

State of Louisiana—*Department of Revenue*—60TH ANNUAL REPORT



2002 - 03

Kathleen Babineaux Blanco
Governor

Cynthia Bridges
Secretary



Table of Contents

● ● ●	ADMINISTRATION	
	Vision and Mission Statement	4
	Message from the Governor	5
	Message from the Secretary	6
	Department Directory	7
	Regional/District Offices	8
	Organizational Chart	9
	Department Profile	10
■ ■ ■	COLLECTIONS	
	Total Net Collections	17
	Accrued Revenues	18
	Comparative Revenues	19
	Major Revenue Sources	20
	Corporation Franchise Tax	21
	Corporation Income Tax	22
	Individual Income Tax	23
	Liquors—Alcoholic Beverage Taxes	27
	Natural Resources—Severance Tax	28
	Petroleum Products Taxes	33
	Sales Tax	36
	Tobacco Tax	37
◆ ◆ ◆	SUMMARIES	
	Consumer Use Tax	40
	Delinquent Taxes Collected	41
	Field Audit Services Cash Collection Summary	42
	Monthly Net Cash Collections Record	44
	15-Year Collection Record	46
	State Refund Garnishment Program	48
	Electronic Funds Transfers	49
	Operating Expenses	50
	Offers of Compromise	52
	Summaries of 2003 Legislative Action	53



ADMINISTRATION





Vision and Mission Statement

The Vision
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.
The Mission
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">• Unity - One team working together to accomplish common goals.• Communication - An environment that encourages an ongoing creative exchange of ideas between employees and management.• Responsiveness - A focus on identifying and satisfying internal and external customer needs.• Professionalism - A reputation with internal and external customers of fairness, courtesy, and reliability.• Integrity - An ethical standard of honesty and consistency.• Trust - A mutual respect and a shared confidence between managers and all fellow employees.

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 2002-2003 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. In FY 02-03, the Department implemented organizational changes that not only provided better and faster assistance to taxpayers, but also increased collections for some taxes.

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.

Kathleen Babineaux Blanco

Kathleen Babineaux Blanco
Governor



Kathleen Babineaux Blanco
Governor of Louisiana

Message from the Secretary

The Honorable Kathleen Babineaux Blanco
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, 2003. We collected 5.87 billion dollars in taxes, fees, and interest, approximately one-third of the State's budget.

During this fiscal year, we continued our goal to be more responsive to taxpayers by placing an increased emphasis on ways to make the tax compliance process simple. We accomplished this by expanding our Internet website and outreach programs to better educate and assist our customers, and re-examining and modifying processes to improve service delivery.

Our electronic tax-filing program also continued to grow. The number of electronically filed individual income tax returns grew 10.8% during fiscal year 2003. Additionally, taxpayers have the option to file and pay individual income, sales, withholding, and declarations of estimated income tax. A new convenience is that any tax payment may be pre-scheduled and debited from a taxpayer's bank account on the due date.

One of the best ways this agency fulfills its obligations to stakeholders is through timely and precise processing of returns and payments, and compilation of data. Towards that end, the Department is currently preparing to implement the fourth of the five-phase DELTA project, an integrated tax system that will replace the thirty-year old legacy system. The new system is easier to use, modify, and maintain while providing additional features and efficiencies. During this past year, the Department also enhanced its remittance-processing program, which increased the speed of bank deposits and the ability to earn additional interest.

Finally, I am pleased to report a banner year for our field audit program, which generated nearly 105 million dollars. Additionally, the Federal Offset program, which allows us to collect the federal tax refund of an individual who owes Louisiana individual income tax, produced 37 million dollars.

We will continue our efforts to fairly and efficiently administer the state's tax and regulatory statutes to better serve the citizens and businesses of Louisiana. I thank you for your support and cooperation.

Sincerely,



Cynthia Bridges
Secretary of Revenue



Cynthia Bridges
Secretary

Department Directory

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Baton Rouge, Louisiana 70821-0201
225•219•7318

Office of the Secretary
Cynthia Bridges, Secretary
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Deputy Secretary
Gary Matherne, Deputy Secretary
225•219•2710



Office of Tax Administration, Group I
Courtney R. Shepler, Assistant Secretary
225•219•2152



Office of Management and Finance
Clarence Lymon, 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
Kurt Van Brocklin, Assistant Secretary
225•219•2157



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



Office of Charitable Gaming
Michael E. Legendre, Director
8549 United Plaza
Suite 110
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225•925•1835



Louisiana Tax Free Shopping Commission
Lisa Ponce de Leon, Executive Director
2 Canal Street
Suite 2008
New Orleans, Louisiana 70130
504•568•5323

Louisiana Tax Commission
Elizabeth L. Guglielmo, Chairman
Scott Brupbacher, Member
Kenny Naquin, Member
5420 Corporate Boulevard, Suite 107
Baton Rouge, Louisiana 70808-2343
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Regional/District Offices

Alexandria
201 Johnson Street
Suite 100
Alexandria, Louisiana 71301
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

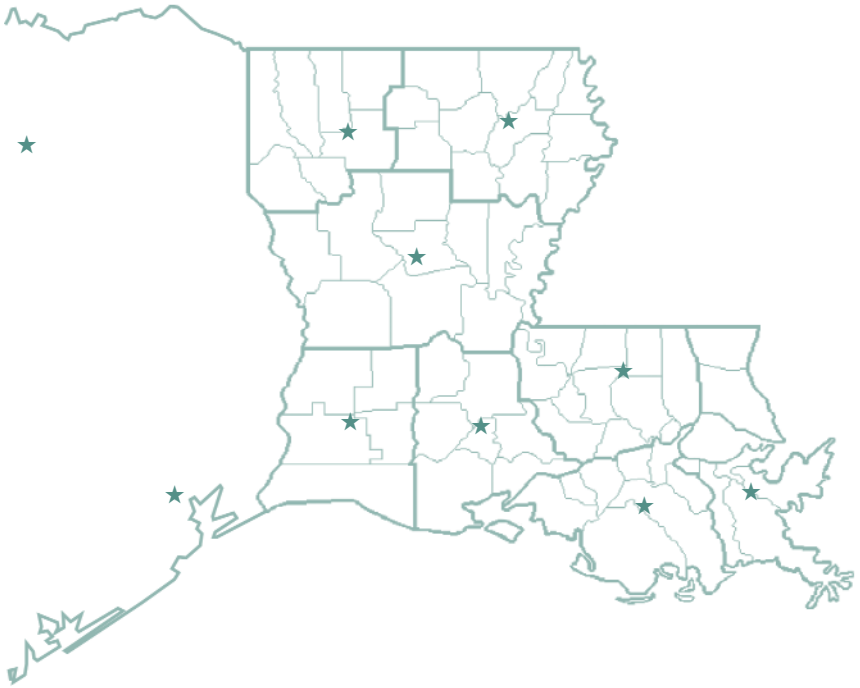
New Orleans
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New Orleans, Louisiana 70112-3707
504•568•5233

Shreveport
1525 Fairfield Avenue
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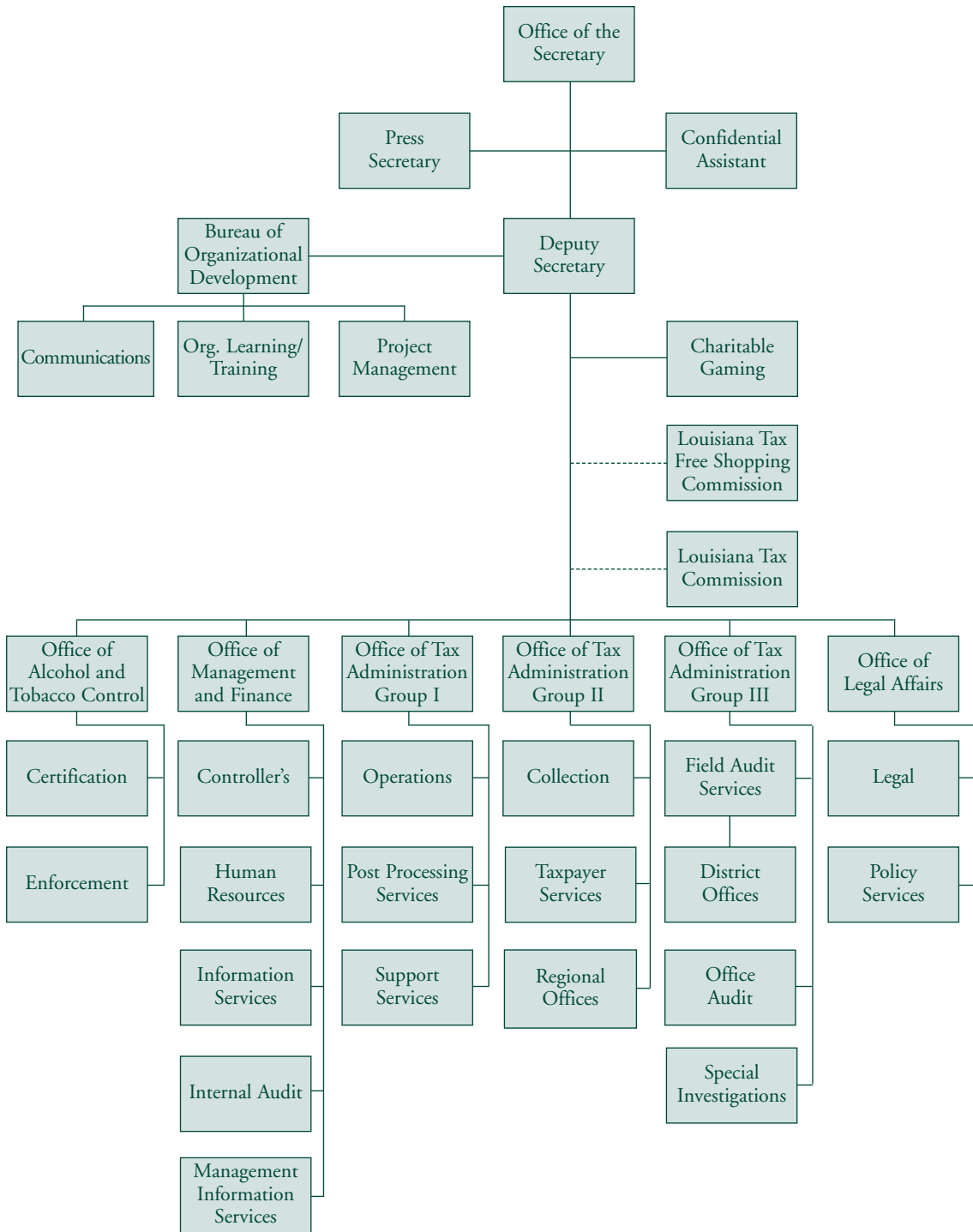
Thibodaux
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Suite 315-LB#15
Dallas, Texas 75244-3618
972•701•9682

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>OFFICE OF THE SECRETARY</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 charitable 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>Communication 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>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>OFFICE OF LEGAL AFFAIRS</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 Information Bulletins. In addition, the division drafts and monitors legislation.</p>
	<p>OFFICE OF MANAGEMENT AND FINANCE</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>




Department Profile

The *Controller's Division* is responsible for all fiscal matters of the Department. The division deposits and classifies approximately \$5.9 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 2002-03 budget expenditure was \$77,154,841. 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.

The *Human Resources Division* 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, staffing, 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.

The *Information Services Division* 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.

The *Internal Audit Division* 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 responsibility for monitoring internal controls that do the following:

- safeguard resources;
- ensure reliable data and information;
- promote effective, efficient operations; and,
- encourage compliance with laws/regulations and management's plans, policies, and procedures.

The *Management Information Services Section* 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.

OFFICE OF TAX ADMINISTRATION, GROUP I

The *Operations Division* 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.

The *Post Processing Services Division* 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.

The *Support Services Division* 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 4.2 million pieces of mail each year. The Forms/Supplies Inventory Section monitors and maintains adequate levels of the Department's inventory of forms and office supplies. 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:

- providing security services that comply with IRS federal tax data storage requirements;
- assisting the Department with record retention and destruction duties; and,
- serving as the coordinator with the Office of Telecommunications for communication system requests.



Department Profile

<p>OFFICE OF TAX ADMINISTRATION, GROUP II</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 \$132.2 million as a direct result of billing notices issued by the division.</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. 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 division also monitors all of the various tax revenue distribution programs and it monitors and calculates the distributions that are to be made to the taxing authorities, trustees, parishes and State Treasurer. Examples of these include distributions of beer tax, IFTA (special fuel), hotel and motel sales tax, special Orleans and Jefferson parish levies, consumer use tax, cooperative endeavor pledged increments, vehicle rental excise tax and protested payments held in escrow. The division handles more than 350,000 telephone calls per year from taxpayers seeking information and assistance.</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>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 2002-03 were \$101.4 million.</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>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>
<p>OFFICE OF TAX ADMINISTRATION, GROUP III</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, and regulations that are applicable to the individual's</p>	<p>OFFICE OF ALCOHOL AND TOBACCO CONTROL</p> <p>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</p>

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



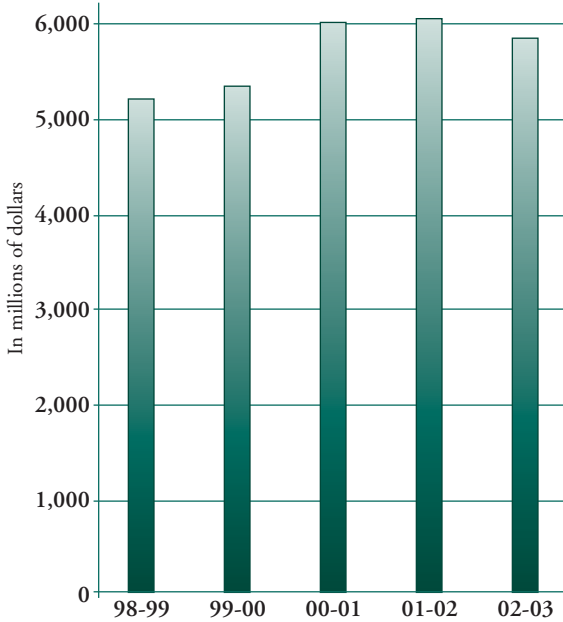




Total Net Collections

Fiscal Year	Total Net Collections	% Change
2002-03	\$5,870,010,967	-4.35
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

Although total net collections decreased 4.35% in FY 2002-03, total net collections have averaged an increase of 2.14% annually for the past five years. Sales and individual income taxes comprise more than 70.5% of the Department's total collections.





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 2001-02 and 2002-03, and total net collections for fiscal year 2002-03, 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 2001-02	Plus Revenues Accrued to FY 2002-03	Total Net Collections FY 2002-03
Automobile Rental Tax	\$ 4,159,331.29	\$ 355,938.54	\$ 373,381.58	\$ 4,176,774.33
Contractor Fee, Nonresident	12,670.00	1,030.00	1,100.00	12,740.00
Corporation Franchise Tax	187,447,317.26	2,100,000.00	2,100,000.00	187,447,317.26
Electrical Cooperative Fee	32,216.00	4,424.00	19,815.00	47,607.00
Gift Tax	5,446,377.06	67,321.89	192,175.21	5,571,230.38
Hazardous Waste Disposal Tax	4,404,545.06	1,167,716.09	1,242,291.91	4,479,120.88
Income Tax				
Corporation	198,125,782.04	(3,253,369.07)	(2,663,332.69)	198,715,818.42
Fiduciary	4,813,063.38	60,939.93	-277,431.49	4,474,691.96
Individual	1,865,601,013.03	142,826,459.44	139,900,101.52	1,862,674,655.11
Inheritance and Estate Transfer Taxes	53,234,590.08	4,733,958.68	5,021,084.02	53,521,715.42
Liquor-Alcoholic Beverage Tax				
High Alcoholic Content: (Liquor/Wine)	16,091,232.99	1,260,194.84	1,452,691.25	16,283,729.40
Out-of-State Shippers	24,443.87	3,739.34	4,543.68	25,248.21
Low Alcoholic Content: (Beer)	36,419,149.33	3,070,973.62	3,082,768.83	36,430,944.54
Marijuana and Controlled Dangerous Substance Tax	11,195.60	924.93	424.86	10,695.53
Minerals, Oil, and Gas Fees				
Hazardous Liquid Pipeline Fee	61,529.89	0	0	61,529.89
Master Meter Safety Inspection Fee	12,826.71	0	0	12,826.71
Pipeline Safety Inspection Fee	536,838.27	0	0	536,838.27
Surface Mining	320,055.90	0	0	320,055.90
Oil Spill Contingency Fee	8,199,079.08	591,462.82	151,346.98	7,758,963.24
Oilfield/Site Restoration Fee-Gas	2,611,952.98	321,121.12	75,677.11	2,366,508.97
Oilfield/Site Restoration Fee-Oil	863,452.75	39,240.75	59,648.83	883,860.83
Natural Resources-Severance Tax	437,705,691.49	41,719,179.46	34,941,431.58	430,927,943.61
Petroleum Products				
Gasoline Tax	447,878,541.09	44,539,355.89	37,499,565.22	440,838,750.42
Inspection Fee-Gasoline	825,205.81	75,300.00	75,081.60	824,987.41
Special Fuels Tax	116,494,784.92	9,947,767.14	11,150,581.31	117,697,599.09
Public Utilities and Carriers				
Supervision and Inspection Fee	5,086,433.96	712,121.47	603,122.12	4,977,434.61
Natural Gas Franchise Tax	14,770,917.34	924,458.97	1,408,373.79	15,254,832.16
Transportation and Communication Utilities Tax	-876,112.76	245,101.39	202,699.74	(918,514.41)
Sales Tax, Louisiana General	2,284,062,069.35	198,091,472.08	190,164,369.53	2,276,134,966.80
Soft Drink	5,035.72	0	0	5,035.72
Telecommunications Tax for the Deaf	1,464,700.17	343,396.69	24,550.04	1,145,853.52
Tobacco Tax	125,431,123.69	24,754,386.34	12,076,987.57	112,753,724.92
Tobacco Permit	8,810.00	50.00	100.00	8,860.00
Subtotals-State Revenues	\$ 5,821,285,863.35	\$ 474,704,666.35	\$ 438,883,149.10	\$ 5,785,464,346.10
Other Taxes				
Beer, Parishes and Municipalities	5,151,798.31	0	0	5,151,798.31
Louisiana Tourism Promotion District Tax	16,653,421.01	1,498,832.37	846,404.64	16,000,993.28
Hotel/Motel Room Occupancy Tax				
Louisiana Stadium and Exposition District	30,577,939.51	0	0	30,577,939.51
New Orleans Exhibition Hall Authority	19,341,552.79	0	0	19,341,552.79
New Orleans Exhibition.Hall Authority	11,858,919.87	0	0	11,858,919.87
Service Contractor Tax	1,435,745.23	0	0	1,435,745.23
Tour Tax	138,996.15	0	0	138,996.15
Consumer Use Tax	36,153.67	2,601.49	6,499.00	40,051.18
Consumer Use Tax-Excise	446.69	68.60	0	378.09
Local Catalog Sales Tax	246.00	0	0	246.00
Subtotals-Other Taxes	\$ 85,195,219.23	\$ 1,501,502.46	\$ 852,903.64	\$ 84,546,620.41
Grand Totals	\$ 5,906,481,082.58	\$ 476,206,168.81	\$ 439,736,052.74	\$ 5,870,010,966.51

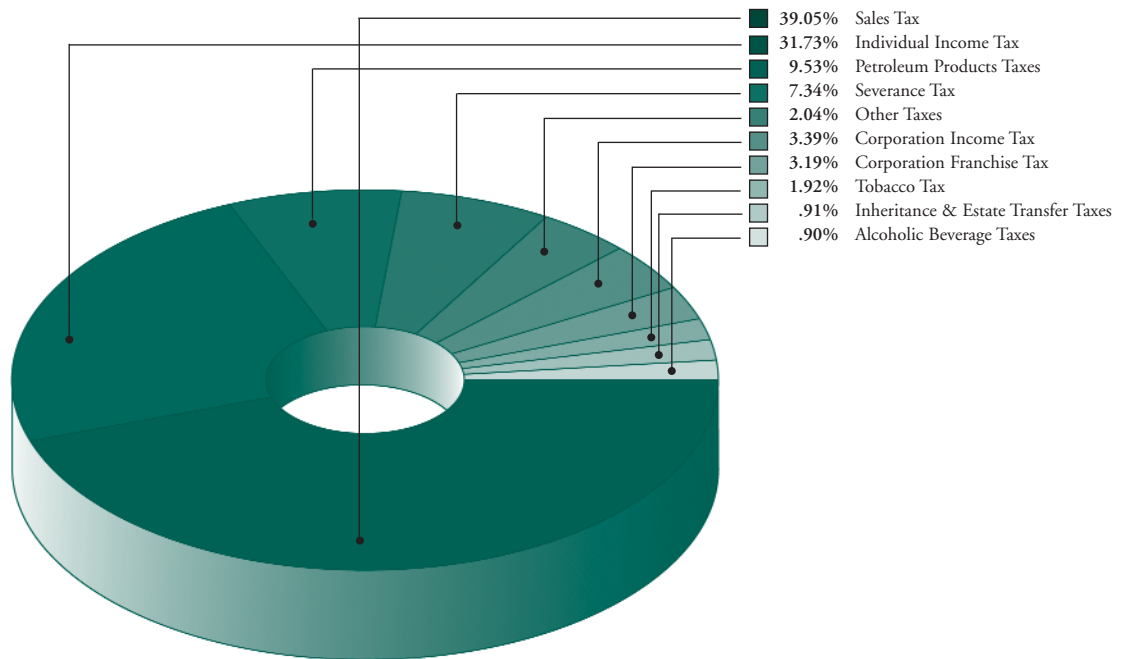


Comparative Revenues

State Revenues	Total Net Collections FY 2001-02	Total Net Collections FY 2002-03	% Change
Automobile Rental Tax	\$ 4,344,254.83	\$ 4,176,774.33	-3.86
Contractor Fee, Nonresident	5,053.66	12,740.00	152.09
Corporation Franchise Tax	260,339,632.62	187,447,317.26	-28.00
Electrical Cooperative Fee	25,635.00	47,607.00	85.71
Gift Tax	4,316,026.24	5,571,230.38	29.08
Hazardous Waste Disposal Tax	4,428,792.08	4,479,120.88	1.14
Income Tax			
Corporation	264,419,332.09	198,715,818.42	-24.85
Fiduciary	9,226,882.04	4,474,691.96	-51.50
Individual	1,779,506,088.56	1,862,674,655.11	4.67
Inheritance and Estate Transfer Taxes	64,679,187.39	53,521,715.42	-17.25
Liquor-Alcoholic Beverage Tax			
High Alcoholic Content (Liquor/Wine)	16,285,913.18	16,283,729.40	-0.01
Out-of-State Shippers	24,735.85	25,248.21	2.07
Low Alcoholic Content (Beer)	35,074,128.64	36,430,944.54	3.87
Marijuana and Controlled Dangerous Substance Tax	8,680.97	10,695.53	23.21
Minerals, Oil, & Gas Fees			
Hazardous Liquid Pipeline Fee	60,409.11	61,529.89	1.86
Master Meter Safety Inspection Fee	17,071.45	12,826.71	-24.86
Pipeline Safety Inspection Fee	608,946.16	536,838.27	-11.84
Surface Mining	244,808.45	320,055.90	30.74
Oil Spill Contingency Fee	3,152,289.48	7,758,963.24	146.14
Oilfield Site Restoration Fee-Gas	2,782,352.27	2,366,508.97	-14.95
Oilfield Site Restoration Fee-Oil	1,014,940.63	883,860.83	-12.92
Natural Resources-General Severance Tax	496,498,111.26	430,927,943.61	-13.21
Petroleum Products			
Gasoline Tax	442,408,356.03	440,838,750.42	-0.35
Inspection Fee-Gasoline	883,088.60	824,987.41	-6.58
Special Fuels Tax	116,483,538.36	117,697,599.09	1.04
Public Utilities and Carriers			
Inspection and Supervision Fee	5,375,347.55	4,977,434.61	-7.40
Natural Gas Franchise	4,729,418.63	15,254,832.16	222.55
Transportation and Communication Utilities Tax	2,819,430.39	-918,514.41	-132.58
Sales Tax, Louisiana General	2,403,580,261.60	2,276,134,966.80	-5.30
Soft Drink	0	5,035.72	0
Telecommunications Tax for the Deaf	1,811,476.30	1,145,853.52	-36.74
Tobacco Tax	128,520,948.70	112,753,724.92	-12.27
Tobacco Permit	11,567.24	8,860.00	-23.4
Subtotal-State Revenues	\$6,053,686,705.36	\$5,785,464,346.10	-4.43
Other Taxes			
Beer Tax-Parishes and Municipalities	6,701,425.52	5,151,798.31	-23.12
Louisiana Tourism Promotion District Sales Tax	17,073,342.79	16,000,993.28	-6.28
Hotel/Motel Room Occupancy			
Louisiana Stadium and Exposition District	32,728,604.41	30,577,939.51	-6.57
New Orleans Exhibition Hall Authority	14,510,007.04	19,341,552.79	33.30
New Orleans Exhibition Hall Authority	10,118,946.94	11,858,919.87	17.20
Service Contractor Tax	1,608,813.28	1,435,745.23	-10.76
Tour Tax	164,979.54	138,996.15	-15.75
Consumer Use Tax	492,603.24	40,051.18	-91.87
Consumer Use Tax-Excise	465.37	378.09	-18.75
Local Catalog Sales Tax	105.60	246.00	132.95
Subtotals-Other Taxes	83,399,293.73	84,546,620.41	1.38
Totals	\$6,137,085,999.09	\$ 5,870,010,966.51	-4.35



Major Revenue Sources





Corporation Franchise Tax

Fiscal Year	Amount Collected	% Change
2002-03	\$187,447,317	-28.00
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

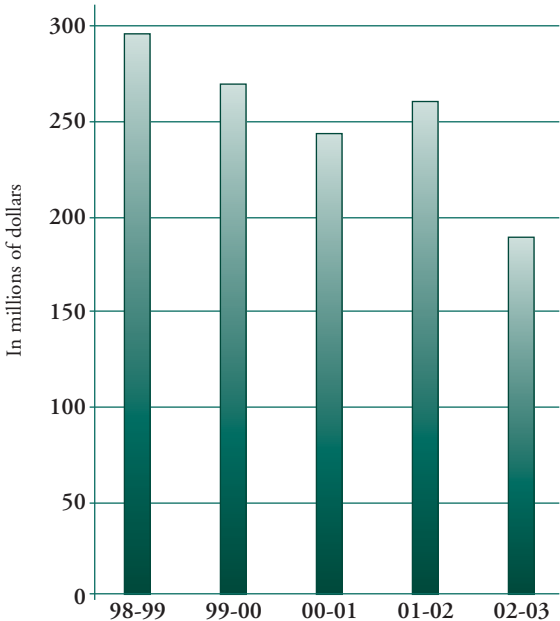
The corporation franchise tax is levied on any corporation doing business or qualified to do business in Louisiana, unless specifically exempt by statute.

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 3.19% of the Department’s total tax collections.





Corporation Income Tax

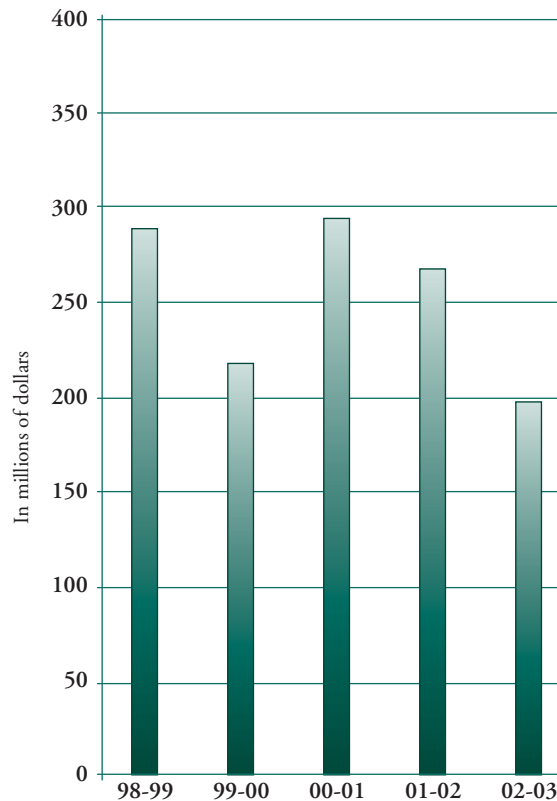
Fiscal Year	Amount Collected	% Change
2002-03	\$198,715,818	-24.85
2001-02	\$264,419,332	-9.77
2000-01	\$293,056,053	32.00
1999-00	\$222,007,596	-22.46
1998-99	\$286,322,372	-20.36

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 3.39% of the Department's total tax collection.



Individual Income Tax



Fiscal Year	Amount Collected	% Change
2002-03	\$1,862,674,655	4.67
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

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.

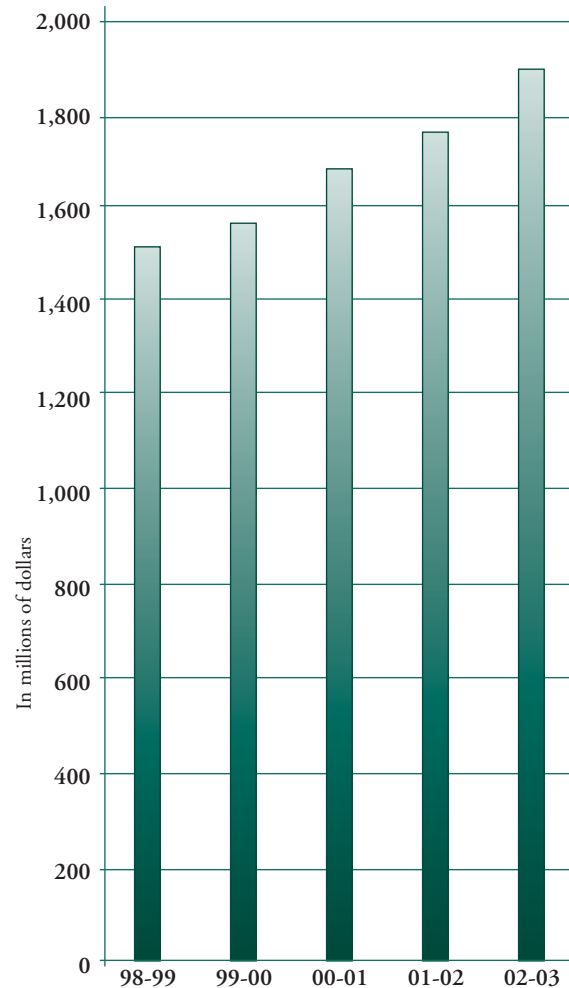
The Louisiana individual income tax rates are as follows: A taxpayer filing single, as married filing separately, or as head of household:

- 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 31.73% of the Department's total collections.





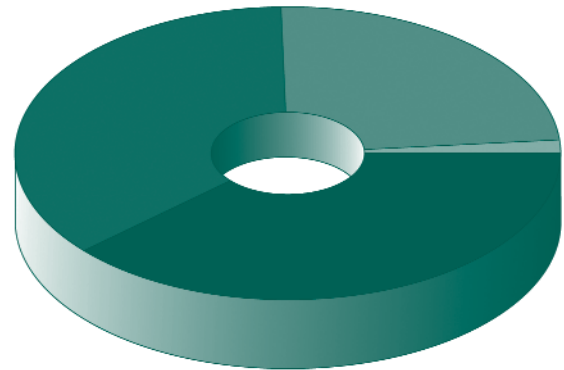
Individual Income Tax

Louisiana Income Tax After Credits for 2002 Tax Year

Brackets of Louisiana Income Tax After Credits	Number of Returns Filed	Total Adjusted Louisiana Tax (Line 13 A)
\$0 -.99	360,485	\$ 0
1-9.99	26,217	138,379
10-19.99	26,702	407,552
20-39.99	50,237	1,502,691
40-59.99	45,120	2,259,981
60-99.99	84,108	6,694,304
100-199.99	140,054	20,575,007
200-299.99	103,807	25,793,760
300-399.99	89,970	31,374,522
400-599.99	149,158	73,952,676
600-999.99	216,379	170,095,655
1,000-1,599.99	199,640	253,587,582
1,600-2,199.99	116,441	218,128,166
2,200-3,999.99	105,215	291,772,785
4,000-5,999.99	18,907	91,400,012
6,000-9,999.99	12,775	97,335,255
\$10,000 & over	11,021	263,372,181
Totals	1,756,236	\$1,548,390,508

Individual Income Tax Returns by Filing Status for 2002 Tax Year

Filing Status	Number of Returns	% of Total
Single	634,850	36.15
Married Filing Jointly	690,826	39.34
Married Filing Separately	18,124	1.03
Head of Household and Qualifying Widow(er)	412,436	23.48
Total Returns Filed	1,756,236	100.00



- 36.15 Married, Filing Jointly
- 39.34 Single
- 23.48 Head of Household & Qualifying Widow(er)
- 1.03 Married, Filing Separately



Individual Income Tax



Number of Returns by Income Brackets for 2002 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	70,169
1-6,000	654,039,546	205,522
6,001-8,000	544,771,955	77,640
8,001-10,000	698,625,256	77,576
10,001-12,000	956,366,112	87,146
12,001-15,000	1,611,497,686	119,561
15,001-20,000	2,924,646,470	168,095
20,001-25,000	2,978,491,940	133,006
25,001-30,000	2,958,629,344	107,927
30,001-35,000	2,906,111,464	89,594
35,001-40,000	2,865,352,479	76,548
40,001-45,000	2,826,119,266	66,608
45,001-50,000	2,707,238,017	57,052
50,001-60,000	5,311,086,528	96,893
60,001-70,000	5,008,199,932	77,294
70,001-80,000	4,367,109,862	58,424
80,001-90,000	3,585,014,613	42,309
90,001-100,000	2,896,766,525	30,579
100,001-150,000	7,588,005,455	63,818
150,001-250,000	5,172,563,838	27,530
250,001-500,000	4,806,015,114	14,124
500,001-1,000,000	3,462,923,147	5,090
Over \$1,000,000	14,472,353,997	3,731
Total	\$81,301,928,546	1,756,236



Individual Income Tax

Louisiana Refund Checkoffs for 2002 Tax Year

Donation	Number of Taxpayers Contributing	Total Amount Donated	% of Total Donations	Average Donation
Wildlife Habitat	954	\$ 11,451	40.59	\$ 12.00
Prostate Cancer	997	16,763	59.41	16.81
Total	1,951	\$28,214	100.00	\$ 14.46

Number of Returns by ZIP Code Areas for 2002 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	241,564	\$ 8,890,763,582	\$ 36,805	\$ 229,973,506	\$ 952
701 New Orleans	179,277	6,370,922,082	35,537	169,004,152	943
703 Houma, Morgan City, Raceland, Thibodaux	99,453	3,486,513,346	35,057	86,919,012	874
704 Bogalusa, Covington, Hammond, Mandeville, Slidell	132,738	5,204,268,085	39,207	132,446,026	998
705 Crowley, Jennings, Lafayette, Opelousas	221,041	7,636,414,578	34,548	193,931,064	877
706 Cameron, DeRidder, Lake Charles, Sulphur, Westlake	93,815	3,297,312,340	35,147	82,730,751	882
707 Baker, Denham Springs, Gonzales, Plaquemine, Zachary	124,473	4,568,222,600	36,701	114,382,495	919
708 Baton Rouge	132,248	5,455,318,998	41,251	146,610,581	1,109
710 Coshatta, Mansfield	62,714	1,938,413,111	30,909	45,549,588	726
711 Bossier City, Shreveport	106,386	3,755,296,005	35,299	94,903,637	892
712 Monroe, Ruston, Winnsboro	114,609	3,683,352,337	32,138	87,976,090	768
713 Alexandria, Bunkie, Ferriday, Vidalia	71,004	2,174,002,604	30,618	51,336,371	723
714 Fort Polk, Leesville, Many, Natchitoches, Zwolle	57,093	1,661,868,453	29,108	38,174,619	669
Out-of-State	119,821	3,092,952,278	25,813	74,452,616	621
Totals	1,756,236	\$61,215,620,399	\$ 34,856	\$1,548,390,508	\$ 882



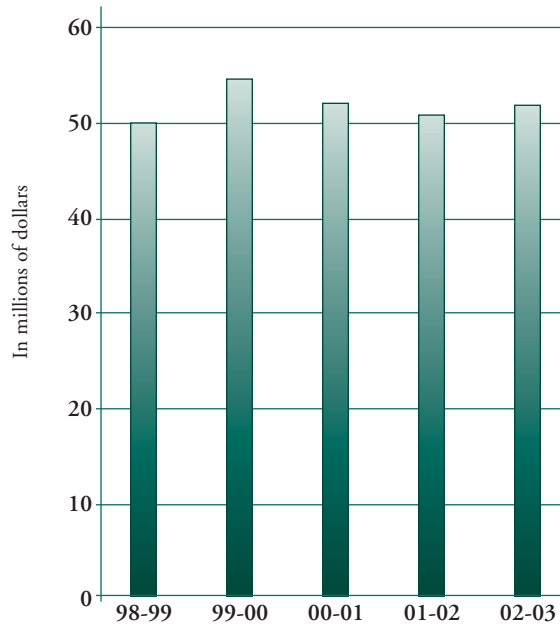
Liquors-Alcoholic Beverage Taxes

Fiscal Year	Low Alcoholic Content	High Alcoholic Content (Includes out-of-state shippers)	Total	% Change
2002-03	\$ 36,430,945	\$ 16,308,977	\$ 52,739,922	2.64
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

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 2002-03, alcoholic beverage taxes collections increased from \$51.38 million to \$52.74 million, an increase of 2.64%.





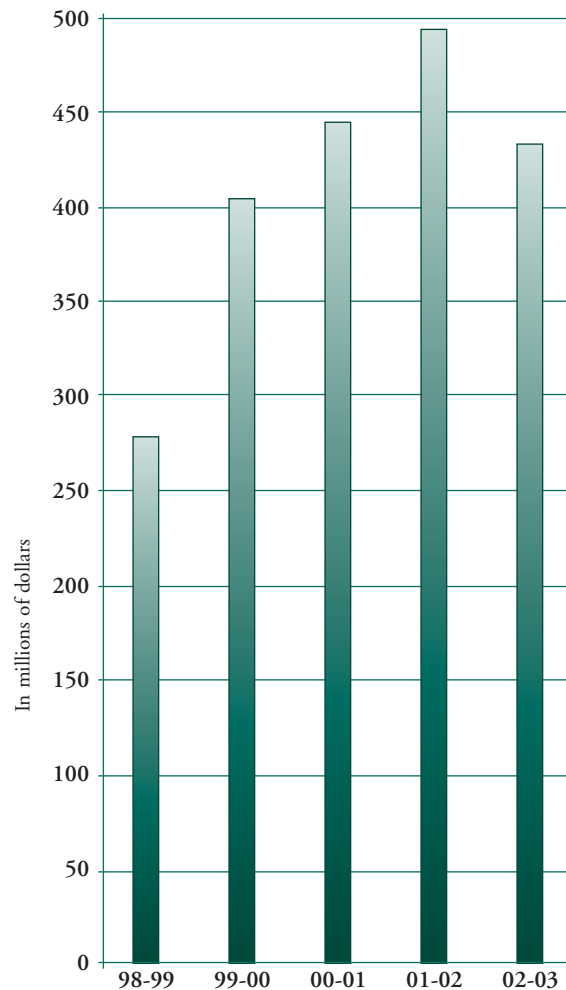
Natural Resources-Severance Tax

Fiscal Year	Amount Collected	% Change
2002-03	\$ 430,927,943	-13.21
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

General severance tax is collected on natural resources severed from Louisiana soil and water. Most notable of these is oil and gas. This tax amounts to 7.34% of the Department's total collections.

Overall severance tax collections decreased in fiscal year 2002/03 by 13.21% to \$430.93 million. Oil/condensate collections increased 25.35% due to two factors; oil prices increasing from an average \$23.00 per barrel to an average of \$27.27 per barrel and settlements on the price per barrel issue of \$43.6 million. Oil/condensate taxable production has decreased by 10.95%. Gas collections decreased by 37.99% due mainly from the gas severance tax rate change to 12.2 cents per MCF from 19.9 cents per MCF. This is a tax rate decrease of 38.69%. Natural gas taxable production had also decreased by 15.21%. The collections of timber/pulpwood decreased by 3.73%. There was a decrease of 2.85% in the mineral collections.

Except for the annual statutory adjustment of the gas tax rate, tax rates for the various natural resources remained constant in the fiscal year 2002/03 and are listed on page 30.





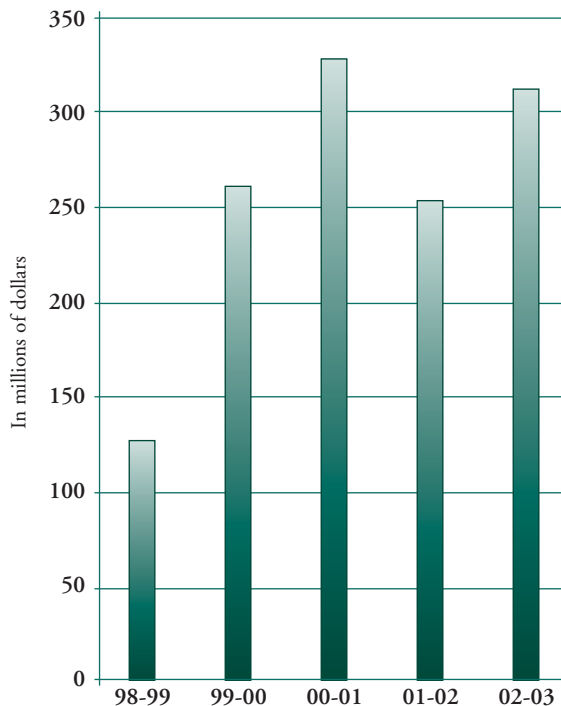
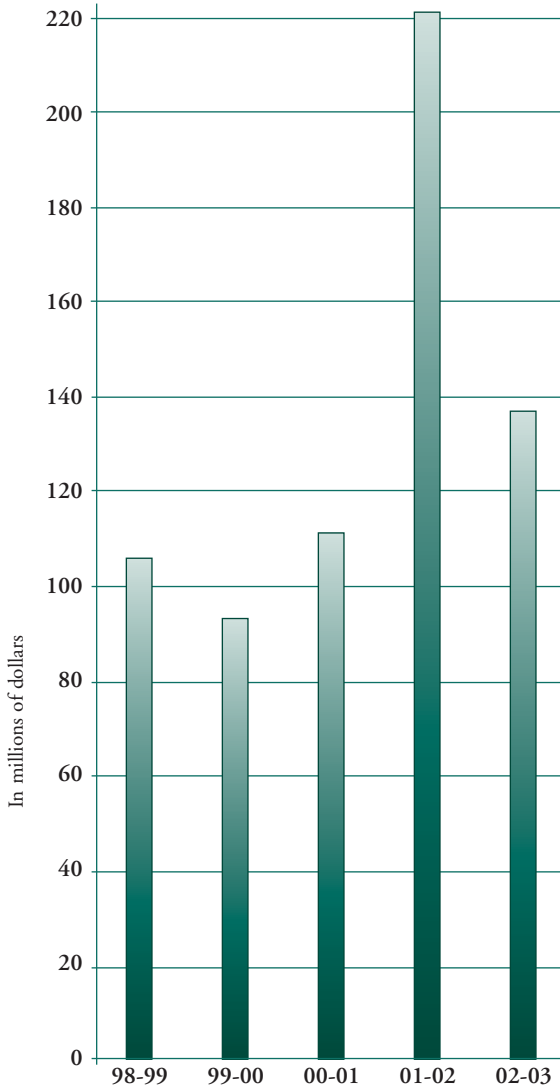
Natural Resources-Severance Tax

**Natural Gas Production
and Cash Collections**

Fiscal Year	Amount Collected	Production (in MCFs)
2002-03	\$138,329,781	1,168,898,013
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

**Oil/Condensate Production
and Cash Collections**

Fiscal Year	Amount Collected	Production (in barrels)
2002-03	\$316,099,666	82,146,549
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






Natural Resources - Severance Tax

<p>1. Timber</p> <p style="margin-left: 20px;">a. Trees and timber - 2.25% of current stumpage value as determined by the Louisiana Forestry Commission.</p> <p style="margin-left: 20px;">b. Pulpwood - 5% of current stumpage value as determined by the Louisiana Forestry Commission.</p> <p>2. Gas</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; vertical-align: bottom;">Per MCF at 17.10 psia</td> </tr> <tr> <td colspan="2">a. Full rate</td> </tr> <tr> <td style="margin-left: 20px;">(1) 7/1/93 to 6/30/94</td> <td style="text-align: right;">.075</td> </tr> <tr> <td style="margin-left: 20px;">(2) 7/1/94 to 6/30/95</td> <td style="text-align: right;">.087</td> </tr> <tr> <td style="margin-left: 20px;">(3) 7/1/95 to 6/30/96</td> <td style="text-align: right;">.07</td> </tr> <tr> <td style="margin-left: 20px;">(4) 7/1/96 to 6/30/97</td> <td style="text-align: right;">.077</td> </tr> <tr> <td style="margin-left: 20px;">(5) 7/1/97 to 6/30/98</td> <td style="text-align: right;">.101</td> </tr> <tr> <td style="margin-left: 20px;">(6) 7/1/98 to 6/30/99</td> <td style="text-align: right;">.093</td> </tr> <tr> <td style="margin-left: 20px;">(7) 7/1/99 to 6/30/00</td> <td style="text-align: right;">.078</td> </tr> <tr> <td style="margin-left: 20px;">(8) 7/1/00 to 6/30/01</td> <td style="text-align: right;">.097</td> </tr> <tr> <td style="margin-left: 20px;">(9) 7/1/01 to 6/30/02</td> <td style="text-align: right;">.199</td> </tr> <tr> <td style="margin-left: 20px;">(10) 7/1/02 to 6/30/03</td> <td style="text-align: right;">.122</td> </tr> <tr> <td colspan="2">b. Incapable oil-well gas rate</td> </tr> <tr> <td></td> <td style="text-align: right;">.03</td> </tr> <tr> <td colspan="2">c. Incapable gas-well gas rate</td> </tr> <tr> <td></td> <td style="text-align: right;">.013</td> </tr> <tr> <td colspan="2">d. Reduced rate</td> </tr> <tr> <td></td> <td style="text-align: right;">.04</td> </tr> <tr> <td colspan="2">e. Special rate</td> </tr> <tr> <td></td> <td style="text-align: right;">.03</td> </tr> </table>		Per MCF at 17.10 psia	a. Full rate		(1) 7/1/93 to 6/30/94	.075	(2) 7/1/94 to 6/30/95	.087	(3) 7/1/95 to 6/30/96	.07	(4) 7/1/96 to 6/30/97	.077	(5) 7/1/97 to 6/30/98	.101	(6) 7/1/98 to 6/30/99	.093	(7) 7/1/99 to 6/30/00	.078	(8) 7/1/00 to 6/30/01	.097	(9) 7/1/01 to 6/30/02	.199	(10) 7/1/02 to 6/30/03	.122	b. Incapable oil-well gas rate			.03	c. Incapable gas-well gas rate			.013	d. Reduced rate			.04	e. Special rate			.03	<p>3. Oil/condensate/similar natural resources</p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; vertical-align: bottom;">Per barrel of 42 gallons</td> </tr> <tr> <td colspan="2">a. Full rate</td> </tr> <tr> <td></td> <td style="text-align: right;">12.50% of value</td> </tr> <tr> <td colspan="2">b. Incapable oil rate</td> </tr> <tr> <td></td> <td style="text-align: right;">6.25% of value</td> </tr> <tr> <td colspan="2">c. Stripper oil rate</td> </tr> <tr> <td></td> <td style="text-align: right;">*3.125% of value</td> </tr> <tr> <td colspan="2">d. Reclaimed oil rate</td> </tr> <tr> <td></td> <td style="text-align: right;">3.125% of value</td> </tr> <tr> <td colspan="2">e. Approved mining and horizontal drilling projects rate</td> </tr> <tr> <td></td> <td style="text-align: right;">**3.125% of value</td> </tr> </table> <p style="margin-left: 20px;">* Stripper oil is totally exempt if the price of oil is less than \$20 per barrel.</p> <p style="margin-left: 20px;">** 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>		Per barrel of 42 gallons	a. Full rate			12.50% of value	b. Incapable oil rate			6.25% of value	c. Stripper oil rate			*3.125% of value	d. Reclaimed oil rate			3.125% of value	e. Approved mining and horizontal drilling projects rate			**3.125% of value
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e. Approved mining and horizontal drilling projects rate																																																															
	**3.125% of value																																																														

Net Collections by Resource

Resource	2001-02	2002-03	% Change
Oil/Condensate	\$ 252,171,272	\$316,099,666	25.35
Gas	223,093,234	138,329,781	-37.99
Timber/Pulpwood	16,519,577	15,903,513	-3.73
Minerals	1,668,822	1,621,288	-2.85
Totals	\$493,452,905*	\$471,954,248*	-4.36

* This total does not include accruals.



Natural Resources-Severance Tax

Cash Collections by Parish FY 2002-03

Parish	Oil/ Condensate	Gas	Timber/ Pulpwood	Minerals	Total Tax Collected
Acadia	\$ 5,710,231.60	\$ 1,406,332.65	\$ 462,649.97	\$ 16,277.36	\$ 7,595,491.58
Allen	1,152,351.59	196,503.82	730,535.80	10,710.00	2,090,101.21
Ascension	490,842.48	64,784.70	5,837.25	.00	561,464.43
Assumption	1,498,320.96	1,435,498.18	3,994.25	42,776.93	2,980,590.32
Avoyelles	259,229.77	21,122.70	90,693.62	.00	371,046.09
Beauregard	4,994,863.34	604,474.39	1,003,570.49	.00	6,602,908.22
Bienville	1,853,431.86	9,356,029.37	964,847.91	500.39	12,174,809.53
Bossier	1,933,956.68	6,895,155.56	326,916.08	2,342.98	9,158,371.30
Caddo	2,841,130.70	1,808,091.51	299,670.37	670.80	4,949,563.38
Calcasieu	11,496,619.88	2,815,568.73	122,283.27	9,262.59	14,443,734.47
Caldwell	3,269.30	256,230.21	250,447.89	.00	509,947.40
Cameron	10,579,875.52	8,540,041.46	.00	935.86	19,120,852.84
Catahoula	549,746.35	51,408.19	106,787.94	788.71	708,731.19
Claiborne	7,213,035.40	2,621,256.33	730,777.59	6.00	10,565,075.32
Concordia	933,419.12	90,531.10	47,886.04	.00	1,071,836.26
DeSoto	986,148.08	4,786,638.79	566,217.51	420,393.28	6,759,397.66
East Baton Rouge	1,896,317.48	790,138.21	54,347.66	9,455.16	2,750,258.51
East Carroll	.00	4,905.75	22,516.39	.00	27,422.14
East Feliciana	(41,300.28)	91,044.13	163,600.77	15,059.42	228,404.04
Evangeline	2,317,213.32	487,681.44	244,489.99	.00	3,049,384.75
Franklin	(60,431.32)	(26,763.58)	13,907.53	.00	(73,287.37)
Grant	499,868.95	12.82	163,821.68	234.23	663,937.68
Iberia	16,115,182.61	1,815,234.40	168.11	223,225.82	18,153,810.94
Iberville	3,920,958.76	315,917.21	18,282.44	.00	4,255,158.41
Jackson	80,665.89	4,237,755.99	713,234.37	279.71	5,031,935.96
Jefferson	7,690,679.49	542,923.44	3,105.94	118,338.78	8,355,047.65
Jefferson Davis	5,932,704.17	4,615,078.63	18,962.87	35,810.82	10,602,556.49
Lafayette	3,183,304.60	2,464,332.81	2,711.29	1,039.93	5,651,388.63
Lafourche	26,349,640.90	5,464,428.12	830.94	5,158.39	31,820,058.35
Lasalle	7,271,994.16	76,659.63	424,227.64	3,960.68	7,776,842.11
Lincoln	749,140.08	2,481,778.15	280,984.39	735.17	3,512,637.79
Livingston	641,163.67	54,708.09	496,271.39	11,012.01	1,203,155.16
Madison	.00	.00	57,663.30	.00	57,663.30



Natural Resources-Severance Tax
Fiscal Year 2002-2003

Parish	Oil/ Condensate	Gas	Timber/ Pulpwood	Minerals	Total Tax Collected
Morehouse	\$.00	\$ 12,524.19	\$ 324,200.96	\$.00	\$ 336,725.15
Natchitoches	158,029.62	210,579.55	612,986.12	.00	981,595.29
Orleans	18,371.10	.00	686.40	20,893.00	39,950.50
Ouachita	(88,696.20)	438,054.41	183,566.74	23,236.61	556,161.56
Plaquemines	71,528,064.74	14,733,289.78	259.70	12,759.09	86,274,373.31
Pointe Coupee	1,553,700.77	1,828,446.35	74,947.24	.00	3,457,094.36
Rapides	2,718,646.53	485,664.74	507,288.16	15,381.27	3,726,980.70
Red River	62,924.58	232,298.27	188,238.13	67,230.12	550,691.10
Richland	194,662.40	450.14	21,897.03	.00	217,009.57
Sabine	61,967.27	240,057.77	901,609.65	87.16	1,203,721.85
St. Bernard	4,019,887.98	7,553,493.37	814.16	25,765.61	11,599,961.12
St. Charles	3,248,609.60	457,732.36	2,905.12	50,615.05	3,759,862.13
St. Helena	1,205,201.03	6,427.77	275,285.44	92,162.82	1,579,077.06
St. James	390,241.06	348,268.47	7,393.39	8,282.16	754,185.08
St. John	158,484.89	47,408.90	1,304.87	.00	207,198.66
St. Landry	1,248,153.95	236,366.44	75,879.80	.00	1,560,400.19
St. Martin	4,944,017.09	1,522,045.74	2,911.65	34,570.75	6,503,545.23
St. Mary	12,655,214.70	8,606,673.20	239.56	129,752.19	21,391,879.65
St. Tammany	.00	7,789.76	153,295.19	109,034.78	270,119.73
Tangipahoa	5,051.32	(20,010.39)	353,647.42	11,042.00	349,730.35
Tensas	397,479.92	21,945.85	20,369.00	.00	439,794.77
Terrebonne	58,676,744.04	14,759,200.77	1,087.98	.00	73,437,032.79
Union	280,934.83	272,840.50	744,037.63	24.10	1,297,837.06
Vermillion	15,942,520.04	15,942,321.85	1,275.40	.00	31,886,117.29
Vernon	2,575,475.79	480,243.72	1,182,579.78	27,120.41	4,265,419.70
Washington	31,272.15	166,688.70	609,210.27	28,899.67	836,070.79
Webster	3,834,757.79	5,245,231.54	479,892.50	22,863.91	9,582,745.74
West Baton Rouge	75,900.99	55,288.15	15,371.45	.00	146,560.59
West Carroll	.00	.00	20,407.17	.00	20,407.17
West Feliciana	41,555.36	722.77	88,784.86	8,770.44	139,833.43
Winn	1,116,918.02	72,233.41	658,897.83	3,821.73	1,851,870.99
State Totals	\$316,099,666.47	\$138,329,781.01	\$15,903,513.28	\$1,621,287.89	\$471,954,248.65

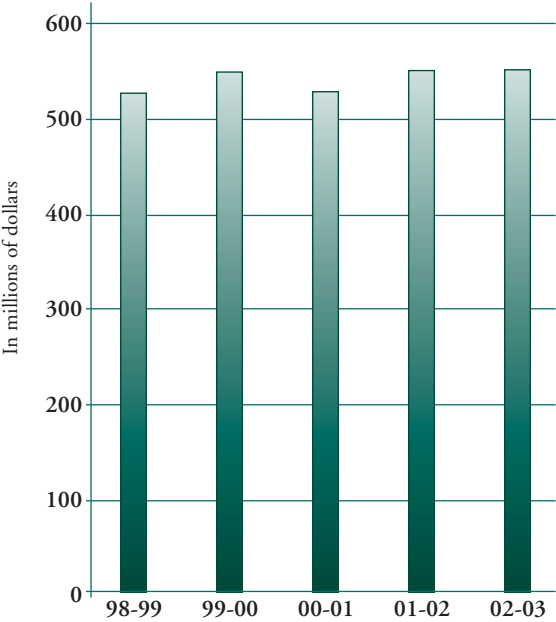


Petroleum Products Taxes

Fiscal Year	Amount Collected	% Change
2002-03	\$ 559,361,337	-0.07
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

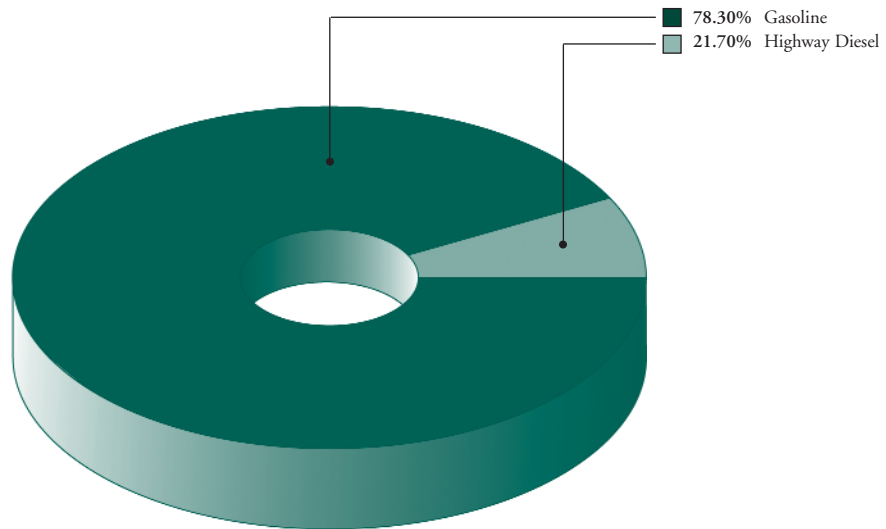
The State of Louisiana levies a tax on gasoline used or consumed in the state and on special fuels used to propel vehicles on Louisiana roads. The current tax rate, 20¢ per gallon for gasoline and diesel fuel, became effective January 1, 1990.

The petroleum products taxes and inspection fee totaled \$559.36 million in fiscal year 2002-03, a decrease of .07% from the \$559.77 million collected the previous year. Petroleum products taxes comprise 9.53% of the Department’s total collections.





Petroleum Products Taxes



Resource	2001-02	2002-03	% Change
Gross Gallons Taxed:			
Gasoline	2,336,289,523	2,368,234,077	1.37
Highway Diesel	624,721,409	654,314,470	4.74
Gasohol	0	31,376	0.00
Totals	2,961,010,932	3,022,579,923	2.08
Gallons Refunded			
	139,328,830	202,649,100	45.45
Net Gallons Taxed:			
Gasoline	2,220,302,809	2,207,964,072	-0.55
Highway Diesel	601,379,293	611,935,375	1.76
Gasohol	0	31,376	0.00
Totals	2,821,682,102	2,819,930,823	-0.06



Petroleum Products Taxes

Total Collections

Fiscal Year	Gasoline Tax	% Change
2002-03	\$ 440,838,750	-0.33
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

Fiscal Year	Special Fuels & IFTA	% Change
2002-03	\$ 117,697,599	1.04
2001-02	\$ 116,483,538	1.32
2000-01	\$ 114,967,870	-4.7
1999-00	\$ 115,505,616	5.70
1998-99	\$ 109,273,611	1.91

Fiscal Year	Inspection Fee	% Change
2002-03	\$ 824,987	-6.58
2001-02	\$ 883,089	6.39
2000-01	\$ 830,052	15.99
1999-00	\$ 715,638	-14.53
1998-99	\$ 837,265	-2.91



Sales Tax

Fiscal Year	Amount Collected	% Change
2002-03	\$2,292,135,960	-5.31
2001-02	\$2,403,580,262*	-2.56
2000-01	\$2,466,867,977	18.96
1999-00	\$2,073,688,104	0.78
1998-99	\$2,057,543,652	1.01

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.

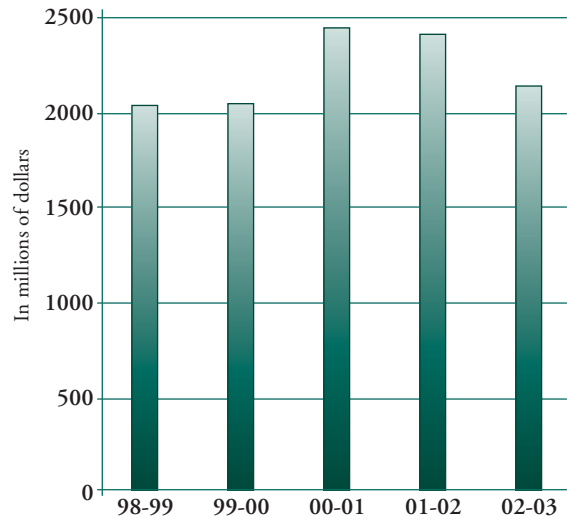
Although many exemptions are provided by statute, many of these exemptions have been temporarily suspended from the levy of portions of the sales tax since 1986. Some of the transactions affected include sales of natural gas, food for preparation and consumption in the home, electricity, water utility 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.

On November 5, 2002, Louisiana voters approved a constitutional amendment that phased in a sales tax exemption on food for home consumption and residential utilities. The constitutional amendment was partially implemented on January 1, 2003, reducing the state sales tax rate on food and utilities for home consumption from 3.9% to 2%**. On July 1, 2003, food and utilities for residential consumption was due to become fully exempt.

Sales tax net collections accounted for 39.05% of total tax collections in fiscal year 2002-03. For the 15th year, sales tax collections were the largest single source of tax revenue.

* This amount was adjusted from the amount published in last year's Annual Report to reflect corrections and audit adjustment.

** By separate act, the Louisiana Legislature reduced the sales tax rate applicable to certain suspended exemptions for fiscal year 2002-03. (Act 22, 2002 Louisiana Regular Legislative Session) Although most exemptions were suspended from the entire 4% sales tax, the exemptions for food for home consumption and utilities were suspended from, and made subject to, 3.9% state sales tax.





Tobacco Tax

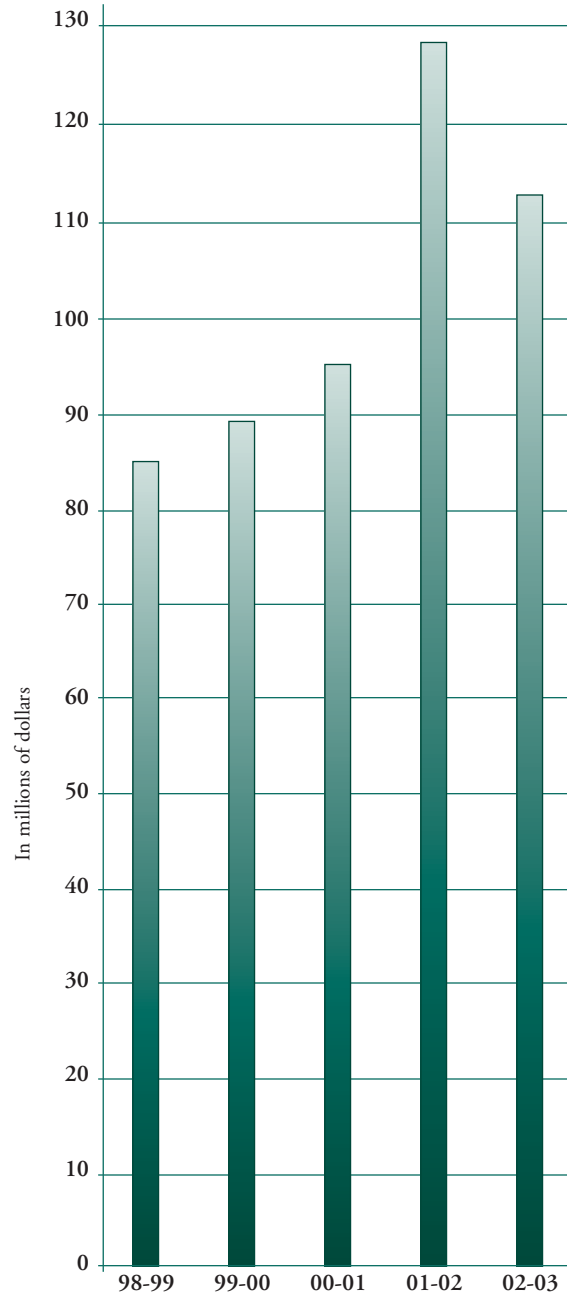


Fiscal Year	Amount Collected	% Change
2002-03	\$112,753,725	-12.27
2001-02	\$128,520,949	33.07
2000-01	\$ 96,582,533	7.74
1999-00	\$ 89,643,730	4.92
1998-99	\$ 85,440,744	-2.02

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

Act 5, 19, and 21 of the 2002 Regular Session of the Louisiana Legislature changed the tobacco rate to 36¢ per pack of 20 cigarettes. Effective July 1, 2002, tax rates on tobacco products are as follows: 36¢ 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 decreased from \$128.52 million to \$112.75 million in fiscal year 2002-03, a decrease of 12.27%.







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,</p>	<p>books, 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 2001</u>	<u>Tax Year 2002</u>
\$531,855	\$633,598

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

<u>Fiscal Year 2001-02</u>	<u>Fiscal Year 2002-03</u>
\$476.1 million	\$389.8 million

Other Use Tax Collections	FY 2001-02	FY 2002-03
Voluntary Disclosure Agreements	\$ 139,876	\$ 599,658
Motor Vehicle	549,071	481,141
Southeastern Association of Tax Administrators	353,251	169,922
Aircraft	793,403	262,871
Nonresident Contractors	11,769,890	13,432,084
Total	\$13,605,491	\$14,945,676

Delinquent Taxes Collected

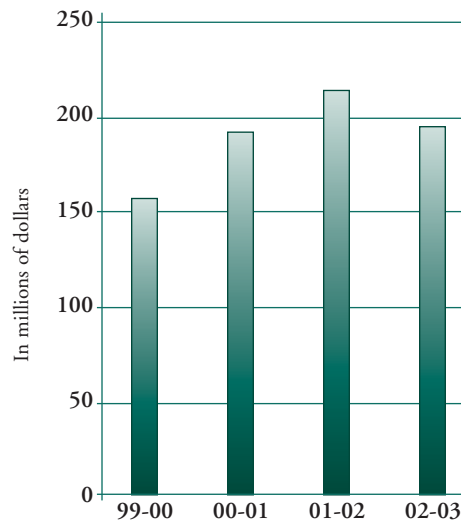


Delinquent taxes are any taxes not filed and paid by the statutory due date. Some delinquent taxes can be as old as 10 years because of statutory prescription.

Delinquent Taxes Collected

Division/Region	1999-00	2000-01	2001-02	2002-03
Collection Division	\$95,675,466	\$121,932,355	\$149,699,755	\$132,168,450
Out-of-State Collections by				
Contracted Collection Agencies	0	1,062,169	348,957	534,846
Regional Offices				
Alexandria	3,559,584	4,356,334	4,023,888	2,618,461
Baton Rouge	10,518,684	11,602,689	10,856,008	7,162,394
Lafayette	6,466,209	7,478,289	6,484,573	4,403,315
Lake Charles	3,816,792	4,938,114	3,950,440	2,817,096
Monroe	4,014,335	4,706,789	5,465,560	3,124,946
New Orleans	26,126,556	24,357,221	26,964,107	27,578,671
Shreveport	3,897,642	4,613,704	5,490,132	4,513,795
Thibodaux	4,647,799	6,731,349	6,445,549	13,928,549
Subtotal for Regions	\$ 63,047,601	\$ 68,784,489	\$ 69,680,257	\$ 66,147,227
Total Delinquent Taxes Collected	\$158,723,067	\$191,779,013	\$219,728,969	\$198,850,523*

*This decrease in delinquent taxes collected is attributable to cessation of the Tax Amnesty Program offered in FY 2001-02.





Field Audit Services Cash Collection Summary

Fiscal Year	Amount Collected	% Change
2001-03	\$101,404,303	-56.89
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

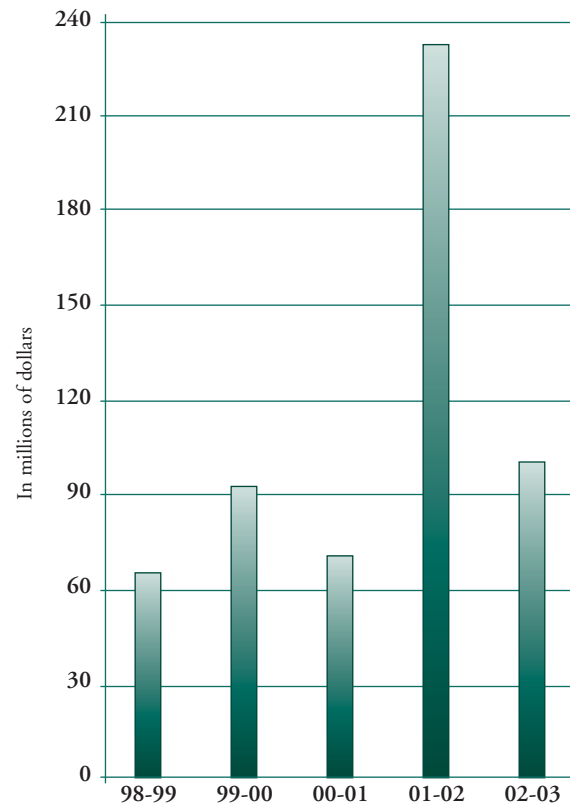
The field audit program of the Department is responsible for in-state and out-of-state audit activity. Field personnel are located in each of the cities listed on the accompanying tables.

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 2002-03, the field audit program collected \$101.4 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.



Field Audit Services Cash Collection Summary

**In-State Audit Activity
Fiscal Year 2002-2003**

Region	Collections
Alexandria	\$ 1,527,663
Baton Rouge	3,964,800
Lafayette	5,716,475
Lake Charles	1,563,620
Monroe	528,396
New Orleans	12,891,674
Shreveport	3,059,624
Thibodaux	5,267,166
Other	357,787
Total	\$34,877,205

Out-of-State Audit Activity

District	Collections
Dallas	\$ 7,865,036
Houston	43,108,589
Other Out-of-State Locations	15,553,473
Total	\$ 66,527,098

Audit Collections by Tax

Tax	Collections
Corporation Franchise Tax	\$ 38,566,571
Corporation Income Tax	22,603,567
Sales Tax	27,123,193
Severance Tax	12,706,322
Withholding Tax	44,107
Other	360,543
Total	\$101,404,303



Monthly Net Cash Collections Record

Tax	July 02	Aug. 02	Sept. 02	Oct. 02	Nov. 02	Dec. 02
Corporation Franchise	\$ 2,100,000.00	\$ 5,100,000.00	\$ 8,758,828.41	\$ 4,654,104.30	\$ -677,006.03	\$ 22,722,828.90
Gift Tax	67,321.89	85,283.00	11,512.32	239,203.66	15,061.10	176,316.61
Hazardous Waste Disposal Tax	1,167,716.09	68,370.58	-8,007.88	1,237,097.36	8,640.30	-17,881.12
Income						
Corporation	-3,253,369.07	-20,873,069.32	35,035,312.30	3,510,990.85	-2,031,018.10	68,207,361.72
Fiduciary	60,939.93	15,523.91	266,698.67	-226,520.77	43,045.19	273,073.43
Individual	142,826,459.44	111,573,244.74	168,569,519.69	136,110,389.78	115,027,591.66	132,865,765.33
Inheritance and Estate Transfer Tax	4,741,463.26	4,696,389.13	5,192,021.83	4,125,127.19	4,145,830.87	6,516,212.10
Liquor-Alcoholic Beverage Taxes						
High Alcoholic Content: (Liquor/Wine)	1,260,194.84	1,037,050.68	1,225,115.26	1,137,129.64	1,517,421.97	1,572,670.42
Out-of-State Shippers	3,739.34	4,146.84	2,190.82	468.6	422.6	383.64
Low Alcoholic Content: (Beer)	3,070,973.62	2,813,331.65	3,283,587.51	2,861,598.76	3,278,315.01	2,674,561.30
Natural Resources-Severance Tax	41,719,179.46	43,863,383.66	34,660,749.96	40,627,551.08	31,676,668.82	29,753,401.70
Petroleum Products						
Gasoline Tax	44,951,914.64	35,530,519.90	38,934,707.17	40,046,520.66	36,016,831.50	32,221,592.51
Inspection Fee - Gasoline	72,306.54	79,338.59	73,294.59	70,177.54	73,454.18	72,167.84
Special Fuels Tax	10,110,408.76	9,589,146.02	10,077,260.97	8,752,896.84	9,748,397.47	9,845,963.55
Public Utilities and Carriers						
Inspection and Supervision Fee	712,121.47	58,018.71	738,433.85	371,784.44	76,285.57	726,105.71
Natural Gas Franchise Tax	924,458.97	915,069.23	-42,473.55	1,754,536.64	4,581,505.35	23,657.08
Transportation and Communication Utilities Tax	245,101.39	219,871.08	190,859.75	167,719.12	184,636.39	251,277.32
Sales Tax	198,091,472.08	192,551,628.12	180,438,338.11	197,243,199.44	151,654,695.76	197,913,128.31
Tobacco Tax	24,754,436.34	7,510,544.16	2,899,940.74	3,967,074.22	6,359,564.18	10,386,143.67
Total State Taxes	473,626,838.99	394,837,790.68	490,307,890.52	446,651,049.35	361,700,343.79	516,184,730.02
Other Taxes	8,412,291.33	7,715,731.47	4,374,340.59	6,005,854.56	7,369,209.31	6,370,748.18
Total Cash Collections	\$482,039,130.32	\$404,160,181.31	\$496,128,332.07	\$454,220,787.28	\$370,270,610.48	\$524,097,193.20

Monthly Net Cash Collections Record



Tax	Jan. 03	Feb. 03	Mar. 03	Apr. 03	May 03	June 03
Corporation Franchise Tax	\$ 985,325.62	\$ 3,917,834.13	\$ 1,191,155.82	\$124,278,707.28	\$ 3,000,000.00	\$ 11,415,538.83
Gift Tax	57,639.14	243,194.27	331,519.42	3,581,589.90	376,037.03	261,698.72
Hazardous Waste Disposal Tax	923,655.40	-9,694.18	-8,908.00	1,015,869.65	12,330.96	15,355.90
Income Tax						
Corporation	1,204,286.87	-2,643,741.73	-7,620,307.94	105,867,046.95	-13,524,236.99	34,246,526.50
Fiduciary	183,442.11	407,523.76	251,230.21	1,228,968.61	2,009,955.02	299,183.31
Individual	203,992,905.49	130,966,728.31	113,596,003.22	204,773,501.16	187,006,163.97	218,292,740.24
Inheritance and Estate Transfer Tax	4,434,527.88	4,963,197.15	3,012,823.80	4,568,151.00	3,081,362.92	3,757,482.95
Liquor-Alcoholic Beverage Taxes						
High Alcoholic Content: (Liquor/Wine)	1,984,234.43	1,103,365.49	1,349,378.85	1,255,444.76	1,280,271.09	1,368,955.56
Out-of-State Shippers	360.14	200.16	136.9	601.23	3,743.87	8,049.73
Low Alcoholic Content: (Beer)	3,084,781.75	2,661,368.03	2,819,082.07	2,876,516.98	3,430,590.80	3,564,441.85
Natural Resources-Severance Tax	59,723,090.82	27,678,593.17	37,928,559.33	38,122,423.95	38,375,069.64	13,577,019.90
Petroleum Products						
Gasoline Tax	32,041,987.75	27,172,856.78	35,488,368.01	39,348,907.32	37,487,404.62	48,636,930.23
Inspection Fee - Gasoline	69,280.49	63,717.50	39,956.33	59,743.14	60,021.22	91,747.85
Special Fuels Tax	8,472,542.63	9,564,144.98	10,123,766.94	9,421,142.83	7,420,088.36	13,369,025.57
Public Utilities and Carriers						
Inspection and Supervision Fee	340,928.50	101,176.09	241,853.46	760,224.47	187,428.54	772,073.15
Natural Gas Franchise Tax	1,160,972.62	2,658,930.93	-990,259.00	1,818,885.26	2,519,812.26	-554,178.45
Transportation and Communication Utilities Tax	101,724.33	349,770.52	145,756.43	-5,433,004.17	313,923.33	2,386,251.75
Sales Taxes	266,087,041.01	178,879,688.75	174,839,237.08	199,418,113.52	179,860,437.82	167,085,089.35
Tobacco Tax	11,022,562.51	9,985,656.98	11,992,808.36	11,921,857.12	12,286,875.09	12,352,470.32
Total State Taxes	595,871,289.49	398,064,511.09	384,732,161.29	744,884,690.96	465,187,279.55	530,946,403.26
Other Taxes	8,685,711.91	8,744,860.49	5,137,395.82	7,762,560.67	10,609,465.39	7,849,466.80
Total Cash Collections	\$ 604,557,001.40	\$ 408,165,859.25	\$ 391,205,534.80	\$ 754,271,772.34	\$ 477,278,250.80	\$ 540,086,429.33



15-Year Collection Record



In Millions of Dollars	88-89	89-90	90-91	91-92	92-93	93-94
Corporation Franchise Tax	\$ 260.00	\$ 256.85	\$ 244.01	\$ 262.40	\$ 263.43	\$ 257.64
Gift Tax	2.67	4.38	2.82	2.21	6.96	4.01
Hazardous Waste Disposal Tax	8.64	7.08	5.48	4.65	27.93	5.25
Income Taxes						
Corporation	344.58	343.98	326.66	231.21	245.27	219.19
Fiduciary	2.69	3.81	2.80	2.61	3.81	3.28
Individual	676.84	737.16	800.58	867.48	930.09	977.51
Inheritance and Estate Transfer Tax	34.07	46.80	39.36	43.95	43.54	48.57
Liquors-Alcoholic Beverage Taxes						
High Alcoholic Content (Liquor/Wine)	16.30	15.91	15.83	15.94	15.72	15.49
Low Alcoholic Content (Beer)	37.93	26.64	26.58	45.65	33.12	34.54
Natural Resources - Severance Tax	401.41	427.79	578.14	484.20	437.48	364.41
Other Taxes and Fees	35.35	37.69	41.72	52.40	56.82	50.86
Petroleum Products Taxes						
Gasoline	316.71	333.59	373.23	377.41	394.43	387.63
Special Fuels	58.51	65.69	70.61	73.92	77.57	79.28
Public Utilities						
Inspection and Supervision Fee	2.99	3.26	3.50	3.48	3.45	3.61
Natural Gas Franchise Tax	8.99	7.59	6.12	16.86	6.80	7.41
Transportation & Communication Utilities Tax	25.40	27.92	5.66	4.96	13.41	7.56
Sales Taxes	1,428.26	1,403.46	1,494.88	1,473.16	1,545.00	1,716.47
Soft Drinks Tax	11.00	11.16	11.64	12.72	11.99	13.21
Tobacco Tax	72.78	68.22	84.20	86.78	84.79	81.90
Unclaimed Property	11.55	10.52	7.86	9.26	11.27	9.07
Totals	\$ 3,756.67	\$ 3,839.50	\$ 4,141.68	\$ 4,071.25	\$ 4,212.88	\$ 4,286.89

15-Year Collection Record



94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03
\$ 267.80	\$ 233.52	\$ 243.97	\$ 251.17	\$ 296.49	\$ 269.38	\$ 248.55	\$ 260.34	\$ 187.44
3.27	3.50	3.83	5.27	9.25	5.14	4.57	4.32	5.57
7.49	4.79	5.53	4.41	4.31	3.67	4.82	4.43	4.48
283.08	327.54	380.16	359.51	286.32	222.01	293.06	264.42	198.72
3.85	4.82	13.15	8.76	13.11	12.67	12.97	9.23	4.47
1,061.61	1,160.36	1,260.05	1,450.81	1,522.54	1,582.13	1,750.26	1,779.51	1,862.67
57.97	54.80	73.90	84.51	86.73	90.44	78.36	64.68	53.52
16.20	16.01	15.62	16.13	13.67	16.43	15.85	16.29	16.28
37.59	36.93	34.41	36.17	36.48	38.49	36.52	35.07	36.43
377.74	349.07	419.42	352.11	261.25	405.50	445.00	496.50	430.93
55.23	56.11	62.80	66.66	73.93	67.11	96.73	98.39	102.76
394.67	405.26	397.55	423.72	427.31	434.42	423.84	442.41	440.84
94.26	96.75	97.06	107.23	109.27	115.51	114.97	116.48	117.70
3.95	3.92	4.27	4.12	4.15	4.76	5.30	5.37	4.98
7.45	7.59	6.31	7.61	7.69	10.02	6.44	4.73	15.25
5.89	6.76	2.63	2.67	6.14	2.28	2.63	2.82	(.92)
1,788.67	1,958.88	1,999.58	2,037.05	2,057.54	2,073.69	2,448.20	2,403.58	2,276.13
6.80	7.60	4.74	-0.01	0.00	0.00	0.00	0.00	0.01
88.85	87.94	88.25	87.20	85.44	89.64	96.58	128.52	112.75
9.71	11.44	10.49	9.64	12.16	13.06	0.00*	0.00	0.00
\$4,572.08	\$ 4,833.59	\$ 5,123.72	\$ 5,314.74	\$ 5,313.78	\$ 5,456.35	\$ 6,084.65	\$ 6,137.09	\$ 5,870.01

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



State Refund Garnishment Program

<p>Revised Statute 47:299 authorizes state and local government entities to file an offset claim for monies owed to them by individuals. Under this statute, the Department of Revenue is given the authority to collect the offset claim by garnishing the individual's state individual income tax refund. In fiscal year 2002-03, the Department collected \$2,269,084.</p> <p>Among the agencies that utilize the law to file offset claims are civil and criminal courts, the Department of Social Services, the Department of Justice, the Louisiana Student Financial Assistance Commission, the Department of Labor, the Louisiana State University Health Services Center, the Department of</p>	<p>Public Safety and Corrections, the Department of Agriculture and Forestry, and the Department of Wildlife and Fisheries. The types of claims include collecting past due child support payments, non-repayment of student loans, and delinquent state taxes.</p> <p>The Department of Revenue also participates in the federal offset program, whereby the Internal Revenue Service will garnish a federal refund in order to satisfy a state tax offset claim, and the state will garnish a state individual income tax return in order to satisfy a federal tax debt.</p>
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State Refund Garnishments 2002-03

AGENCY	TOTAL
Department of Social Services Support Enforcement Services	\$1,090,772
LSU Health Sciences Center Health Care Services Division	2,574
Department of Social Services Fraud and Recovery Section	4,291
Department of Justice	48,225
Louisiana Student Financial Aid	207,951
Civil and Criminal Courts	142,802
Department of Labor	596,698
Department of Public Safety and Corrections Office of Youth Development	67,805
Department of Public Safety and Corrections Division of Probation and Parole (Adult)	105,842
Department of Wildlife and Fisheries	1,772
Department of Agriculture and Forestry	352
Total	\$2,269,084

**Electronic Funds Transfers for
FY 2003-03**

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	122	10	8.20
Beer Tax	63	37	58.73
Gasoline Tax	299	133	44.48
Hazardous Waste Tax	327	4	1.22
Inspection and Supervision Fee	1,741	14	.80
Sales Tax	198,518	3,064	1.54
Special Fuels Tax	19,186	116	.60
Tobacco Tax	199	9	4.52
Transportation and Comm. Utilities Tax	484	4	.83
Automobile Rental Tax	201	32	15.92
Withholding Tax	102,690	19,212	18.71
Severance Tax	2,718	375	13.80
Corporation Income and Franchise Taxes	170,461	4,188	2.46

**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	\$1,649	\$ 770	\$ 2,419	68%
Withholding Tax	1,078	490	1,568	69%
Corporation Income and Franchise Taxes	309	376	685	45%
Gasoline Tax	437	46	483	90%
Severance Tax	372	77	449	83%
Other Taxes	230	176	406	57%
Totals	\$4,075	\$1,935	\$ 6,010	68%




Operating Expenses
Fiscal Year 2001-2002 Compared to Fiscal Year 2002-2003

Tax Collection Program*

Category	FY 2001-02	FY 2002-03	% Change
Salaries and Related Benefits	\$ 40,421,131	\$ 41,614,010	3.0
Travel	915,772	897,383	-2.0
Operating Services	12,479,224	10,829,515	-13.2
Operating Supplies	657,997	568,015	-13.7
Professional Services	1,754,578	718,109	-59.1
Interagency Transfers	3,908,067	10,099,340	158.4
Capital Outlay	852,130	1,108,582	30.1
Subtotal	\$ 60,988,899	\$ 65,834,954	7.9
Tax Reengineering	2,224,139	5,920,501	166.2
Total Expenditures	\$ 63,213,038	\$ 71,755,455	13.5
Total Net Tax Collections	\$ 6,137,085,999	\$ 5,870,010,967	-4.4
Allocated Operating costs per \$100 of tax collected*	\$1.01	\$1.12	10.9

* 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 the depreciable life spans and to exclude nonrecurring extraordinary expenses.



Operating Expenses

Alcohol and Tobacco Control Program

Category	FY 2001-02	FY 2002-03	% Change
Salaries and Related Benefits	\$3,025,117	\$3,235,036	6.9
Travel	88,549	92,078	4.0
Operating Services	572,411	509,884	-10.9
Operating Supplies	46,095	28,422	-38.3
Professional Services	97,333	146,756	50.8
Interagency Transfers	58,126	218,364	275.7
Capital Outlay	458,955	120,790	-73.7
Total Expenditures	\$4,346,586	\$4,351,330	0.1
Total Net Revenues	\$3,718,717	\$4,366,887	17.4%

Charitable Gaming Program

Category	FY 2001-02	FY 2002-03	% Change
Salaries and Related Benefits	\$ 778,879	\$ 757,342	-2.8
Travel	25,894	30,850	19.1
Operating Services	145,882	146,795	0.6
Operating Supplies	9,969	10,586	6.2
Professional Services	95,158	80,377	-15.5
Interagency Transfers	311	20,751	6,572.3
Capital Outlay	5,390	1,355	-74.9
Total Expenditures	\$1,061,482	\$1,048,056	-1.3
Total Net Revenues	\$968,920	\$1,051,254	8.5



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 collectability 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 2002-03, 14 settlements were made. The compromises made were as follows:</p>
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Offers of Compromise FY 2002-03

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
Broussard, Michael L.	Individual Income	\$ 1,604.84	\$ 0.00*	\$ 0.00*
Buntyn, Neil	Sales	\$ 7,183.04	\$ 4,683.04	\$ 2,500.00
Cummings, III, John A.	Sales	\$ 13,062.14	\$ 7,280.11	\$ 5,782.03
DiPiazza, Sam & Tommie	Individual	\$ 36,898.98	\$34,887.98	\$ 2,011.00
Fooshee, Staci E.	Withholding	\$ 5,831.70	\$ 3,079.32	\$ 2,752.38
Huenefeld, Jr., Fred	Individual	\$139,049.63	\$129,049.63	\$10,000.00
Lacaze, Steve & Kathryn	Individual Income	\$ 2,106.96	\$ 1,606.75	\$ 500.00
Lacaze, Steve & Kathryn	Sales	\$ 46,041.32	\$41,541.32	\$ 4,500.00
Mills, Ann C.	Individual Income	\$ 1,246.00	\$ 744.78	\$ 501.92
Mollere, Daniel P.	Sales	\$ 3,837.56	\$ 1,961.09	\$ 1,876.47
Roy, Tommy & Letha	Individual	\$ 5,076.22	\$ 2,200.22	\$ 2,876.00
Toland, Lisa S.	Individual	\$ 488.87	\$ 363.87	\$ 125.00
Toland, Robert	Individual	\$ 417.16	\$ 319.16	\$ 98.00

* The approved offer of compromise payment is unpaid and no amount will be abated until payment is received.



Summaries of 2002 Legislative Action

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.

A complete listing of tax legislation enacted in 2002 may be obtained from the Department's web page on the Internet at www.rev.state.la.us, or by contacting the Policy Services Division at the following: P.O. Box 44098, Baton Rouge, LA 70804-4098, FAX (225) 219-2759.

Copies of particular acts may be obtained from the Office of the Secretary of State at (225) 342-2085.



Mailing Information

Louisiana Revised Statute 43:32 requires state government agencies to obtain a written request before mailing printed material more than ten pages in length. To receive additional copies of this report, or to request the annual report for the next fiscal year, please send a letter or post card with your name and address to the following address:

Louisiana Department of Revenue
Bureau of Organizational Development
Communications Section
Post Office Box 66258
Baton Rouge, LA 70806-6258

FAX: 225•219•2771

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State of Louisiana
Department of Revenue