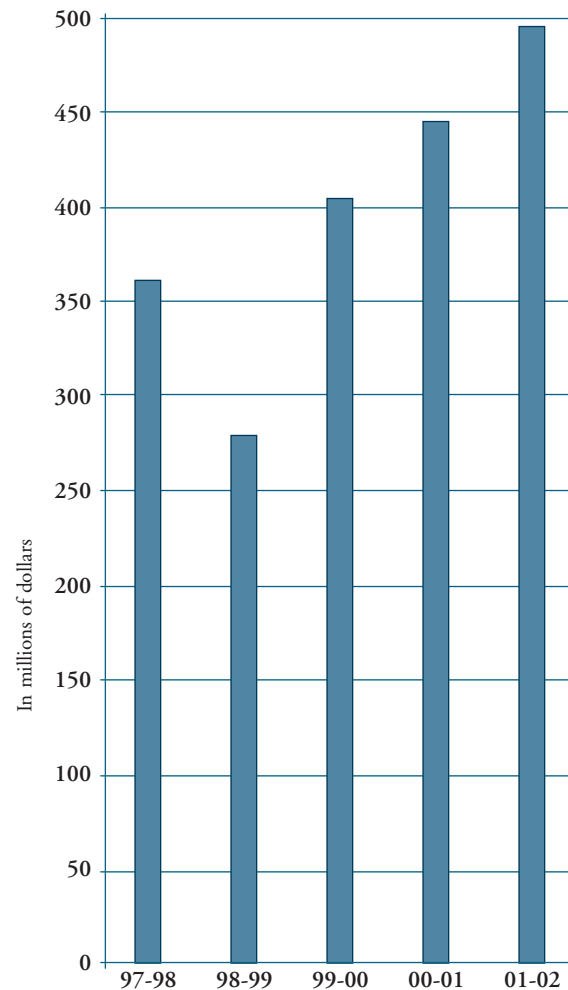
Fiscal Year	Amount Collected	% Change
2001-02	\$496,498,111 *	11.57
2000-01	\$445,003,934	9.74
1999-00	\$405,504,203	55.22
1998-99	\$261,252,818	-25.80
1997-98	\$352,109,046	-16.05

General severance tax is collected on all natural resources severed from Louisiana soil and water. Most notable of these are oil and gas. This tax amounts to 8.09% of the Department's total collections.

Collections increased 11.57% in the fiscal year 2001-02 from \$445.00 million to \$496.50 million. Oil/Condensate collections decreased 23.00% for this year. The main reason is the average price per barrel of oil decreased from \$30.36 to \$23.00. The natural gas severance tax collections increased 92%. This is due to the tax rate increase from 9.7 cents per MCF to 19.9 cents per MCF. There was an 8% increase in natural gas production. The collections of timber/pulpwood decreased by 2.77%. There was a 15% increase in mineral collections.

Except for the annual statutory adjustment of the gas tax rate, tax rates for the various natural resources remained constant in fiscal year 2001-02 and are listed on page 30.

\* This total includes accruals.





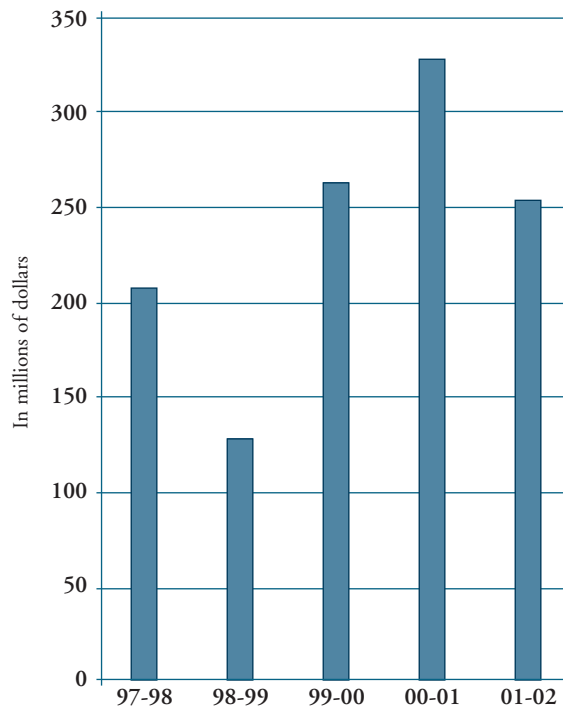
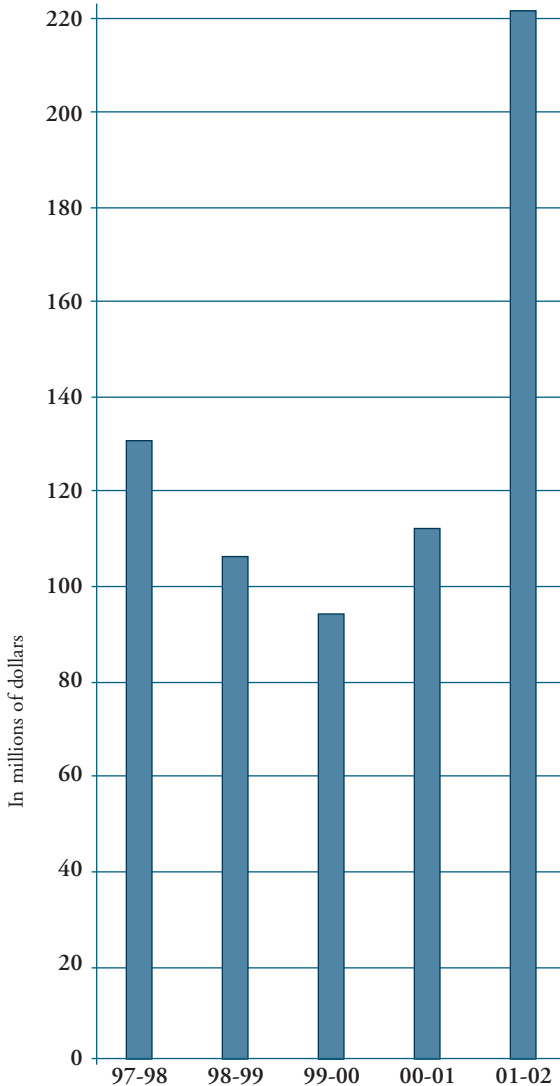
## Natural Resources-Severance Tax

**Natural Gas Production  
and Cash Collections**

Fiscal Year	Amount Collected	Production (in MCFs)
2001-02	\$223,093,234	1,378,641,193
2000-01	\$116,064,670	1,276,685,808
1999-00	\$ 94,711,200	1,232,514,510
1998-99	\$112,202,564	1,237,109,092
1997-98	\$130,843,643	1,335,222,487

**Oil/Condensate Production  
and Cash Collections**

Fiscal Year	Amount Collected	Production (in barrels)
2001-02	\$252,171,272	92,252,182
2000-01	\$329,222,844	92,632,258
1999-00	\$259,602,946	92,209,528
1998-99	\$128,110,921	87,161,288
1997-98	\$205,450,183	101,382,602





## Natural Resources - Severance Tax


<p>1. Timber</p> <p>a. Trees and timber - 2.25% of current stumpage value as determined by the Louisiana Forestry Commission.</p> <p>b. Pulpwood - 5% of current stumpage value as determined by the Louisiana Forestry Commission.</p> <p>c. Forest products grown on reforested lands - 6% of value. This tax is in lieu of all other taxes.</p> <p>2. Gas <span style="float: right;">Per MCF at</span></p> <p>a. Full rate <span style="float: right;">15.025 psia</span></p> <p>(1) 7/1/92 to 6/30/93 <span style="float: right;">.07</span></p> <p>(2) 7/1/93 to 6/30/94 <span style="float: right;">.075</span></p> <p>(3) 7/1/94 to 6/30/95 <span style="float: right;">.087</span></p> <p>(4) 7/1/95 to 6/30/96 <span style="float: right;">.07</span></p> <p>(5) 7/1/96 to 6/30/97 <span style="float: right;">.077</span></p> <p>(6) 7/1/97 to 6/30/98 <span style="float: right;">.101</span></p> <p>(7) 7/1/98 to 6/30/99 <span style="float: right;">.093</span></p> <p>(8) 7/1/99 to 6/30/00 <span style="float: right;">.078</span></p> <p>(9) 7/1/00 to 6/30/01 <span style="float: right;">.097</span></p> <p>(10) 7/1/01 to 6/30/02 <span style="float: right;">.199</span></p> <p>b. Incapable oil-well gas rate <span style="float: right;">.03</span></p> <p>c. Incapable gas-well gas rate <span style="float: right;">.013</span></p> <p>d. Reduced rate <span style="float: right;">.04</span></p> <p>e. Special rate <span style="float: right;">.03</span></p> <p>f. Contract rate <span style="float: right;">.07</span></p>	<p>3. Oil/condensate/similar natural resources <span style="float: right;">Per barrel of 42 gallons</span></p> <p>a. Full rate <span style="float: right;">12.50% of value</span></p> <p>b. Incapable oil rate <span style="float: right;">6.25% of value</span></p> <p>c. Stripper oil rate <span style="float: right;">*3.125% of value</span></p> <p>d. Reclaimed oil rate <span style="float: right;">3.125% of value</span></p> <p>e. Approved mining and horizontal drilling projects rate <span style="float: right;">**3.125% of value</span></p> <p>* Stripper oil is totally exempt if the price of oil is less than \$20 per barrel.</p> <p>** Applies only to the working interest owner's share of production and will revert to the full rate of 12.5% of value when the cumulative value of hydrocarbon production is equal to 2-1/3 times the total private investment in the project.</p> <p>4. Sulphur - one dollar and three cents (\$1.03) per long ton of 2,240 pounds</p> <p>5. Salt - six cents (\$.06) per ton</p> <p>6. Coal - ten cents (\$.10) per ton</p> <p>7. Ores - ten cents (\$.10) per ton</p> <p>8. Marble - twenty cents (\$.20) per ton</p> <p>9. Stone - three cents (\$.03) per ton</p> <p>10. Sand - six cents (\$.06) per ton</p> <p>11. Shells - six cents (\$.06) per ton</p> <p>12. Salt content in brine, when used in the manufacture of other products and not marketed as salt - one-half cent (\$.005) per ton</p> <p>13. Lignite - twelve cents (\$.12) per ton</p>
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### Net Collections by Resource

Resource	2000-01	2001-02	% Change
Oil/Condensate	\$ 329,222,844	\$ 252,171,272	-23.40
Gas	116,064,670	223,093,234	92.21
Timber/Pulpwood	16,989,918	16,519,577	-2.77
Minerals	1,457,384	1,668,822	14.51
<b>Totals</b>	<b>\$463,734,816</b>	<b>\$493,452,905 *</b>	<b>6.41</b>

\* This total does not include accruals.





**Natural Resources-Severance Tax**

**Cash Collections by Parish FY 2001-02**

Parish	Oil/ Condensate	Gas	Timber/ Pulpwood	Minerals	Total Tax Collected
Acadia	\$ 4,568,134.49	\$ 2,535,842.01	\$ 36,128.08	\$ 19,241.34	\$ 7,159,345.92
Allen	1,462,231.75	426,552.58	749,046.18	6,821.00	2,644,651.51
Ascension	318,022.53	14,630.20	6,553.51	.00	339,206.24
Assumption	2,002,277.68	3,421,488.08	958.18	37,199.58	5,461,923.52
Avoyelles	278,283.00	47,385.15	65,086.81	.00	390,754.96
Beauregard	3,188,939.42	995,043.78	1,085,965.69	.00	5,269,948.89
Bienville	992,878.52	10,516,469.71	868,885.86	523.42	12,378,757.51
Bossier	1,671,423.03	9,370,966.87	311,253.97	1,265.27	11,354,909.14
Caddo	1,962,232.69	2,479,300.60	287,177.98	341.37	4,729,052.64
Calcasieu	9,037,300.97	4,191,491.22	140,100.42	9,921.38	13,378,813.99
Caldwell	15,117.79	379,910.48	436,311.24	.00	831,339.51
Cameron	8,944,786.76	11,567,950.04	5,824.95	798.54	20,519,360.29
Catahoula	548,365.35	44,425.43	184,637.36	1,784.67	779,212.81
Claiborne	4,912,102.89	4,332,635.18	617,607.69	8.00	9,862,353.76
Concordia	1,038,865.36	147,352.82	37,875.88	.00	1,224,094.06
DeSoto	720,171.35	7,309,887.48	540,119.09	336,959.48	8,907,137.40
East Baton Rouge	5,914,499.58	3,480,329.33	90,077.60	9,686.72	9,494,593.23
East Carroll	.00	267,851.73	21,478.13	.00	289,329.86
East Feliciana	9.94	108,706.55	225,291.30	12,452.76	346,460.55
Evangeline	1,172,133.44	852,865.09	284,949.45	.00	2,309,947.98
Franklin	926,132.58	1,275,078.66	46,300.82	.00	2,247,512.06
Grant	482,352.08	1,529.49	240,241.43	946.33	725,069.33
Iberia	15,783,900.38	5,467,192.64	6,872.68	245,482.23	21,503,447.93
Iberville	3,348,657.58	474,640.87	31,447.36	.00	3,854,745.81
Jackson	76,668.31	4,200,168.08	590,446.65	.00	4,867,283.04
Jefferson	5,000,203.34	2,125,031.25	1,413.05	169,637.18	7,296,284.82
Jefferson Davis	7,371,792.06	11,298,858.20	20,247.19	43,014.12	18,733,911.57
Lafayette	3,115,644.60	4,932,759.52	1,351.62	1,846.50	8,051,602.24
Lafourche	18,169,138.09	4,320,817.62	1,863.10	2,842.69	22,494,661.50
LaSalle	6,056,288.54	169,384.54	615,309.91	3,679.38	6,844,662.37
Lincoln	631,451.92	2,823,680.44	260,138.19	209.12	3,715,479.67
Livingston	521,244.63	203,637.75	609,873.34	20,369.45	1,355,125.17
Madison	10,833.77	.00	57,540.06	.00	68,373.83



## Natural Resources-Severance Tax

Parish	Oil/ Condensate	Gas	Timber/ Pulpwood	Minerals	Total Tax Collected
Morehouse	\$ .00	\$ 18,681.04	\$ 217,279.10	\$ .00	\$ 235,960.14
Natchitoches	152,292.60	340,651.09	539,143.14	.00	1,032,086.83
Orleans	.00	22,187.15	2,622.61	27,018.30	51,828.06
Ouachita	207,013.63	1,064,477.67	202,196.82	26,812.53	1,500,500.65
Plaquemines	61,080,014.88	22,471,298.10	1,062.38	5,463.38	83,557,838.74
Pointe Coupee	1,640,693.43	7,736,560.46	53,151.96	.00	9,430,405.85
Rapides	2,468,900.81	836,296.30	601,425.08	18,424.36	3,925,046.55
Red River	31,281.99	178,009.59	147,786.98	97,761.00	454,839.56
Richland	(97,185.91)	1,546.49	17,633.30	.00	(78,006.12)
Sabine	56,492.08	315,257.13	944,331.53	79.00	1,316,159.74
St. Bernard	3,638,611.38	2,581,830.05	2,079.17	25,868.88	6,248,389.48
St. Charles	3,482,422.44	761,535.86	500.95	40,971.34	4,285,430.59
St. Helena	779,760.91	3,937.68	495,415.40	90,984.43	1,370,098.42
St. James	315,765.33	207,148.75	11,870.13	15,419.92	550,204.13
St. John	159,704.32	2,187.78	105.97	379.37	162,377.44
St. Landry	1,351,367.92	741,213.41	66,482.82	.00	2,159,064.15
St. Martin	4,537,787.84	2,181,733.53	3,764.11	25,285.80	6,748,571.28
St. Mary	11,563,429.62	15,353,404.98	14.88	159,241.32	27,076,090.80
St. Tammany	.00	31,102.39	172,778.07	103,368.12	307,248.58
Tangipahoa	9,353.83	254,092.03	329,816.31	9,938.47	603,200.64
Tensas	389,253.43	40,865.50	50,895.85	.00	481,014.78
Terrebonne	29,663,018.42	30,274,691.88	201.75	.00	59,937,912.05
Union	266,183.44	375,800.64	936,102.40	183.30	1,578,269.78
Vermillion	13,410,485.29	26,933,305.73	1,956.64	.00	40,345,747.66
Vernon	4,048,880.68	1,220,333.08	1,226,228.29	28,739.81	6,524,181.86
Washington	797.92	15,131.96	589,830.49	30,346.23	636,106.60
Webster	2,294,446.37	9,128,541.05	420,631.40	27,707.48	11,871,326.30
West Baton Rouge	78,892.26	143,753.49	8,027.68	.00	230,673.43
West Carroll	.00	.00	13,052.06	.00	13,052.06
West Feliciana	46,391.74	961.82	66,006.00	4,237.68	117,597.24
Winn	353,130.84	72,833.80	918,809.39	5,560.54	1,350,334.57
<b>State Totals</b>	<b>\$252,171,271.91</b>	<b>\$223,093,233.82</b>	<b>\$16,519,577.43</b>	<b>\$1,668,821.79</b>	<b>\$493,452,904.95</b>



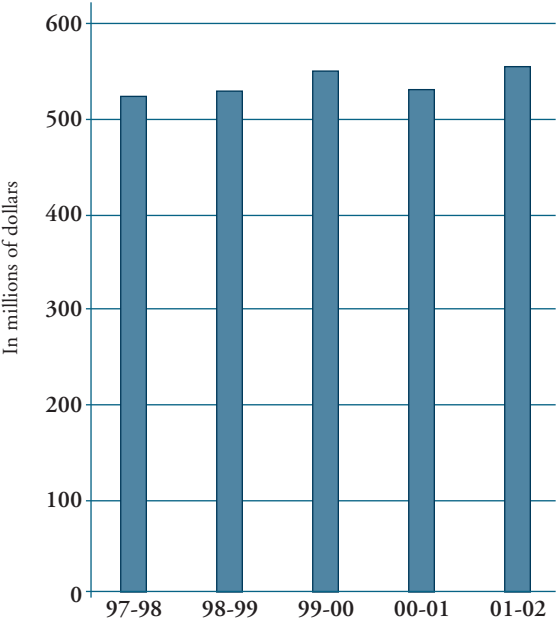
**Petroleum Products Taxes**

Fiscal Year	Amount Collected	% Change
2001-02	\$ 559,774,983	3.73
2000-01	\$539,640,052*	-2.00
1999-00	\$ 550,636,359	2.46
1998-99	\$ 537,421,038	1.06
1997-98	\$ 531,806,479	7.36

The State of Louisiana levies a tax on gasoline used or consumed in the state and on special fuels used to propel vehicles on Louisiana roads. The current tax rate, 20¢ per gallon for gasoline and diesel fuel, became effective January 1, 1990.

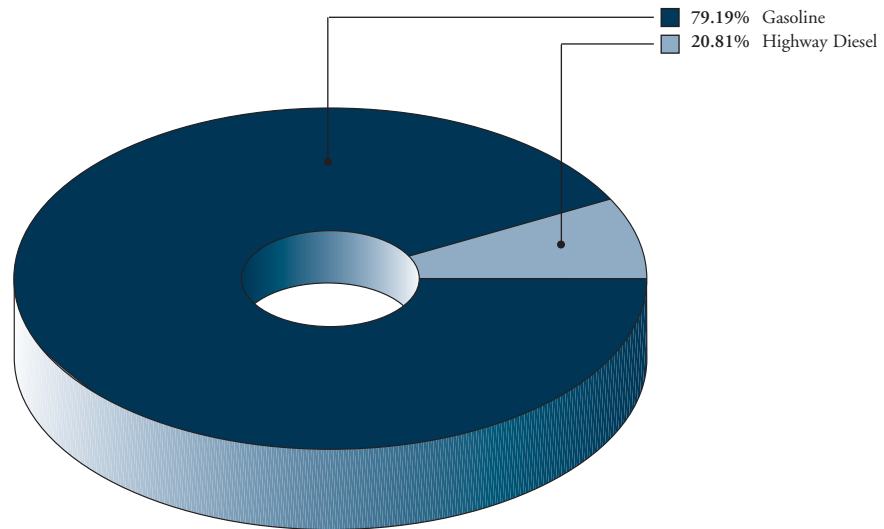
The petroleum products taxes and inspection fee totaled \$559.77 million in fiscal year 2001-02, an increase of 3.73% from the \$539.64 million collected the previous year. Petroleum products taxes comprise 9.12% of the Department’s total collections.

**\*This amount was adjusted from the amount listed in last year’s annual report to reflect audit adjustments.**





## Petroleum Products Taxes



Resource	2000-01	2001-02	% Change
Gross Gallons Taxed:			
Gasoline	2,292,115,745	2,336,289,523	1.93
Highway Diesel	619,052,918	624,721,409	.92
Gasohol	0	0	0.00
<b>Totals</b>	<b>2,911,168,663</b>	<b>2,961,010,932</b>	<b>1.71</b>
Gallons Refunded	176,403,934	139,328,830	-21.02
Net Gallons Taxed:			
Gasoline	2,140,800,225	2,220,302,809	3.71
Highway Diesel	593,964,504	601,379,293	1.25
Gasohol	0	0	0.00
<b>Totals</b>	<b>2,734,764,729</b>	<b>2,821,682,102</b>	<b>3.18</b>



## Petroleum Products Taxes

### Total Collections

Fiscal Year	Gasoline Tax	% Change
2001-02	\$ 442,408,356	4.38
2000-01	\$ 423,843,234	-2.43
1999-00	\$ 434,415,106	1.66
1998-99	\$ 427,310,162	.85
1997-98	\$ 423,714,228	6.58

Fiscal Year	Special Fuels & IFTA	% Change
2001-02	\$ 116,483,538	1.32
2000-01	\$ 114,967,870	-.47
1999-00	\$ 115,505,616	5.70
1998-99	\$ 109,273,611	1.91
1997-98	\$ 107,229,885	10.48

Fiscal Year	Inspection Fee	% Change
2001-02	\$ 883,089	6.39
2000-01	\$ 830,052	15.99
1999-00	\$ 715,638	-14.53
1998-99	\$ 837,265	-2.91
1997-98	\$ 862,367	12.35



## Sales Tax

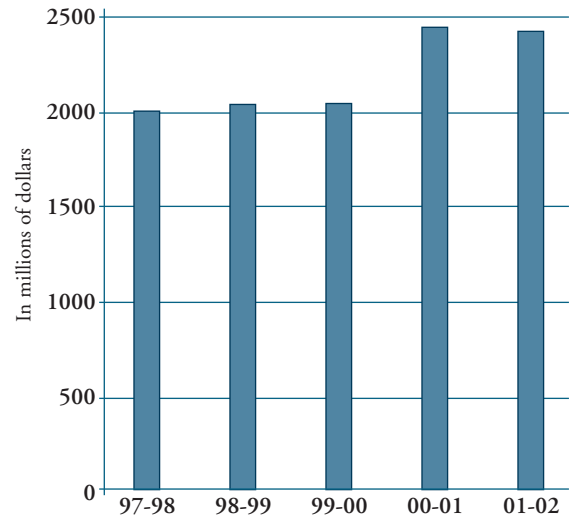
Fiscal Year	Amount Collected	% Change
2001-02	\$2,420,653,604	-1.87
2000-01	\$2,466,867,977*	18.96
1999-00	\$2,073,688,104	0.78
1998-99	\$2,057,543,652	1.01
1997-98	\$2,037,046,687	1.87

The 4% state sales tax rate is comprised of 3.97% general sales tax and .03% Louisiana Tourism Promotion District sales tax. The tax is levied on retail sales of tangible personal property, goods used or stored for use in Louisiana, leases and rentals of tangible personal property, and sales of certain services.

Although many exemptions are provided by statute, many of these exemptions have been temporarily suspended from the levy of portions of the sales tax since 1986. Some of the transactions affected include sales of natural gas, food for preparation and consumption in the home, electricity, water utility services, and newspapers. Each suspension has been for one- to two-year periods, and each has been renewed before it was scheduled to expire. Thus, for all periods since July 1, 1986, certain traditionally exempt transactions have been subject to a state sales tax of 1%, 2%, 3%, or 4%. The suspension rate grew to 4% in July 1993 and was reduced to 3% beginning July 1997. On July 1, 2000, the rate rose to 4% again.

Sales tax net collections accounted for 39.16% of total tax collections in fiscal year 2001-02. For the 14th year, sales tax collections were the largest single source of tax revenue.

**\*This amount was adjusted from the amount listed in last year's annual report to reflect audit adjustments.**



## Tobacco Tax

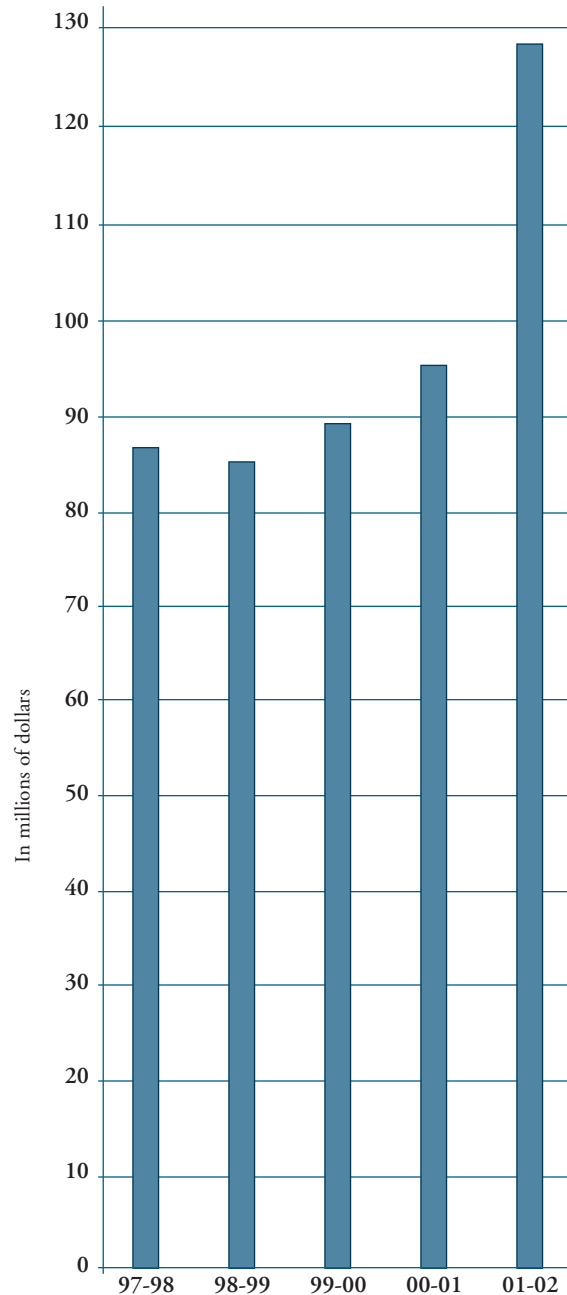


Fiscal Year	Amount Collected	% Change
2001-02	\$128,520,949	33.07
2000-01	\$ 96,582,533	7.74
1999-00	\$ 89,643,730	4.92
1998-99	\$ 85,440,744	-2.02
1997-98	\$ 87,198,107	-1.20

The tobacco tax is collected from the first dealer handling the tobacco product in the state.

The tobacco tax collection figure for fiscal year 2000-01 is based on a tax rate of 24¢ per pack of 20 cigarettes. Act 32 of the 2000 Regular Session of the Louisiana Legislature changed the rate to 24¢ per pack of 20 cigarettes, effective July 1, 2000. The act also introduced a tax rate on smokeless tobacco of 20% of the manufacturer's invoice price as invoiced to the Louisiana tobacco dealer. Effective July 1, 2000, tax rates on tobacco products are as follows: 24¢ per pack of 20 cigarettes; cigars (up to \$120 per thousand), 8% of invoice price; cigars (over \$120 per thousand), 20% of invoice price; smokeless tobacco, 20% of the invoice price; and smoking tobacco, 33% of invoice price to wholesaler.

Tobacco tax collections increased from \$96.58 million to \$128.52 million in fiscal year 2001-02, an increase of 33.07%.









SUMMARIES





## Consumer Use Tax



<p>Use tax is the counterpart of sales tax. It is applied when merchandise is purchased outside of Louisiana for use in the state.</p> <p>The Louisiana use tax was enacted in 1948 to prevent retailers located out-of-state from having an unfair competitive advantage against in-state retailers who have to charge the sales tax. Individuals in Louisiana are responsible for paying use tax on an out-of-state purchase when the item is subject to the Louisiana sales tax and the retailer making the sale does not collect sales tax on the sale. Items that are subject to sales tax include, but are not limited to, computers and other electronic equipment, canned software, books,</p>	<p>audio and video tapes, compact discs, records, clothing, appliances, furniture and other home furnishings, sporting goods, and jewelry. Out-of-state retailers include mail-order companies, television shopping networks, firms selling over the Internet, and retailers located outside Louisiana.</p> <p>The Louisiana use tax is calculated at the rate of 8%. It includes a 4% local rate that is distributed by the Department of Revenue to local governments, and which is in lieu of the actual local rate in effect. This rate is payable regardless of whether the actual combined state and local rate is equal to, higher than, or lower than 8%.</p>
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### Consumer use tax (8%) collected via individual tax returns:

<u>Tax Year 2000*</u>	<u>Tax Year 2001</u>
\$548,538	\$531,855

### Business use tax (4%) collected via sales tax returns:

<u>Fiscal Year 2000-01</u>	<u>Fiscal Year 2001-02</u>
\$472.7 million	\$476.1 million

\*This is the first year the Consumer Use Tax could be paid by taxpayers using a specific line to report use tax on the individual income tax return.

Other Use Tax Collections	FY 2000-01	FY 2001-02
Voluntary Disclosure Agreements	\$ 128,536	\$ 139,876
Motor Vehicle	488,327	549,071
Southeastern Association of Tax Administrators	170,766	353,251
Aircraft	343,606	793,403
Nonresident Contractors	11,665,612	11,769,890
<b>Total</b>	<b>\$12,796,847</b>	<b>\$13,605,491</b>

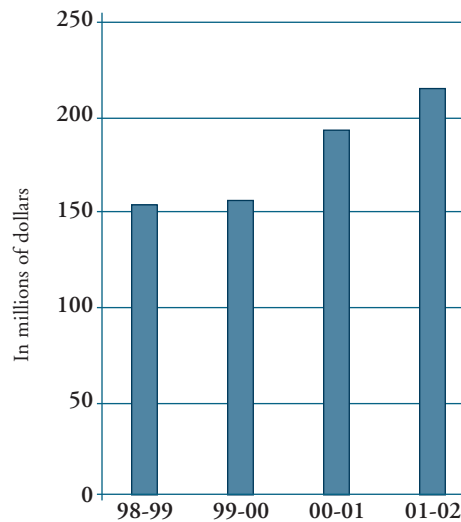
## Delinquent Taxes Collected



Delinquent taxes are any taxes not filed and paid by the statutory due date. Some delinquent taxes can be as old as 10 years because of statutory prescription.

### Delinquent Taxes Collected

Division/Region	1998-99	1999-00	2000-01	2001-02
Collection Division	\$ 100,744,532	\$95,675,466	\$121,932,355	\$149,699,755
Out-of-State Collections by				
Contracted Collection Agencies	12,591	0	1,062,169	348,957
Regional Offices				
Alexandria	3,445,866	3,559,584	4,356,334	4,023,888
Baton Rouge	7,642,614	10,518,684	11,602,689	10,856,008
Lafayette	5,187,793	6,466,209	7,478,289	6,484,573
Lake Charles	3,892,316	3,816,792	4,938,114	3,950,440
Monroe	3,734,000	4,014,335	4,706,789	5,465,560
New Orleans	22,646,337	26,126,556	24,357,221	26,964,107
Shreveport	3,459,373	3,897,642	4,613,704	5,490,132
Thibodaux	4,002,842	4,647,799	6,731,349	6,445,549
Subtotal for Regions	\$ 54,011,141	\$ 63,047,601	\$ 68,784,489	\$ 69,680,257
<b>Total Delinquent Taxes Collected</b>	<b>\$154,768,264</b>	<b>\$158,723,067</b>	<b>\$191,779,013</b>	<b>\$219,728,969</b>





## Field Audit Services Cash Collection Summary

Fiscal Year	Amount Collected	% Change
2001-02	\$235,214,946*	223.51
2000-01	\$ 72,707,711	-24.51
1999-00	\$ 96,312,279**	50.65
1998-99	\$ 63,931,942	-10.12
1997-98	\$ 71,132,849	5.74

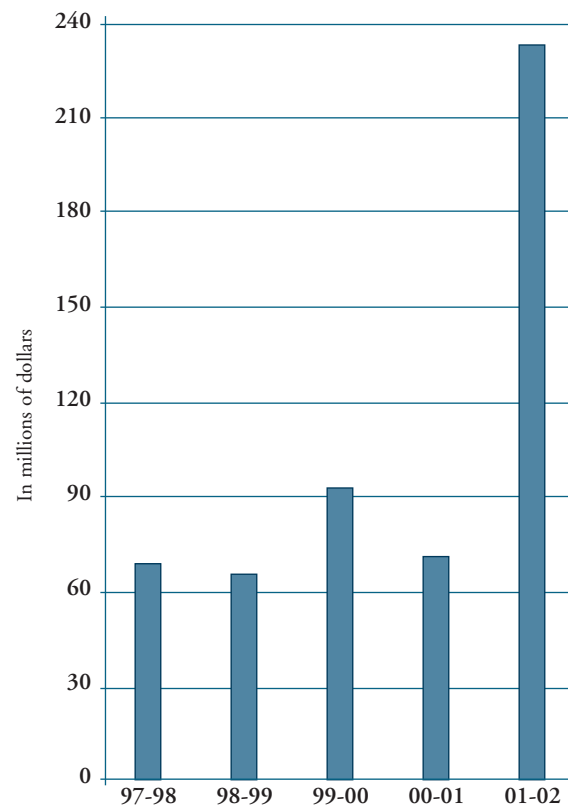
The field audit program of the Department is responsible for in-state and out-of-state audit activity. Field personnel are located in each of the cities listed on the accompanying tables.

Auditors are assigned to out-of-state locations as a cost-effective means of auditing corporations that conduct business in the state, but maintain business records in headquarters outside of the state. The permanent placement of out-of-state auditors has resulted in substantial savings to the Department.

In fiscal year 2001-02, the field audit program collected \$235.2 million.

\*\$126,904,967 of this figure was the result of the 2001 Tax Amnesty Program.

\*\*This large increase was mainly the result of a judgment in a court case.






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**Field Audit Services Cash Collection Summary**


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**In-State Audit Activity**

<b>Region</b>	<b>Collections</b>
Alexandria	\$ 3,355,876
Baton Rouge	9,707,499
Lafayette	23,856,710
Lake Charles	2,257,579
Monroe	5,675,394
New Orleans	19,521,390
Shreveport	10,559,517
Thibodaux	2,794,650
Other	1,703,598
<b>Total</b>	<b>\$79,432,213</b>

**Out-of-State Audit Activity**

<b>District</b>	<b>Collections</b>
Dallas	\$ 28,945,412
Houston	78,989,708
Other Out-of-State Locations	47,847,613
<b>Total</b>	<b>\$155,782,733</b>

**Audit Collections by Tax**

<b>Tax</b>	<b>Collections</b>
Corporation Franchise Tax	\$ 65,971,863
Corporation Income Tax	113,547,210
Sales Tax	54,955,157
Severance Tax	674,380
Withholding Tax	28,176
Other	38,160
<b>Total</b>	<b>\$235,214,946</b>



## Monthly Net Cash Collections Record

Tax	July 01	Aug. 01	Sept. 01	Oct. 01	Nov. 01	Dec. 01
Corporation Franchise Tax	\$ 3,843,098.82	\$ 5,300,000.00	\$ 10,683,807.85	\$ 28,717,631.63	\$ 14,889,979.35	\$ 39,624,124.97
Gift Tax	68,593.41	141,549.21	2,137.18	337,699.19	174,112.42	97,712.40
Hazardous Waste Disposal Tax	1,056,925.45	1,602.74	(2,575.04)	1,371,293.16	2,255.51	3,076.45
Income Tax						
Corporation	2,355,447.66	(14,468,390.00)	42,735,221.37	27,591,449.99	4,963,326.45	92,456,291.61
Fiduciary	179,327.06	262,095.61	224,306.64	244,122.62	157,742.43	66,727.92
Individual	137,521,507.36	132,167,030.96	144,055,088.44	156,313,385.31	127,314,112.65	109,420,567.21
Inheritance and Estate Transfer Tax	5,248,707.53	6,004,436.12	4,474,905.85	6,615,118.15	9,613,571.38	6,823,775.16
Liquors-Alcoholic Beverage Taxes						
*High Alcoholic Content (Liquor/Wine)	1,105,731.46	1,135,083.90	1,285,823.66	1,064,769.29	1,464,039.83	1,597,992.67
Low Alcoholic Content: (Beer)	3,119,447.68	3,084,651.78	3,527,617.51	2,735,870.20	2,766,415.81	3,508,283.55
Natural Resources- Severance Tax	38,429,076.23	38,836,089.53	45,108,143.84	48,917,740.71	39,527,130.51	39,459,055.20
Petroleum Products						
Gasoline Tax	37,222,609.40	36,807,452.67	36,669,311.43	35,439,729.98	38,299,644.87	34,955,058.39
Inspection Fee-Gasoline	71,604.89	73,891.81	70,984.55	67,310.82	69,010.85	76,214.90
Special Fuels Tax	9,579,390.68	9,725,582.18	9,373,845.04	10,184,712.71	10,418,818.15	8,664,623.85
Public Utilities						
Inspection and Supervision Fee	530,839.29	222,287.57	517,308.69	607,412.30	541,664.08	474,785.90
Natural Gas Franchise Tax	1,505,542.24	181,446.29	52,469.00	1,049,153.02	455,074.70	92,325.00
Transportation and Communication Utilities Tax	277,964.81	349,097.15	190,380.61	293,303.42	294,927.89	72,120.39
Sales Tax	213,098,763.38	197,907,862.16	199,886,131.22	208,858,720.06	198,371,890.68	196,987,401.25
Tobacco Tax	10,228,309.35	9,384,657.21	7,997,205.81	9,208,969.72	8,769,877.46	6,843,167.64
Other Taxes	7,928,343.92	8,702,452.24	6,147,142.90	5,553,917.75	6,091,797.21	5,960,759.78
<b>Total Cash Collections</b>	<b>\$473,371,230.62</b>	<b>\$435,818,879.13</b>	<b>\$512,999,256.55</b>	<b>\$545,172,310.03</b>	<b>\$464,185,392.23</b>	<b>\$547,184,064.24</b>

\*Includes Out-of-State Shippers

## Monthly Net Cash Collections Record



Tax	Jan. 02	Feb. 02	Mar. 02	Apr. 02	May 02	June 02
Corporation Franchise Tax	\$ 1,700,723.35	\$ 15,696,483.19	\$ 4,178,803.97	\$126,583,097.88	\$ 2,000,000.00	\$ 8,864,980.43
Gift Tax	22,536.17	406,736.24	359,025.36	2,200,790.89	337,768.19	168,637.10
Hazardous Waste Disposal Tax	1,109,575.73	9,038.41	37,402.58	850,442.45	(24,944.51)	(96,091.49)
Income Tax						
Corporation	2,078,661.86	5,514,980.45	4,014,929.31	107,830,046.35	(31,638,757.54)	26,594,941.31
Fiduciary	314,118.37	6,093.75	1,947,881.34	2,847,565.67	3,003,234.93	92,052.83
Individual	209,696,826.47	97,348,154.68	70,284,466.09	195,778,795.36	258,591,095.35	135,710,106.60
Inheritance and Estate Transfer Tax	3,578,624.08	3,398,264.02	4,633,591.88	4,918,763.36	4,850,880.64	5,033,298.07
Liquors-Alcoholic Beverage Taxes						
*High Alcoholic Content (Liquor/Wine)	1,976,734.68	1,134,373.42	1,241,660.15	1,287,164.39	1,315,109.27	1,543,963.59
Low Alcoholic Content: (Beer)	3,138,826.59	2,420,250.01	2,591,761.29	2,800,404.96	3,350,594.59	2,084,412.43
Natural Resources- Severance Tax	44,678,886.66	36,155,703.67	41,219,140.20	36,826,161.73	44,267,026.89	39,783,852.86
Petroleum Products						
Gasoline Tax	35,062,531.66	36,074,724.89	35,720,501.99	37,715,914.27	32,838,799.74	38,285,330.25
Inspection Fee-Gasoline	72,410.79	69,983.26	75,585.94	66,942.41	77,278.24	88,175.03
Special Fuels Tax	10,445,000.20	9,202,253.54	9,160,857.73	9,163,280.77	9,909,742.19	10,287,054.86
Public Utilities						
Inspection and Supervision Fee	558,106.61	(19,483.30)	530,505.52	424,367.85	137,733.15	668,537.71
Natural Gas Franchise Tax	1,866,124.47	41,667.10	0.00	644,860.24	543,167.03	(1,121,327.19)
Transportation and Communication Utilities Tax	264,701.04	348,625.24	96,989.14	75,541.72	390,278.90	198,363.50
Sales Tax	244,177,217.66	181,881,703.44	85,961,127.80	192,635,428.27	203,557,980.15	194,850,550.32
Tobacco Tax	9,748,931.99	8,240,891.81	10,349,583.69	9,032,804.42	9,869,094.34	14,332,895.51
Other Taxes	4,519,364.38	8,951,398.99	7,087,497.23	8,663,920.39	12,646,042.43	14,288,897.59
<b>Total Cash Collections</b>	<b>\$575,009,902.76</b>	<b>\$406,881,842.81</b>	<b>\$379,491,311.21</b>	<b>\$740,346,293.38</b>	<b>\$556,022,123.98</b>	<b>\$491,658,631.31</b>

\*Includes Out-of-State Shippers



## 15-Year Collection Record



In Millions of Dollars	87-88	88-89	89-90	90-91	91-92	92-93
Corporation Franchise Tax	\$ 232.19	\$ 260.00	\$ 256.85	\$ 244.01	\$ 262.40	\$ 263.43
Gift Tax	1.98	2.67	4.38	2.82	2.21	6.96
Hazardous Waste Disposal Tax	2.97	8.64	7.08	5.48	4.65	27.93
Income Taxes						
Corporation	219.89	344.58	343.98	326.66	231.21	245.27
Fiduciary	3.34	2.69	3.81	2.80	2.61	3.81
Individual	575.69	676.84	737.16	800.58	867.48	930.09
Inheritance and Estate Transfer Tax	39.57	34.07	46.80	39.36	43.95	43.54
Liquors-Alcoholic Beverage Taxes						
High Alcoholic Content (Liquor/Wine)	16.32	16.30	15.91	15.83	15.94	15.72
Low Alcoholic Content (Beer)	33.33	37.93	26.64	26.58	45.65	33.12
Natural Resources - Severance Tax	466.34	401.41	427.79	578.14	484.20	437.48
Other Taxes and Fees	26.36	35.35	37.69	41.72	52.40	56.82
Petroleum Products Taxes						
Gasoline	309.07	316.71	333.59	373.23	377.41	394.43
Special Fuels	56.89	58.51	65.69	70.61	73.92	77.57
Public Utilities						
Inspection and Supervision Fee	3.04	2.99	3.26	3.50	3.48	3.45
Natural Gas Franchise Tax	9.45	8.99	7.59	6.12	16.86	6.80
Transportation & Communication Utilities Tax	25.71	25.40	27.92	5.66	4.96	13.41
Sales Taxes	1,161.50	1,428.26	1,403.46	1,494.88	1,473.16	1,545.00
Soft Drinks Tax	10.10	11.00	11.16	11.64	12.72	11.99
Tobacco Tax	74.71	72.78	68.22	84.20	86.78	84.79
Unclaimed Property	9.35	11.55	10.52	7.86	9.26	11.27
<b>Totals</b>	<b>\$ 3,277.80</b>	<b>\$ 3,756.67</b>	<b>\$ 3,839.50</b>	<b>\$ 4,141.68</b>	<b>\$ 4,071.25</b>	<b>\$ 4,212.88</b>





## 15-Year Collection Record

93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
\$ 257.64	\$ 267.80	\$ 233.52	\$ 243.97	\$ 251.17	\$ 296.49	\$ 269.38	\$ 248.55	\$ 260.34
4.01	3.27	3.50	3.83	5.27	9.25	5.14	4.57	4.32
5.25	7.49	4.79	5.53	4.41	4.31	3.67	4.82	4.43
219.19	283.08	327.54	380.16	359.51	286.32	222.01	293.06	264.42
3.28	3.85	4.82	13.15	8.76	13.11	12.67	12.97	9.23
977.51	1,061.61	1,160.36	1,260.05	1,450.81	1,522.54	1,582.13	1,750.26	1,779.51
48.57	57.97	54.80	73.90	84.51	86.73	90.44	78.36	64.68
15.49	16.20	16.01	15.62	16.13	13.67	16.43	15.85	16.29
34.54	37.59	36.93	34.41	36.17	36.48	38.49	36.52	35.07
364.41	377.74	349.07	419.42	352.11	261.25	405.50	445.00	496.50
50.86	55.23	56.11	62.80	66.66	73.93	67.11	96.73*	98.39
387.63	394.67	405.26	397.55	423.72	427.31	434.42	423.84	442.41
79.28	94.26	96.75	97.06	107.23	109.27	115.51	114.97	116.48
3.61	3.95	3.92	4.27	4.12	4.15	4.76	5.30	5.37
7.41	7.45	7.59	6.31	7.61	7.69	10.02	6.44	4.73
7.56	5.89	6.76	2.63	2.67	6.14	2.28	2.63	2.82
1,716.47	1,788.67	1,958.88	1,999.58	2,037.05	2,057.54	2,073.69	2,448.20*	2,403.58
13.21	6.80	7.60	4.74	-0.01	0.00	0.00	0.00	0.00
81.90	88.85	87.94	88.25	87.20	85.44	89.64	96.58	128.52
9.07	9.71	11.44	10.49	9.64	12.16	13.06	0.00**	0.00
\$4,286.89	\$4,572.08	\$4,833.58	\$5,123.72	\$5,314.74	\$5,313.78	\$5,456.35	\$6,084.65	\$6,137.09

\*These amounts were adjusted from the amounts published in last year's annual report to reflect audit adjustments.

\*\*Unclaimed property responsibilities were transferred to the Louisiana Treasurer's Office effective July 1, 2000.



## 2001 Tax Amnesty Program

<p>The Tax Delinquency Act of 2001 (Act 136 of the Regular Session of the Louisiana Legislature) authorized a tax amnesty program that was offered to taxpayers during the 60-day period September 1, 2001 through October 30, 2001. Under the program, taxpayers could apply for tax amnesty and pay any delinquent tax without penalty or interest, provided the application for amnesty was approved by the</p>	<p>Department of Revenue. The Department also agreed not to seek civil or criminal prosecution for the tax period for which tax amnesty was granted.</p> <p>Total collections under the Tax Amnesty Program were \$192.9 million from 30,168 taxpayers that were approved. The following is a summary of amnesty collections:</p>
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### 2001 Tax Amnesty Statistical Information

Cumulative Totals of all Taxes									
Tax Type	Number of Taxpayers	Amnesty Collections	Interest Abated	Delinquent Penalties Abated	Late Payment Penalties Abated	Negligence Penalties Abated	NSF Penalties Abated	Warrant Penalties	
Beer	1	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 15.03	\$ 0.00	
Corporation-Franchise	1,338	39,232,743.19	30,410,427.87	1,766,049.10	2,586,975.16	90,453.62	427.19	2,426.06	
Corporation-Income	867	69,154,461.31	52,058,910.27	2,635,474.20	1,597,122.73	88,203.41	104.70	740.00	
Excise	19	404,581.00	456,248.22	0.00	0.00	0.00	0.00	0.00	
Fiduciary	67	83,467.22	9,175.46	15,981.41	0.00	0.00	0.00	0.00	
Gasoline-Dealer	5	116,066.04	87,488.94	36,478.92	24,749.45	0.00	0.00	0.00	
Gasoline-Jobber	15	266,472.25	65,179.65	121,497.70	237,876.00	14,963.71	0.00	48.42	
Gift	92	345,771.32	171,445.21	67,987.80	30,751.34	0.00	0.00	0.00	
Hazardous Waste	1	0.00	0.00	6.50	0.00	17.74	0.00	5.49	
Individual Income	21,731	19,238,039.49	6,528,425.56	3,783,983.87	843,689.96	453,432.40	9,426.89	100,057.95	
Inheritance	61	356,363.16	147,770.76	0.00	0.00	0.00	0.00	0.00	
Marijuana & Drug	1	5,475.50	0.00	5,435.50	0.00	0.00	0.00	0.00	
Motor Vehicle	37	86,769.98	17,214.04	8,664.33	0.00	0.00	0.00	0.00	
Sales-General	3,863	55,175,157.19	30,498,126.43	6,391,383.93	4,441,009.75	691,438.54	20,507.69	60,588.08	
Sales-Hotel/Motel Recovery District	17	34,234.35	5,366.13	14,021.56	2,500.31	3,377.92	0.00	30.00	
Sales-New Orleans Exhibition Hall	51	62,289.98	31,219.95	48,382.69	37,689.49	8,076.53	40.79	290.00	
Sales-Orleans & Jefferson Room Rental	1	21,460.23	10,294.28	0.00	0.00	0.00	0.00	0.00	
Severance	137	5,261,017.57	796,391.82	156,010.45	21,336.84	3,488.59	0.00	0.00	
Special Fuels-Supplier	6	17,373.98	36,737.65	86,236.40	60,014.31	15,214.72	0.00	110.00	
Special Fuels-User	7	1,146.47	869.66	1,014.05	0.00	23.84	0.00	10.00	
Tobacco-Return	7	53,169.98	7,546.02	12,612.55	10,570.23	2,094.23	0.00	100.00	
Tobacco Stamps	1	0.00	0.00	0.00	0.00	0.00	180.48	0.00	
Transportation & Communication	7	2,201.78	1,706.14	1,048.75	1,092.33	232.59	0.00	0.00	
Vehicle Rental	6	1,643.13	357.83	8,855.45	4,584.24	50.00	0.00	45.36	
Withholding	1,830	2,981,096.43	1,026,748.98	1,775,634.43	455,266.66	269,380.01	1,653.33	15,900.36	
Total	30,168	\$192,901,001.55	\$122,367,650.87	\$16,936,759.59	\$10,355,228.80	\$1,640,447.85	\$32,356.10	\$180,351.72	

**Electronic Funds Transfers for  
FY 2001-02**

The Electronic Funds Transfer Program was authorized under Louisiana Revised Statute 47:1519, which was effective June 8, 1992. This statute allows the Department to require electronic funds transfer payments for taxpayers whose average payments are \$20,000 or more. The program was phased in over several years using gradually lower average payment levels until the present \$20,000 level authorized in the statute was reached.

**Taxpayers Registered for  
Electronic Funds Transfer (EFT)**

Tax	Number of Filers	Number of EFT Filers	Percentage of EFT Filers to Total
Alcoholic Beverage Taxes	115	12	10.43
Beer Tax	64	37	57.81
Gasoline Tax	299	131	43.81
Hazardous Waste Tax	325	7	2.15
Inspection and Supervision Fee	1,713	17	.99
Sales Tax	197,312	3,083	1.56
Special Fuels Tax	19,391	110	.01
Tobacco Tax	198	25	12.63
Transportation and Comm. Utilities Tax	457	8	1.75
Automobile Rental Tax	209	32	15.31
Withholding Tax	101,651	18,698	18.39
Severance Tax	2,804	380	13.55
Corporation Income and Franchise Taxes	170,767	3,598	2.11

**Comparison of EFT Tax Deposits to Total Deposits  
(In Millions)**

Tax	EFT Deposits	Manual Deposits	Total Deposits	Ratio of EFT Deposits to Total Deposits
Sales Tax	\$1,612	\$ 893	\$ 2,505	64%
Withholding Tax	941	480	1,421	66%
Corporation Income and Franchise Taxes	334	517	851	39%
Gasoline Tax	442	16	458	97%
Severance Tax	422	81	503	84%
Other Taxes	227	148	375	61%
<b>Totals</b>	<b>\$3,978</b>	<b>\$2,135</b>	<b>\$ 6,113</b>	<b>65%</b>



## Operating Expenses

### Tax Collection Program\*

Category	FY 2000-01	FY 2001-02	% Change
Salaries and Related Benefits	\$ 38,452,317	\$ 40,421,131	5.1
Travel	824,936	915,772	11.0
Operating Services	13,392,108	12,479,224	-6.8
Operating Supplies	482,472	657,997	36.4
Professional Services	641,239	1,754,578	173.6**
Interagency Transfers	891,847	3,908,067	338.2**
Capital Outlay	2,311,196	852,130	-63.1
<b>Total</b>	<b>\$ 56,996,115</b>	<b>60,988,898</b>	<b>7.0</b>
Tax Reengineering	3,315,820	2,224,139	-32.9
<b>Total Expenditures</b>	<b>\$ 60,311,935</b>	<b>63,213,037</b>	<b>4.8</b>
<b>Total Net Tax Collections</b>	<b>\$ 6,084,647,391</b>	<b>\$ 6,137,085,887</b>	<b>.9</b>
Allocated Operating costs per \$100 of tax collected*	\$ 1.00	\$ 1.01	.01

\* To more accurately reflect the true operating costs of the Tax Collection Program for the purposes of this calculation, the total expenditures listed above were adjusted to spread the cost of major acquisitions over their depreciable life spans and to exclude non-recurring extraordinary expenses.

\*\* This increase is associated with the move by the Department's Headquarter's Office to it's new location in the LaSalle Building in downtown Baton Rouge, LA.




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## Operating Expenses

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### Alcohol and Tobacco Control Program

Category	FY 2000-01	FY 2001-02	% Change
Salaries and Related Benefits	\$2,871,672	\$3,025,117	5.3
Travel	56,554	88,549	56.6
Operating Services	433,334	572,411	32.1
Operating Supplies	42,468	46,095	8.5
Professional Services	62,597	97,333	55.5
Interagency Transfers	106,316	58,126	-45.3
Capital Outlay	83,236	458,955	451.4
<b>Total Expenditures</b>	<b>\$3,656,177</b>	<b>\$4,346,586</b>	<b>18.9</b>
<b>Total Net Revenues</b>	<b>\$3,785,406</b>	<b>\$3,718,717</b>	<b>-1.8%</b>

### Charitable Gaming Program

Category	FY 2000-01	FY 2001-02	% Change
Salaries and Related Benefits	\$ 703,401	\$ 778,879	10.7
Travel	39,470	25,894	-34.4
Operating Services	564,785	145,882	-74.2
Operating Supplies	17,415	9,969	-42.8
Professional Services	122,327	95,158	-22.2
Interagency Transfers	0	311	0.0
Capital Outlay	96,545	5,390	-94.4
<b>Total Expenditures</b>	<b>\$1,543,944</b>	<b>\$1,061,483</b>	<b>-31.2</b>
<b>Total Net Revenues</b>	<b>\$ 948,026</b>	<b>\$ 968,920</b>	<b>2.2</b>



## Offers of Compromise

<p>Louisiana Revised Statute 47:1578, as amended by Act 1383 of the 1997 Regular Session of the Louisiana Legislature, authorizes the Secretary of Revenue, under certain conditions, to compromise a judgement for taxes and cancel or release a lien, privilege, mortgage, or other encumbrance.</p> <p>Under this authority, the Secretary can accept less than full payment as a final settlement for a state tax liability. The statutory conditions for such a settlement are “serious doubt” as to collectibility of the tax due or the taxpayer’s liability for the tax, and a higher collection cost than the outstanding liability. The judgement for taxes compromised</p>	<p>must be \$500,000 or less, excluding interest and penalty. The settlement must be approved by two Assistant Secretaries in the Department of Revenue and the Board of Tax Appeals. The complete record of all compromises is a public record that is maintained by the Department of Revenue.</p> <p>The law requires that a listing of all settlements entered into during the fiscal year be included in the Department of Revenue’s Annual Report. In fiscal year 2001-02, 15 settlements were made. The compromises made were as follows:</p>
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### Offers of Compromise FY 2001-02

Name	Type of Tax	Total Tax, Interest, and Penalty	Amount Abated	Amount Paid in Compromise
Beach, Paul & Cathy	Individual Income Tax	\$ 7,339.08	\$ 2,641.12	\$ 4,697.96
Beach, Ronald & Karen	Individual Income Tax	\$ 4,861.16	\$ 1,764.82	\$ 3,096.34
Beaner, Calvin & Karen	Individual Income Tax	\$ 5,452.07	\$ 2,878.07	\$ 2,574.00
Bennett, Patrick W. & Cheryl Bennett’s Machine Shop, Inc. Lake Charles Motor Exchange, Inc. Bennett’s Aircraft Tool Grinding, Inc. (The five companies above are the liability of Patrick W. and Cheryl Bennett)	Sales Tax, Withholding Tax, Corporation Income/Franchise Taxes	\$122,191.72	\$58,218.95	\$63,972.77
Cummings III, John dba Lecompte Farm & Auto Supply	Sales Tax	\$ 13,062.14	\$ 7,280.11	\$ 5,782.03
Cummings, John & Charlotte	Individual Income Tax	\$ 576.33	\$ 184.33	\$ 392.00
Determination Corporation	Corporation Income/Franchise Taxes	\$ 41,648.96	\$15,117.76	\$26,531.20
Fore, John & Susan	Individual Income Tax	\$ 17,137.90	\$12,037.90	\$ 5,100.00
Hart, Russell L. & Katie	Individual Income Tax	\$ 13,768.17	\$ 8,901.17	\$ 4,867.00
Mollere, Daniel P.	Sales Tax	\$ 3,837.56	\$ 1,961.09	\$ 1,876.47
Lewis, Ozey Jr.	Withholding Tax	\$ 2,848.50	\$ 1,018.49	\$ 1,830.01
Lewis, Ozey J. Masonry Contractor, Inc.	Withholding Tax	\$ 3,077.14	\$ 1,237.14	\$ 1,840.00
Roy, Tommy & Letha	Individual Income Tax	\$ 5,076.22	\$ 2,200.22	\$ 2,876.00
Tanner, Chad S.	Individual Income Tax	\$ 2,504.27	\$ 1,983.27	\$ 521.00
Webb, Robert & Charlotte	Individual Income Tax	\$ 29,761.42	\$20,962.42	\$ 8,799.00

Summaries of 2002 Legislative Action



<p>The following pages contain summaries of selected major tax laws amended or enacted during the 2002 First Extraordinary Session and the 2002 Regular Session of the Louisiana Legislature. The summary information presented is only intended to provide a general description of the law's major provisions and should not be construed to represent a complete analysis or specific interpretation of the law.</p>	<p>A complete listing of tax legislation enacted in 2002 may be obtained from the Department's web page on the Internet at <a href="http://www.rev.state.la.us">www.rev.state.la.us</a>, or by contacting the Policy Services Division at the following: P.O. Box 44098, Baton Rouge, LA 70804-4098, FAX (225) 219-2759.</p> <p>Copies of particular acts may be obtained from the Office of the Secretary of State at (225) 342-2085.</p>
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2002 First Extraordinary Session of the Louisiana Legislature

<p><b>ALCOHOL AND TOBACCO CONTROL</b></p>	
<p><b>Act 144</b> (HB 165) amends R.S. 26:271 to increase certain permit fees for dealers in beverages of low alcoholic content. Effective June 16, 2002.</p>	
<p><b>EXCISE TAXES</b></p>	<p>ture productions. The amount of the credit is based on 85 percent of the funds actually invested and expended within the state. This Act also enacts R.S. 47:1125.1 to provide for an employment tax credit for the employment of Louisiana residents in connection with the production of a motion picture. The credit may be applied to any income or corporation franchise tax liability applicable to the motion picture production company. If the motion picture company is an entity not subject to income or franchise tax, the credit shall flow through to its partners or members. Effective July 1, 2002.</p>
<p><b>Act 96</b> (HB 116) enacts R.S. 47:843(D)(2)(f) to provide that tobacco dealers shall not affix tax stamps on packages of cigarettes if the cigarettes are manufactured by a tobacco product manufacturer that is not participating in the Master Settlement Agreement and has failed to create a qualified escrow account as required by R.S. 13:5062. Effective April 18, 2002.</p>	<p><b>Act 8</b> (HB 105) enacts R.S. 51:2351 et seq. to provide for the Technology Commercialization Credit Program. This Act authorizes the Department of Economic Development to award income and corporation franchise tax credits to qualified taxpayers for 15 percent of their investments in machinery and equipment and expenditures associated with obtaining the rights to use technology, including fees related to patents, copyrights, and licenses for taxable years beginning on or after January 1, 2003, until December 31, 2006. Effective July 1, 2002.</p>
<p><b>INCOME AND CORPORATION FRANCHISE TAXES</b></p>	
<p><b>Act 1</b> (HB 17) amends R.S. 47:1123(4) and (5) to expand the definition of "motion picture" and "motion picture production company." This Act also enacts R.S. 47:1125.1 to provide for an employment tax credit for the employment of Louisiana residents in connection with the production of a motion picture. However, Act 6 also enacts R.S. 47:1125.1 and provides that if HB 17 is enacted and the provisions of R.S. 47:1125.1 conflict with Act 6 (SB 108), the provisions of Act 6 will prevail. Effective July 1, 2002 until June 30, 2006.</p>	<p><b>Act 9</b> (HB 106) enacts R.S. 47:6015 to authorize the Department of Economic Development to award income and corporation franchise tax credits to qualified taxpayers for increasing research activities in Louisiana. Any taxpayer who claims a federal tax credit under 26 U.S.C.A. §41(a) for increasing research activities is eligible for the state tax credit for taxable years beginning on or after January 1, 2003, until December 31, 2006. This Act also provides the rules and procedures for awarding credits. Effective April 17, 2002.</p>
<p><b>Act 4</b> (HB 118) amends R.S. 51:1784(C) to provide for the source data to be used to qualify for the enterprise zone program. This Act also amends Section 4 of Act No. 46 of the 2000 Regular Session of the Legislature to extend the effective date to June 30, 2006, for R.S. 51:1787(A)(2)(c), which provides for a \$5,000 tax credit for each new job created by motor vehicle parts manufacturers. Effective April 17, 2002.</p>	<p><b>Act 38</b> (SB 55) amends R.S. 47:6005(D) to provide that steelworks and blast furnaces, including coke</p>
<p><b>Act 6</b> (SB 108) amends R.S. 47:6007 to allow Louisiana domiciled taxpayers to take a state income tax credit for investments in state certified motion pic-</p>	



## Summaries of 2002 Legislative Action

<p>ovens and rolling mills classified as Standard Industrial Classification (SIC) Code 3312, may receive 100 percent of the credit allowed for purchases of qualified recycling equipment and any credit or credit carryforward not used to offset taxes shall be refunded. Effective April 18, 2002.</p>		<p>that has been granted relief from paying state sales and use tax under the Motion Picture Incentive Act, R.S. 47:1121 et seq. This Act also amends R.S. 47:1123(4) and (5), 1124, and 1125 to expand the definition of a motion picture to include nationally distributed videos, television series, or commercials made in Louisiana, to change the sales tax refund to a sales tax exclusion, and to reduce the expenditure requirement in a 12-month period from \$1 million to \$250,000. Effective July 1, 2002.</p>
<b>MISCELLANEOUS</b>		
<p><b>Act 153</b> (HB 144) amends R.S. 51:2452(A), 2453, 2454, 2455, 2457, 2458, 2460, and 2461 and enacts R.S. 51:2456 and 2462 to revise the quality jobs program to allow businesses that expand existing operations to qualify for the tax incentives. This Act also deletes the requirement that the business be a basic industry establishment and provides for payment of rebates to certain employers based on the gross payroll of new direct jobs in the state. Effective May 1, 2002.</p>		<p><b>Act 7</b> (HB 30) enacts R.S. 47:301(16)(h), (22), and (23) and 305.52 to provide for a state sales and use tax exclusion for certain custom computer software to be phased in over a four-year period. This Act also allows political subdivisions to exempt sales of certain custom computer software. Effective July 1, 2002.</p>
<b>SALES TAX</b>		
<p><b>Act 2</b> (HB 51) enacts R.S. 47:302.53, 322.45, and 332.51 to dedicate the proceeds of the state sales tax on hotel occupancy in Concordia Parish to the Concordia Parish Economic Development Fund. Effective July 1, 2002.</p> <p><b>Act 3</b> (HB 104) enacts R.S. 47:301(10)(a)(v) to provide a sales and use tax exclusion on capital expenditures for new research equipment purchased by commercial biotechnology research companies. Effective July 1, 2002.</p> <p><b>Act 5</b> (SB 85) enacts R.S. 47:301(10)(a)(v) to provide for a state sales tax exclusion until January 1, 2007, for purchases by a motion picture production company</p>		<p><b>Act 98</b> (HB 127) amends R.S. 47:306(A)(1)(c) and enacts R.S. 47:306(A)(1)(d) to provide that state and local sales tax returns of any department, agency, board, commission, or other state entity must be filed annually unless the accumulated sales tax due to the state or any tax collector is \$500 or more by the last day of any month before the close of the state's fiscal year, in which case the tax must be filed and paid before the 20th day of the month following the month during which the \$500 threshold was exceeded. Effective April 18, 2002.</p> <p><b>Act 99</b> (HB 128) amends R.S. 47:306(A)(3)(a) and (B)(4) to provide that compensation will be allowed to dealers, manufacturers, wholesalers, jobbers, and suppliers who timely remit taxes to the secretary of the Department of Revenue. Effective April 18, 2002.</p>

### 2002 Regular Session of the Louisiana Legislature

<b>COLLECTION</b>		
<p><b>Act 36</b> (SB 49) amends R.S. 47:3204(E) and 4302(D) and R.S. 51:1787(I) to provide that, if any tax collection agencies receive notice from the Board of Commerce and Industry that an exemption granted under a tax equalization, manufacturing establishment, or enterprise zone tax exemption contract has ceased due to a violation of the terms of the contract after the establishment has already received the exemption, then the amount exempted for the year in which the violation occurred, and for each year thereafter in which the violation is not remedied, will be considered a tax due as of December 31 of the year in</p>		<p>which the violation occurred and for each year thereafter in which an exemption is used and the violation is not remedied. The Act further provides that the tax will be collected by the collecting agencies in the same manner and subject to the same provisions for the collection of other tax debts. Effective June 25, 2002.</p> <p><b>Act 47</b> (SB 81) enacts R.S. 47:1602(D) to authorize the suspension of an exemption that has been granted to a taxpayer through a tax incentive contract if at any time during the contract there is a final, non-appealable judgment against the taxpayer for non-payment of taxes. The suspension is not applicable to ad val-</p>





## Summaries of 2002 Legislative Action

<p>orem tax exemption contracts granted pursuant to Article VII, Section 21(F) of the Constitution of Louisiana. Effective August 15, 2002.</p>	<p>exclusion associated with gifts. This Act is applicable to gifts made after December 31, 2001. Effective August 15, 2002.</p>
<b>EXCISE TAXES</b>	
<p><b>Act 14</b> (HB 147) amends R.S. 26:345 and 347 to allow a refund or credit to wholesale dealers for taxes paid on beverages of low alcoholic content that have been damaged and are unfit for sale. Effective July 1, 2002.</p> <p><b>Act 19</b> (HB 157) enacts R.S. 47:841(B)(4) and (5) to levy additional taxes of seven-twentieths of one cent per cigarette and five-twentieths of one cent per cigarette respectively. The tax is therefore increased from 24 cents per 20 pack to 36 cents per 20 pack. R.S. 47:841.1 was also enacted to create the Tobacco Tax Health Care Fund to which an amount equal to the avails of the taxes imposed by R.S. 47:841(B)(4) and (5) is to be deposited for use, subject to legislative appropriation. Effective July 1, 2002.</p> <p><b>Act 21</b> (HB 167) extends the additional tobacco tax of four-twentieths of one cent per cigarette levied by Act No. 32 of the 2000 Regular Session until June 30, 2012, to maintain the 24 cents per 20 pack levy. Act 19 of the 2002 Regular Legislative session increased the tax levied from 24 cents per 20 pack to 36 cents per 20 pack. Effective July 1, 2002.</p> <p><b>Act 28</b> (SB 13) enacts R.S. 47:801(13) to provide a definition of “fire truck” and enacts R.S. 47:803.2 to provide that a fire department/district may, under certain circumstances, purchase dyed fuel for use in the operation of fire trucks and pay the applicable state fuel tax directly to the Department of Revenue. Effective July 1, 2002.</p>	<p><b>Act 16</b> (HB 149) amends R.S. 47:287.92(B) and 287.93(A) and repeals R.S. 47:287.94(H) and (I) and 289.95(I) to remove the provisions of Act 690 of the 1993 Regular Session from the corporation income tax statutes. Act 690 of 1993 was declared unconstitutional by the Louisiana Supreme Court in <i>Dow Hydrocarbons v. Kennedy</i>, 694 So.2d 215 (La. 5/20/97), and has since been ignored for purposes of computing the tax. Effective June 7, 2002.</p> <p><b>Act 17</b> (HB 150) amends R.S. 47:287.732(A) and enacts R.S. 47:287.732(C) and 287.732.1 to provide the corporation income tax applicable to qualified Subchapter S subsidiary (QSub) corporations. In general, the QSub will be disregarded as a separate entity for Louisiana income tax purposes and treated as part of the S corporation parent for all taxable periods beginning after December 31, 2002. If the QSub is not disregarded, then it is required to compute its Louisiana corporation income tax as if the QSub and the S corporation parent had been required to file income tax returns with the Internal Revenue Service as C corporations for the current and all prior taxable years. Effective August 15, 2002.</p> <p><b>Act 24</b> (HB 171) enacts R.S. 47:293(2)(c) and (d) to limit the deductibility of excess federal itemized deductions. For taxable years beginning after December 31, 2001, and ending prior to January 1, 2003, “excess federal itemized personal deductions” means 57.5 percent of the amount by which the federal itemized personal deductions exceed the amount of the federal standard deduction designated for the filing status used for the taxable period on the individual income tax return required to be filed. For taxable years beginning after December 31, 2002, and ending prior to January 1, 2004, “excess federal itemized personal deductions” means 65 percent of the amount by which the federal itemized personal deductions exceed the amount of the federal standard deduction designated for the filing status used for the taxable period on the individual income tax return required to be filed. Effective for all taxable years beginning after December 31, 2001.</p>
<b>INCOME AND CORPORATION FRANCHISE TAXES</b>	
<p><b>Act 10</b> (HB 143) amends R.S. 47:287.86(I) to provide that net operating losses generated after a reorganization cannot be carried back to a corporation that does not survive the reorganization. The Act also provides that a reorganization under Internal Revenue Code Section 368(a)(1)(F), commonly known as an F reorganization, will essentially be ignored for Louisiana corporation income tax purposes, being a mere change in form rather than substance. Effective June 7, 2002.</p> <p><b>Act 15</b> (HB 148) amends R.S. 47:1205(A) to make the amount to be excluded annually per donee for gift tax purposes be equal to the amount of the federal</p>	<p><b>Act 25</b> (HB 238) amends R.S. 47:297(B) and enacts R.S. 47:297.3 to revise the individual income tax credit for child care expenses. The credit for child care expenses shall be calculated using a percentage based on</p>



## Summaries of 2002 Legislative Action

the individual's federal adjusted gross income and the amount of credit for child care expenses claimed on the resident individual's federal tax return. This Act also amends R.S. 47:297(D)(3) to extend the suspension of the child education expense credit. Effective for all taxable periods beginning on or after January 1, 2003.

**Act 30** (SB 38) amends R.S. 47:293(7) and enacts R.S. 47:293(6)(a)(vii), 297.3, 300.6(B)(2)(d), and 300.7(C)(2)(c) to authorize an "S Bank" shareholder to exclude "S Bank non-taxable income" as defined in R.S. 47:297.3 from individual tax table income. Effective for tax periods beginning on or after January 1, 2003.

**Act 32** (SB 42) enacts R.S. 47:6016 to grant a refundable credit against income and corporate franchise taxes for purchases by a taxpayer of specialty apparel items from a Private Sector Prison Industry Enhancement (PIE) contractor. PIE contractors use inmate labor in producing items for sale and then pay thirty percent of the salary paid to the inmates back to the state. The credit is equal to the state sales and use taxes due on purchases from the PIE contractor. The Act is effective January 1, 2003, for income and franchise tax becoming due on and after January 1, 2003. These provisions are ineffective on January 1, 2006, unless the Constitution is changed to require fiscal only sessions in odd numbered years. In that case, these provisions are ineffective on January 1, 2007.

**Act 38** (SB 58) amends R.S. 47:603 to exclude from borrowed capital certain indebtedness of vehicle, boat, and equipment dealers in computing corporation franchise tax owed. The Act removes from the definition of borrowed capital the amount of master loan agreements entered into by motor vehicle, manufactured homes, recreational vehicles, boat, motorcycle, motor home or farm implement dealers. The loan agreements must be structured in such a way that the financing is secured by a specific identifiable unit, and the loan is repaid as each unit is sold. Effective June 25, 2002.

**Act 54** (HB 55) enacts R.S. 47:297(M) to allow a credit equal to ten percent of the total amount of federally qualifying long-term care insurance premiums paid annually by an individual against the individual income tax. The credit cannot exceed the total tax liability in any taxable year. Taxpayers applying for the credit must complete a form prescribed by the department. The Act becomes effective if and when the legislature enacts a special fund to finance the credit. Effective June 30, 2002.

**Act 59** (HB 98) enacts R.S. 47:602(F) to provide a deduction from taxable capital when computing franchise tax for insurance holding corporations that own at least eighty percent of the capital stock of subsidiary property and casualty insurance corporations, if the subsidiary has capital and surplus of less than twenty million dollars. The holding corporation can deduct from its taxable base an amount equal to its investments in and advances to the subsidiary that were allocated to Louisiana under R.S. 47:606(B). The deduction is allowable for franchise tax years beginning after June 30, 2002, until January 1, 2005. Effective July 1, 2002.

**Act 60** (HB 122) enacts R.S. 47:6016 to allow for a credit, not to exceed twenty-five percent for any taxable year, against income or corporation franchise tax liability due for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development district. The credit is limited to one credit per historic structure rehabilitated and may be used in addition to the twenty percent federal tax credit for such purposes. The credit is equal to or less than two hundred fifty thousand dollars. Unused credits may be carried forward or sold. Effective July 1, 2002, and remains effective for all taxable years ending prior to January 1, 2005.

**Act 65** (HB 141) enacts R.S. 47:287.95(K) and R.S. 47:606(A)(1)(e) relative to corporation income and franchise tax apportionment for television, radio or other broadcasting businesses. The Act provides methods for determining the revenue to be attributed to Louisiana in the numerators of the existing revenue factors. In general, the methods attribute revenue to Louisiana based on audience factors. The provisions are applicable to income tax years beginning after December 31, 2001, and franchise tax years beginning after December 31, 2002.

**Act 66** (HB 153) enacts R.S. 47:6015 to provide a tax credit from income or corporation franchise taxes for qualified low-income community investments. The total credits taken cannot exceed total combined income and corporation franchise tax liability for the taxable year. Credits not used in the first taxable year eligible for use will carry forward and are eligible for use in future taxable years. The aggregate amount of credits for all taxpayers during any taxable year cannot exceed five million dollars. The credit must be applied for on forms prescribed by the secretary prior to the use of the credit, and will be allocated on a first-come, first served basis. If any amount of the federal tax credit available for a qualified equity investment eligi-

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<p>ble for the credit is recaptured under the provisions of Internal Revenue Code §45D, the department is authorized to recapture a percentage of the credit granted that is equal to the percentage of the total federal credit earned that is recaptured. Effective September 1, 2002, but becomes null and void on August 31, 2006.</p>	<p>tax liabilities for two years. Thereafter, premium tax credits can be taken at a rate of 12.5 percent per year until 100 percent of credits generated have been claimed. Unused credits generated after December 31, 1999 may carry forward. Effective June 25, 2002.</p>
<p><b>Act 68</b> (HB 190) enacts R.S. 47:201.1(E) to authorize an exemption from composite payment requirements for nonresident partners of a publicly traded partnership. The exemption must be requested in writing and, if granted, will be effective for three years from the date granted. A new request must be submitted to continue the exemption at the end of the three-year period. The exemption may be revoked if the nonresident partners do not file and pay individual income taxes on their own behalf. The Act defines a “publicly traded partnership” and provides that such a partnership must file a composite return that includes nonresident partners who were partners on December 31 of the year prior to the due date of the return. Effective for all taxable years beginning after December 31, 2002.</p>	<p><b>MISCELLANEOUS</b></p> <p><b>Act 72</b> (HB 225) amends R.S. 47:297(H)(2) and (3) and R.S. 47:305(D)(1)(t) to provide an income tax credit for a dentist who, after July 1, 2002, establishes and maintains the primary office of his practice in a parish or other geographic area in the state designated as a Dental Health Professional Shortage Area (HPSA) by the U.S. Department of Health and Human Services’ Bureau of Primary Health Care Division of Shortage Designation (DSD) as per Section 332 of the Public Health Service Act. Subject to the limits in R.S. 47:297(H)(3), the credit continues to be available to the dentist if the Dental HPSA designation is withdrawn after the dentist establishes a practice in a Dental HPSA. The Act also exempts from all sales and use tax any and all dental devices used exclusively by the patient or administered exclusively to the patient by a dentist or dental hygienist in connection with dental or health care treatment. Effective June 25, 2002.</p>
<p><b>Act 78</b> (HB 252) provides a credit against Louisiana income and franchise taxes for certain economic development corporations. The credit is equal to the filing fee paid to the Louisiana State Bond Commission in the preparation and issuance of bonds as provided by R.S. 33:9020 through 9037. Effective June 25, 2002.</p> <p><b>Act 84</b> (HB 267) amends R.S. 22:1068(E)(1), (2)(d), and (3), R.S. 51:1923(1)(5), and (6)(a)(i), 1924(B)(D)(1)(2)(5), and (E) and (F), 1926(A)(1)(2)(3)(a), and (H)(3), 1927(A), 1927.1, 1928(B)(2)(C)(3), and 1931, and enacts R.S. 51:1923(11) through (20), 1924(D)(6), 1926(A)(4), 1927.2, 1928(B)(3), 1934(C), and 1935(C), relative to certified capital companies. The Act extends the period in which new capital can be certified into the capital companies (CAPCO) program until December 31, 2003. Total insurance premium credit that is generated for investments by insurance companies in capital companies is reduced to 100 percent (from 110 percent). Income tax credits remain at 35 percent of capital allowed into the program, but are limited to \$2 million per year of tax reduction (from \$4 million). Premium tax credits associated with new capital allowed into the program are reduced to \$5 million per year (from \$8 million). Premium tax credits generated from new capital cannot be taken against</p>	<p><b>SALES TAX</b></p> <p><b>Act 2</b> (HB 40) amends R.S. 47:305.50(A)(1)(a)(i) and (ii) to extend the exemption for trucks of at least 26,000 pounds gross weight, trailers, and contract carrier buses, when at least 80 percent of their use occurs in interstate commerce through June 30, 2004. Effective June 30, 2002.</p> <p><b>Act 4</b> (HB 54) amends Section 2 of Act No. 29 of the 1996 Regular Session of the Legislature, as amended by Act No. 21 of the 1998 Regular Session of the Legislature, as amended by Act No. 28 of the 2000 Regular Session of the Legislature, relative to sales and use tax. The Act deletes the termination date for the exemption for purchases of boiler fuel and provides that the boiler fuel exemption provided in R.S. 47:305(D)(1)(h) is effective, except to the extent that it is suspended by Act 22 of the 2002 Regular Session of the Legislature. Effective June 30, 2002.</p> <p><b>Act 20</b> (HB 166) amends R.S. 47:551(A) and enacts R.S. 47:551(D)(3) and (4) to extend the automobile rental tax levy from June 30, 2002, to June 30, 2012, and to dedicate the local tax collected in Jefferson and Orleans Parishes. Effective July 1, 2002.</p>



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**Act 22** (HB 169) enacts R.S. 47:302(Q), 321(H), and 331(O) to continue the suspension of most state sales tax exemptions through June 30, 2004. While most statutory sales tax exemptions will continue under Act No. 22 to be taxed at the full rate of 4 percent, the rate of state sales tax on food for home consumption, electricity, water, natural gas, and steam will be reduced beginning July 1, 2002, from 4 percent to 3.9 percent. Act No. 22 provides that the rate of tax on these transactions will be reduced again on July 1, 2003, from 3.9 percent to 3.8 percent. The 4 percent rate will continue to apply to all of the transactions that have been subject to the 4 percent exemption suspension rate since July 1, 2000, except for the sales of food for home consumption, and electric, water, natural gas, and steam utilities. Effective July 1, 2002.

**Act 27** (SB 11) enacts R.S. 47:305.14(A)(5) to provide for an exemption to the state and political subdivision sales and use taxes for nonprofit literacy organizations. Purchases of tangible personal property or taxable services by nonprofit literacy organizations in compliance with the court order from *Brumfield v. Dodd* (405 F.Supp. 338 (1975)) and Internal Revenue Code § 501(c)(3) are exempt from state and local sales and use tax. The purchases are limited to books, workbooks, computers, computer software, films, videos and audio tapes. Effective July 1, 2002.

**Act 31** (SB 39) enacts R.S. 47:305(I) to provide exemptions from state and local sales and use taxes for repairs and materials used on drilling rigs and equipment used exclusively for exploration and development of minerals outside the territorial limits of the state in Outer Continental Shelf waters. The sale of materials, services and supplies as well as labor used to repair, renovate or convert any drilling rig, or machinery and equipment which are component parts used exclusively for the exploration or development of minerals outside the territorial limits of Outer Continental Shelf waters are exempt from state and local sales and use taxes. Effective July 1, 2002.

**Act 40** (SB 62) amends R.S. 47:305.1(C) and enacts R.S. 305.1(D) to define the term “foreign or interstate coastwise commerce” and to provide for an exemption for certain shipbuilding materials, equipment, and machinery from state and local taxes. The provisions of this Act are intended to explain and clarify the original intent of R.S. 47:305.1. Effective June 25, 2002.

**Act 41** (SB 70) amends R.S. 47:305.1(C) and enacts R.S. 47:305.1(D) pertaining to the state and local sales tax exemption for ships and ships’ supplies to

define “foreign or interstate coastwise commerce” and “component parts.” Effective June 25, 2002.

**Act 49** (HB 26) amends R.S. 47:302(P), 321(G), and 331(N) to extend the exemption for purchases of utilities by certain steelworks and blast furnaces through June 30, 2004. Effective on July 1, 2002.

**Act 58** (HB 95) amends R.S. 47:301(10)(t) and (18)(h) to exclude telephone directories distributed free of charge by advertising companies not affiliated with telephone service providers from state tax. R.S. 47:301(14)(F) is also amended relative to the furnishing of cold storage to exclude space that is furnished pursuant to a bailment arrangement. Effective June 25, 2002.

**Act 61** (HB 124) enacts R.S. 47:301(16)(h) to exclude from state sales and use tax the initial purchase of digital television and radio conversion equipment by certain FCC license holders. A credit is available for purchases subsequent to January 1, 1999, and prior to the effective date of the Act. The Act also provides for a local option. Effective June 25, 2002.

**Act 62** (HB 130) amends R.S. 47:305(D)(1)(i) and (H) pertaining to the sales tax exemption for automobiles, trucks, and aircraft withdrawn from stock by dealers for use as demonstrators to no longer require approval by the Secretary of the Department of Revenue or that the vehicle be titled in the dealer’s name if the vehicle has a dealer inventory license plate. Effective June 25, 2002.

**Act 64** (HB 135) amends Section 3 of Act 12 of the 1996 Regular Session, as amended by Act 10 of the 1998 Regular Session and Act 28 of the 2000 Regular Session, to make permanent the exclusion from sales or use taxes for vehicles purchased for subsequent lease or rental. Effective June 30, 2002.

**Act 67** (HB 158) enacts R.S. 47:301(3)(h), (13)(g), and (24) to provide a state and local sales and use tax exclusion for certain costs of certain publishing businesses. For purposes of a publishing business which distributes its news publications at no cost to readers and pays unrelated third parties to print such news publications, the terms “cost price” and “sales price” mean only the lesser of the following costs: (1) the printing cost paid to unrelated third parties to print such news publications, less any itemized freight charges for shipping the news publications from the printer to the publishing business and any itemized charges for paper and ink; (2) payments to a dealer or

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<p>distributor as consideration for distribution of the news publications. Effective July 1, 2002.</p> <p><b>Act 70</b> (HB 205) enacts R.S. 47:301(16)(h) to provide state and local sales and use tax exclusions of purchases of certain property by nonprofit blood banks and blood collection centers. Purchases of materials used directly in the collection, separation, treatment, testing, and storage of blood by nonprofit blood banks and nonprofit blood collection centers are excluded from the definition of tangible personal property. Effective July 1, 2002.</p> <p><b>Act 71</b> (HB 207) enacts R.S. 47:301(16)(h) to provide a state and local sales tax exclusion from the definition of tangible personal property for apheresis kits and leuko reduction filters used by blood banks and blood collection centers. Effective June 25, 2002.</p>	<p>responsible for collecting this tax since July 1, 1999, on transactions now exempt under this Act. Effective July 1, 2002.</p> <p><b>Act 52</b> (HB 53) amends R.S. 33:4574.1-A(A)(1)(jj) to increase the hotel occupancy tax rate that the West Baton Rouge Parish Tourist Commission may levy from three percent to four percent. Effective June 25, 2002.</p> <p><b>Act 56</b> (HB 82) amends R.S. 47:301(16)(g)(iii) and (iv) to extend the definition of tangible personal property as it applies to excluding certain transactions relating to manufactured homes to all tax authorities in the state. The exclusion as it relates to local sales and use tax will be phased in beginning January 1, 2003. Effective July 1, 2002.</p>
<p><b>SALES TAX-LOCAL</b></p>	<p><b>SEVERANCE TAX</b></p>
<p><b>Act 6</b> (HB 73) enacts R.S. 47:305.25(C) to authorize a city or parish school board, the governing authority of a municipality, and the governing authority of a parish to grant an exemption from all of its sales and use taxes for farm equipment as defined in R.S. 47:305.25(A). The governing authority of a parish may also exempt farm equipment from sales and use taxes of political subdivisions levied solely within the parish's territory, except municipal and school board taxes. Effective June 7, 2002.</p> <p><b>Act 37</b> (SB 57) amends R.S. 47:305(D)(5) to exempt the sale of prescription drugs under Title XXI of the Social Security Act as administered by the Department of Health and Hospitals of the state of Louisiana from local taxes. This Act also defines the "administration of prescription drugs" in a physician's office as a professional service if certain criteria are met. The provision of the Act regarding sales of drugs under Title XXI is retroactive and will apply to all taxes paid on such sales for tax periods beginning January 1, 1999. After July 1, 1999 the local taxing authorities may provide for an exemption for the sale of prescription drugs administered as a professional service and to provide for an amnesty for taxes previously paid. Effective June 25, 2002.</p> <p><b>Act 42</b> (SB 71) amends R.S. 47:305(D)(4) to provide a local sales tax exemption for cancer and chemotherapy prescription drugs administered to patients by health-care professionals in a physician's office. Section Two of the Act provides that local taxing authorities may grant amnesty to persons who were</p>	<p><b>Act 74</b> (HB 236) amends R.S. 47:633(7)(c)(iv)(aa) to reactivate the severance tax exemption for inactive oil and gas wells that have been returned to service during the period beginning July 1, 2002, and ending June 30, 2006. Under the current law, this exemption was available to inactive wells that were returned to service beginning July 31, 1994, and ending June 30, 2000. To qualify for the exemption, the well must have been inactive for two or more years or had 30 days or less of production during the past two years. Applicants for the exemption must apply to the Department of Natural Resources for inactive well status before beginning production. After obtaining inactive well certification, all production from the well is exempt from severance tax for two years from the date production begins or 90 days from the date of application, whichever occurs first. Effective June 25, 2002.</p> <div data-bbox="927 1514 1382 1787" data-label="Image"> </div>



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## Mailing Information

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Department of Revenue