

Louisiana Department of Revenue | 61st ANNUAL REPORT

2003 - 04

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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 2003-2004 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 03-04, 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.

A handwritten signature in green ink that reads "Kathleen Babineaux Blanco". The signature is fluid and cursive.

Kathleen Babineaux Blanco
Governor

MESSAGE FROM THE SECRETARY

THE HONORABLE KATHLEEN BABINEAUX BLANCO
GOVERNOR OF LOUISIANA AND
MEMBERS OF THE LOUISIANA LEGISLATURE

There has never been a more exciting time to live in Louisiana!

Governor Kathleen Babineaux Blanco is making history. Not simply because she is the first woman to hold the office, but because she has charted a course that reflects vision, prudent planning, and persistence. At the center of this is the Governor's challenge that state government be accountable and responsive to the needs of the citizens of our great state. The Louisiana Department of Revenue, is proud to meet that challenge.

It is my pleasure to present our Annual Report. I know that you have become accustomed to seeing countless charts, tables, and figures when reading our publication. This report is a little different. Yes, we have included that hard data that is needed when making policy determinations but there is more. It is important to us that the citizens of this state know that this agency does not just collect taxes. We also play a prominent role in economic development and quality of life. The people we serve should also know that we are committed to continuous improvement in order to serve them better.

Louisiana is doing great things and Revenue is happy to do its part.



Cynthia J. Bridges



MISSION

S T A T E M E N T

"To administer applicable laws and collect revenues to fund state services and programs."

VALUES

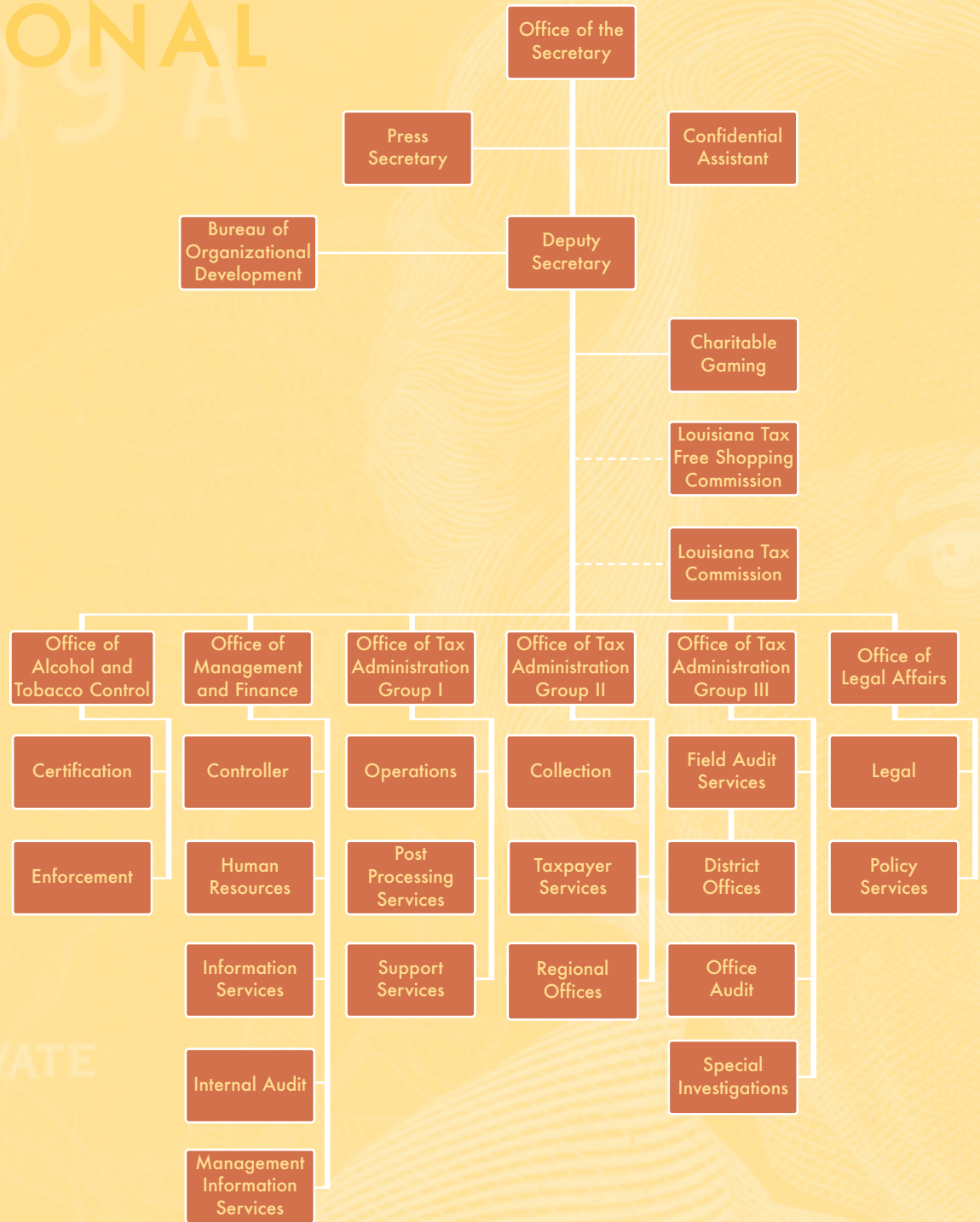
- **UNITY** - One team working together to accomplish common goals.
- **COMMUNICATION** - An environment that encourages an ongoing creative exchange of ideas between employees and management.
- **RESPONSIVENESS** - A focus on identifying and satisfying internal and external customer needs.
- **PROFESSIONALISM** - 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.

VISION

S T A T E M E N T

"To be recognized as a leader in customer service through a unified effort of dedicated employees and continuous improvement."

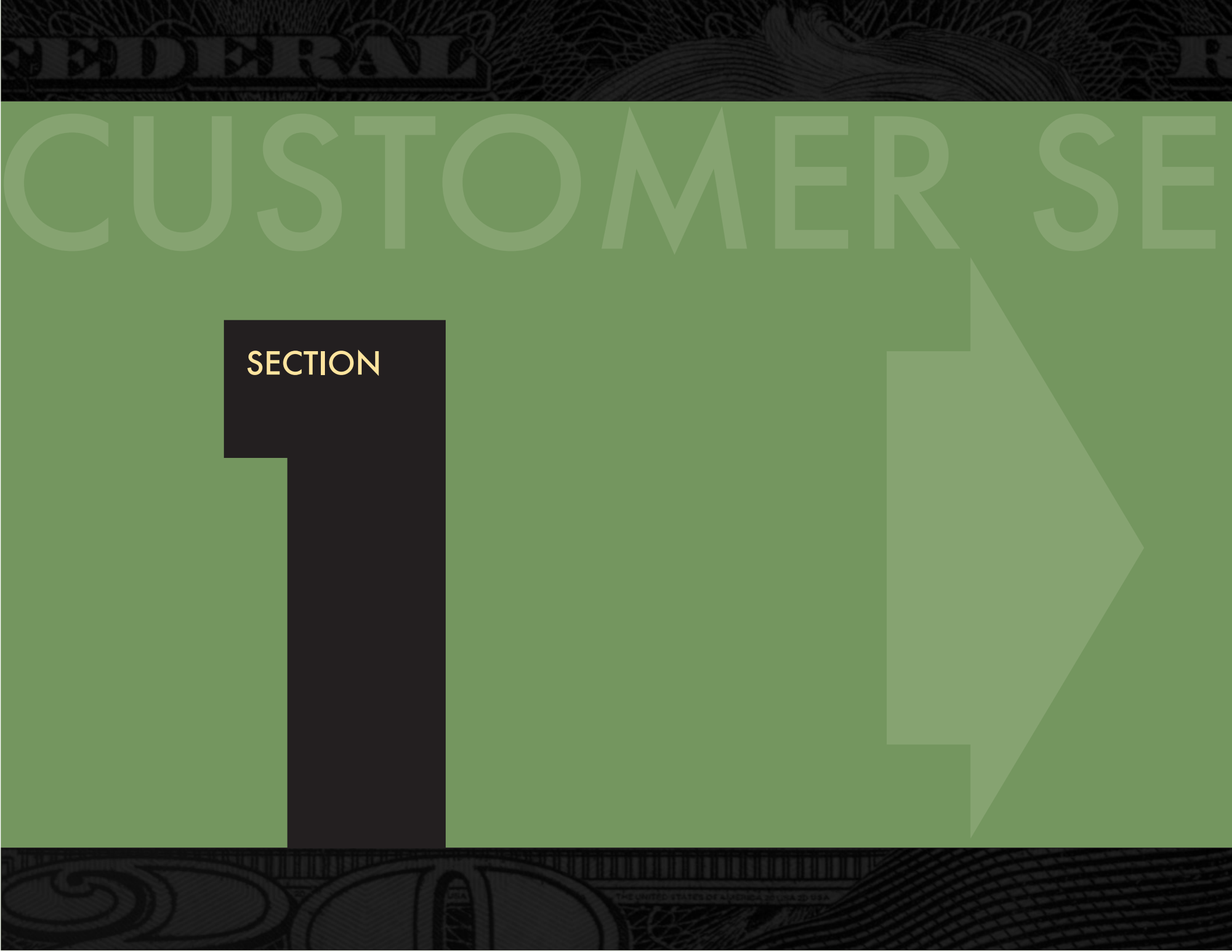
ORGANIZATIONAL CHART



THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE

Ernest A. Marin

Treasurer of the United States



CUSTOMER SE

SECTION



RESERVE NOVE SERVICE

Taxpayers' dealings with us should be easy. That is why we have increased our commitment to training, expanded community outreach efforts, and invested in technology.

Taxpayers are our top priority!



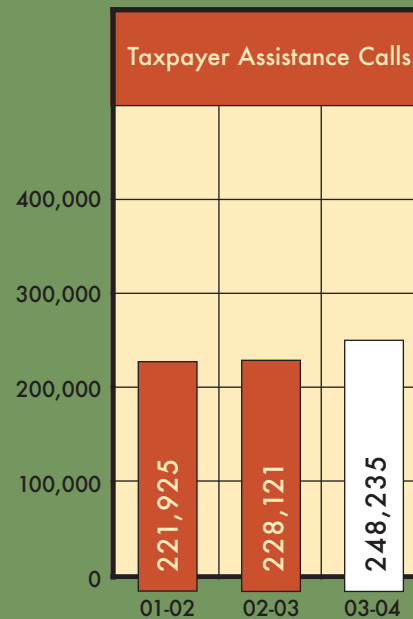
SERIES 2004

CUSTOMER SERVICE :

- 1 : An organization's ability to supply its customers' wants and needs.
- 2 : Making a commitment to learning what our customers' needs and wants are, and developing action plans that implement customer friendly processes.
- 3 : A function of how well an organization is able to constantly and consistently exceed the needs of the customer.

The Louisiana Department of Revenue understands that our taxpayers lead lives that are hectic and fast-paced. They have demanding jobs, young people to raise, and community service to perform. Then they want some time to enjoy leisure with family and friends or to relax in one of our beautiful state parks. Some of them are retired and spend their days traveling around the country or simply doing whatever they like to do. The last thing that they want to do is spend a great deal of time worrying about taxes! We are committed to serving our taxpayers in a number of ways. We want to be

more responsive. It is important that taxpayers feel that they can call us when there is a problem and be confident that we will solve it! This past year, we saw an 8.82% increase in the number of phone calls that we handled from our taxpayers.

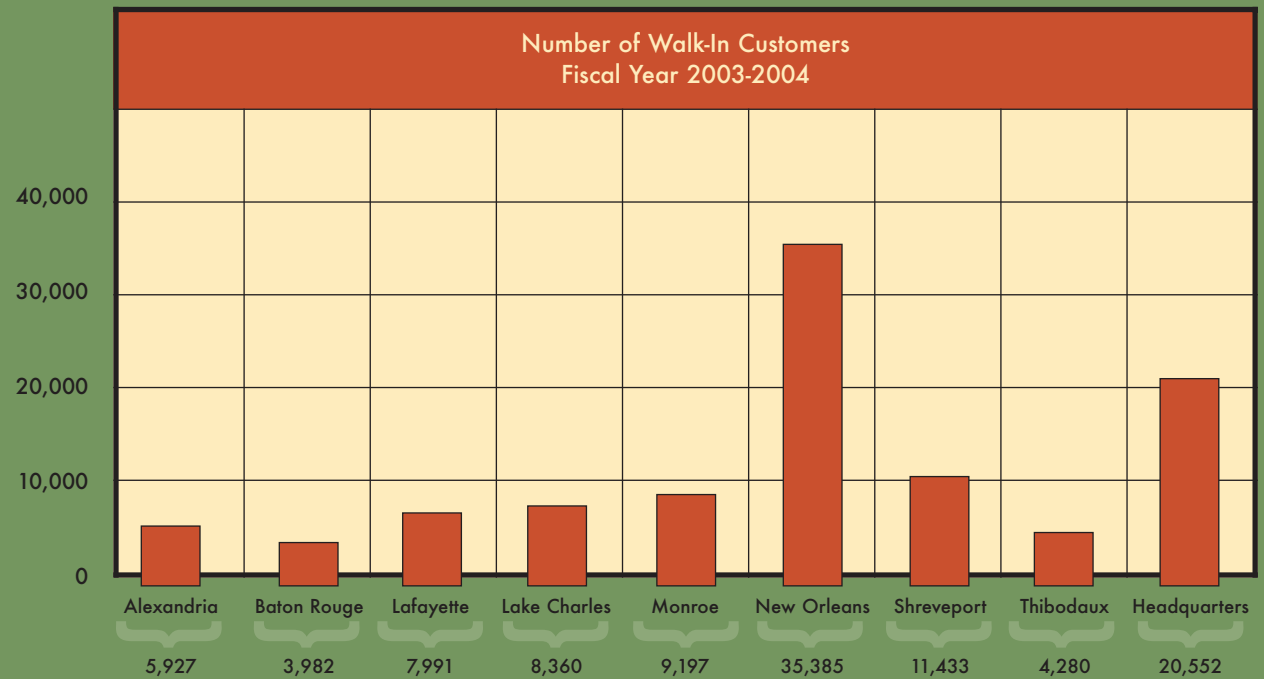


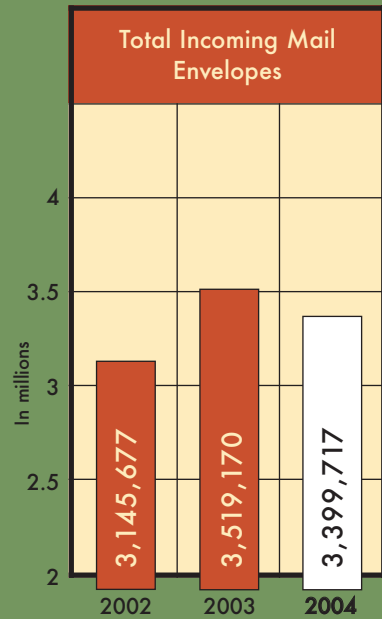
LDR is ready to answer the call!

CUSTOMER SERVICE

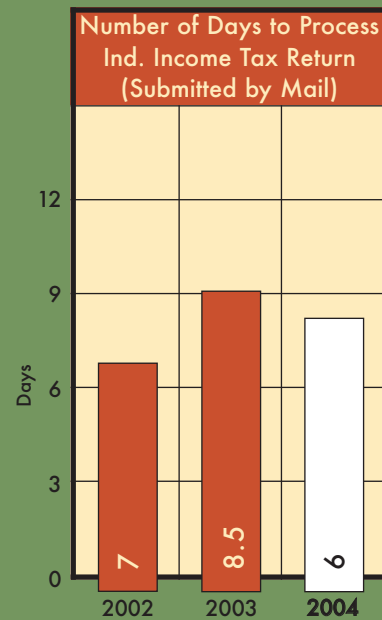


Some of our taxpayers need to meet with us face-to-face. Our regional offices play a major role in giving the personal attention that our customers deserve. Whether there was a need to have a question answered or if an individual wanted to use our new self-service kiosks, the doors of Revenue swung wide to welcome nearly 110,000 taxpayers.





A critical part of customer service has been the improvements in our processing area. Our staff processes millions of pieces of mail on an annual basis. While the amount of mail has remained fairly constant, our team is processing it more quickly. 2004 was one of our best years in this area.

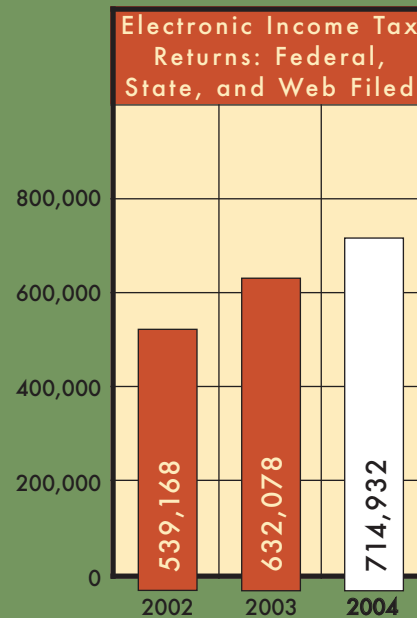


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John W. Snow



13 **More Louisiana taxpayers are doing it the easy way!**



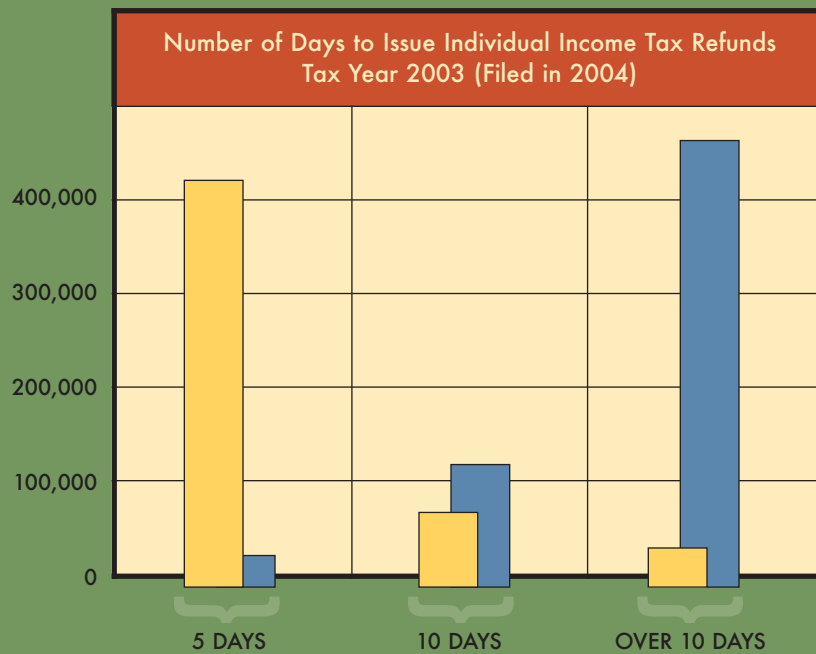
The number of returns includes all electronic returns-Fed/State and Internet returns (Louisiana web filing program or online Fed/State option offered by third party vendors).

Our processing area has been a model of continuous improvements thanks to innovation and dedicated employees.

Across the nation, states have seen a steady increase in the number of individuals who have chosen to file taxes and satisfy liabilities electronically. The figures to the left demonstrate the growth in Louisiana.

Electronic self-service applications have streamlined the process of tax filing compliance and has resulted in significant benefits for the customer. Not only does it reduce the possibility of data entry errors but for those who are due a refund, those

checks are processed much faster when the return has been filed electronically. It is important to not only note our improvement in processing time but also the dramatic difference between electronic and paper returns.



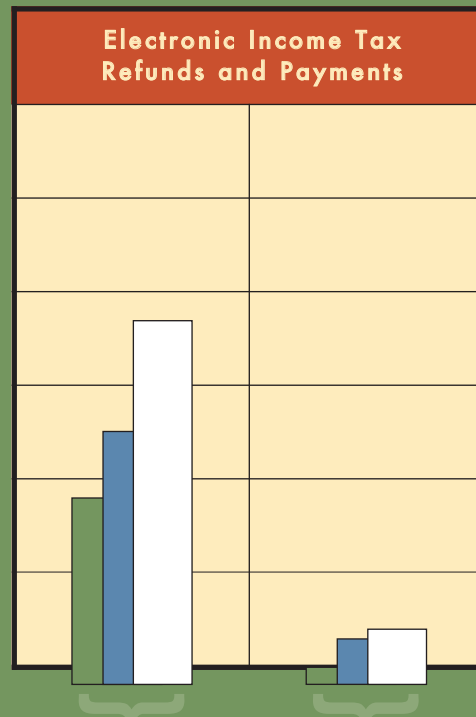
TAX REFUNDS		1-5 DAYS	6-10 DAYS	OVER 10 DAYS
	ELECTRONIC	415,215	75,762	29,264
	PAPER	1,423	104,399	467,835



CUSTOMER SERVICE



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YEARS	NUMBER OF DIRECT DEPOSITS	NUMBER OF DIRECT DEBITS
2003	184,970	18,233
2002	131,565	16,901
2001	93,675	0

We are strong advocates of electronic self-service applications, not simply because they are faster but they provide an opportunity for our taxpayers to play a more active part in the process. Strong customer service is more than just answering phone calls and opening mail. It is giving the customer the knowledge and resources to file and pay taxes at their convenience and without hassle. As we move into the next year, Revenue will expand its electronic self-service applications and offer even more benefits to our taxpayers.



ECONOMIC DEVELOPMENT



SECTION



DEVELOPMENT

Louisiana is a great place to do business and we want to help in the effort to bring in new companies and strengthen existing ones. The Department of Revenue takes business seriously through efficient and fair administration of tax laws, regulations, and policies.



SERIES 2004

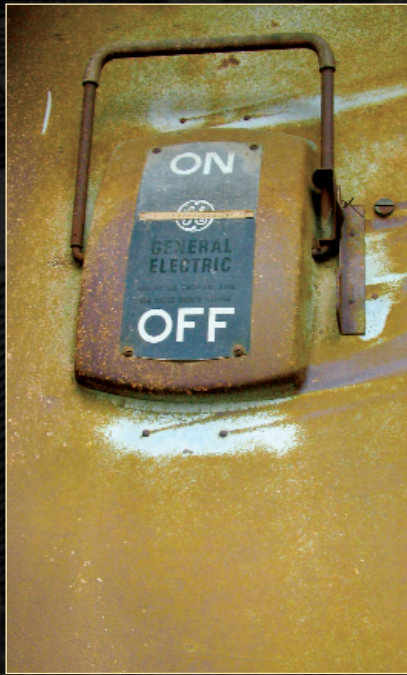
ECONOMIC DEVELOPMENT:

- 1 : The creation of jobs and wealth, and the improvement of quality of life. A process that influences growth and restructuring of an economy to enhance the economic well-being of a community.
- 2 : The efforts to increase the flow of capital through a community.
- 3 : Economic Development is ... organized efforts to attract new business into an area or to encourage existing business to expand.

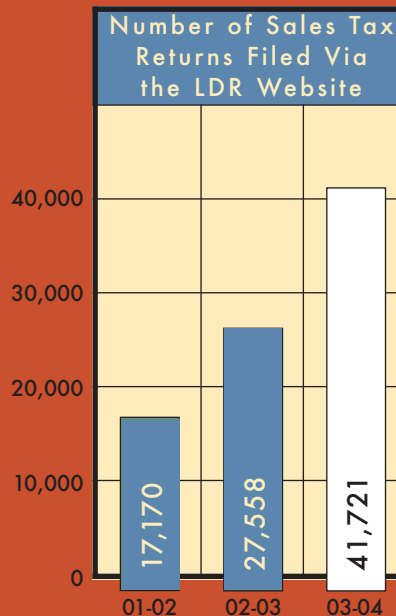
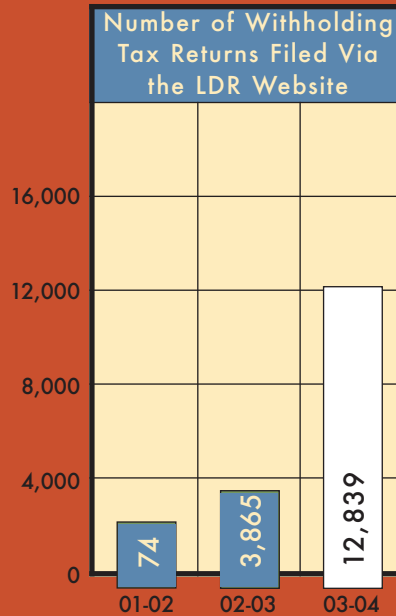
Upon taking office, Governor Kathleen Babineaux Blanco made it clear that economic development would be at the top of her agenda for our state. In fact, she is proud to proclaim “Louisiana is open for business”. The Louisiana Department of Revenue is proud to have played a role in the success that she has realized in not only attracting new businesses but encouraging those already here to reinvest in our state.

Business expects several things from government when they enter a state. The first would be clarity and integrity. In the area of taxation, this is most critical. We want all of our citizens and businesses to clearly understand their tax obligations while at the same time knowing that Revenue will always treat them fairly. The greatest evidence of this has been the expanding utilization of private – letter rulings. When a business or individual is considering a transaction and has a question concerning its taxable status, LDR will issue a written ruling in the matter. Years later, if the same transaction becomes an issue, Revenue will stand by its original ruling.



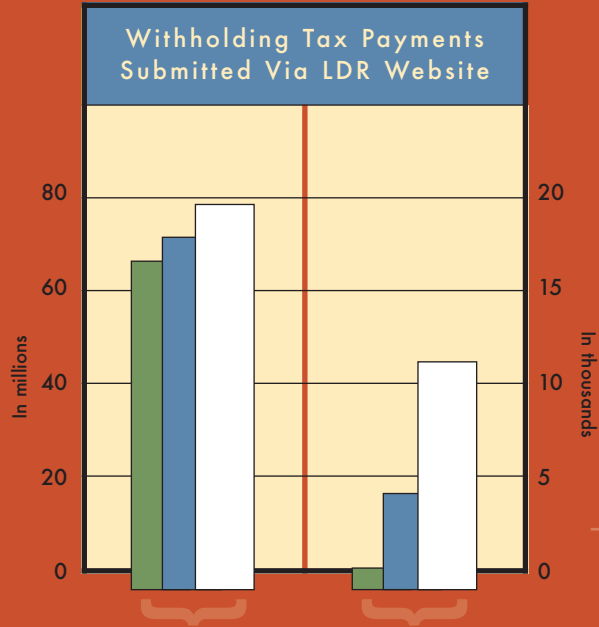


Business is making the switch to electronic filing.

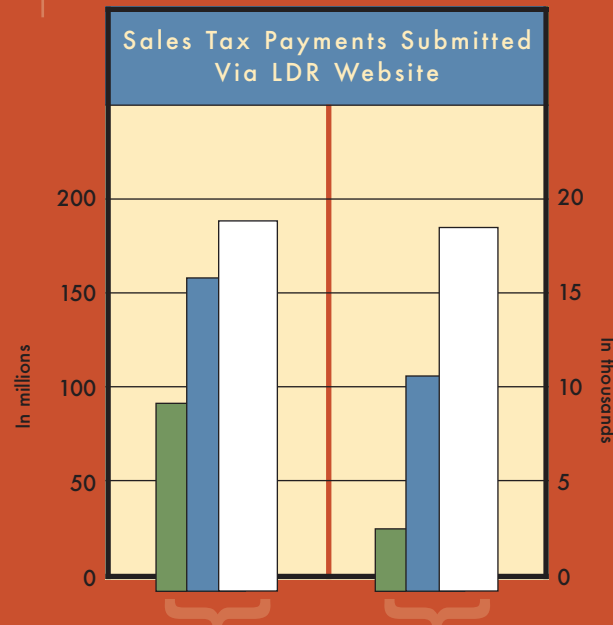


The second area of importance for businesses is the ability to file taxes and make payments electronically. Business owners have commented that they not only like the convenience but it saves them time and ensures that they are posted in a timely manner.

As of 2004, business owners could file general sales taxes, withholding taxes, hotel/motel taxes, oil and gas severance taxes, and some local taxes. While we expect this to expand in the years to come, we are pleased with the increase in on-line business filings. It is interesting to note the increased number of filings in the areas of sales and withholding taxes.



YEARS	WITHHOLDING TAX PAYMENTS	NUMBER OF PAYMENTS
03-04	53,531,618.38	11,072
02-03	13,308,815.61	3,104
01-02	214,552.00	46



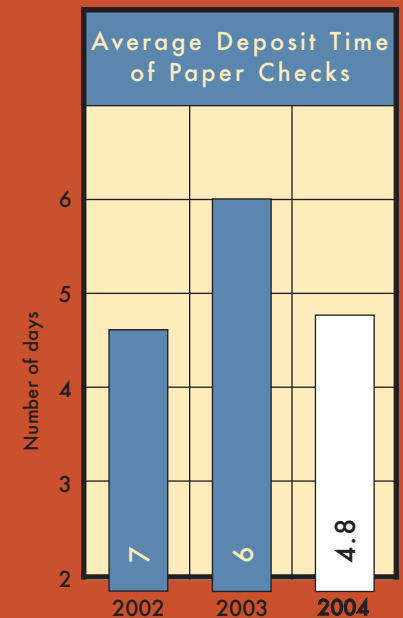
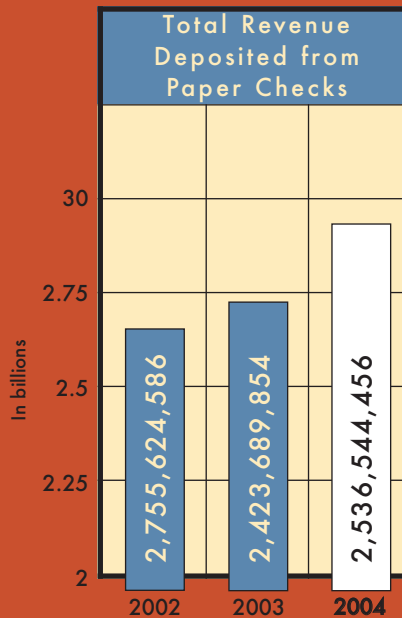
YEARS	SALES TAX PAYMENTS	NUMBER OF PAYMENTS
03-04	189,978,836	18,747
02-03	153,597,051	10,643
01-02	95,222,476	3,028





This process has also encouraged businesses to schedule payments of those taxes before they are due, warehousing the payment for them until the due date.

Business owners also expect efficiency from us. Therefore, accurate accounting of daily balances and cash flow is important. While the time required to make an electronic funds transfer is minimal, we have worked to improve our average deposit time of paper checks. We have improved since last year and anticipate even greater success in 2005.



Louisiana will continue to grow in the years to come. Governor Blanco and her team will have victories that will bolster business in this state. The Louisiana Department of Revenue stands poised to meet the needs of those businesses by providing fair and efficient administration of the tax laws of this state. After all, that is our mission.



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John W. Snow

FEDERAL RESERVE
QUALITY OF

3
SECTION



Taxes collected by the Department of Revenue account for roughly one-third of the the state budget. We are proud that we help to fund many of the things – schools, roads, bridges, state police, and parks – that protect the quality of life of the families of Louisiana.



QUALITY OF LIFE :

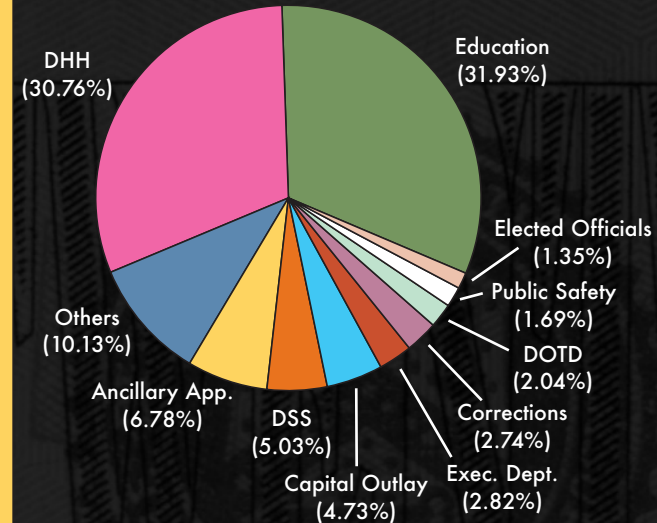
- 1 : The overall enjoyment of life; Refers to the level of comfort, enjoyment, and ability to pursue daily activities of living.
- 2 : Referring to an overall sense of well-being with a strong relation to a person's health perceptions and ability to function. On a larger scale, quality of life can be viewed as including all aspects of community life that have a direct and quantifiable influence on the physical and mental health of its members.

2004 was a year of hard work and continuous improvements. We have challenged ourselves to be better and accomplished that in a meaningful way. Of course, there is more to do. The team will strive to be a model for not only other taxing authorities but for businesses in general. We will work so hard, you would think that people's lives depended upon it. The fact is that they do.

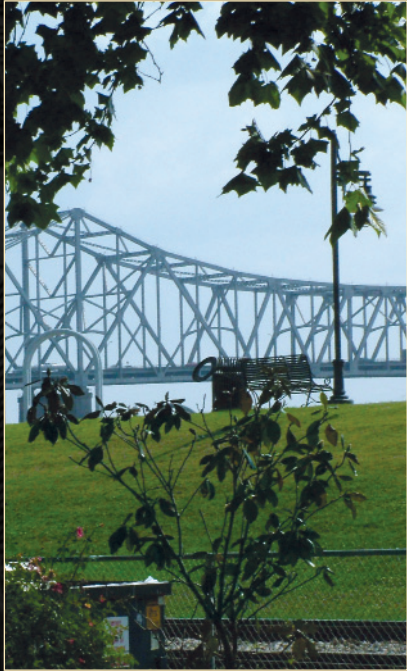
In Louisiana, we have seen our schools improve dramatically. We have begun to work on the infrastructure that is so critical to economic development. Public safety will always be an issue and those agencies responsible for the safety and general welfare must be funded. We should not forget the needs of the elderly, poor, and disabled. While the Federal Government provides resources, they look first to state government for assistance. State government, in turn, looks to Revenue to provide the necessary funding.

We take this charge seriously.

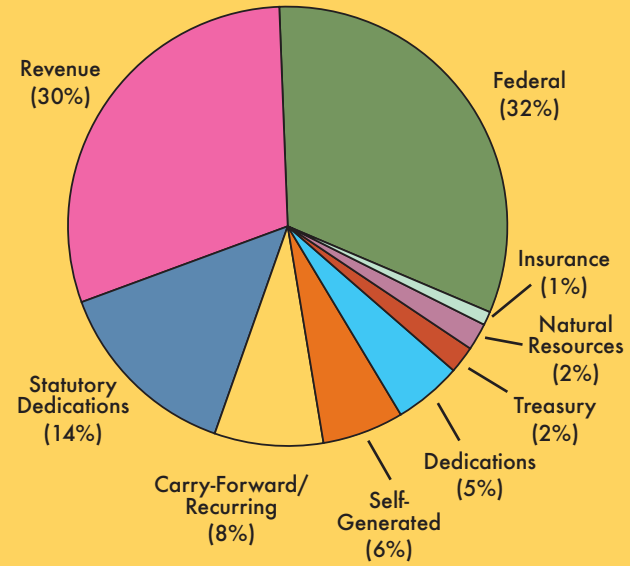
**Total Expenditures
Fiscal Year 03-04**



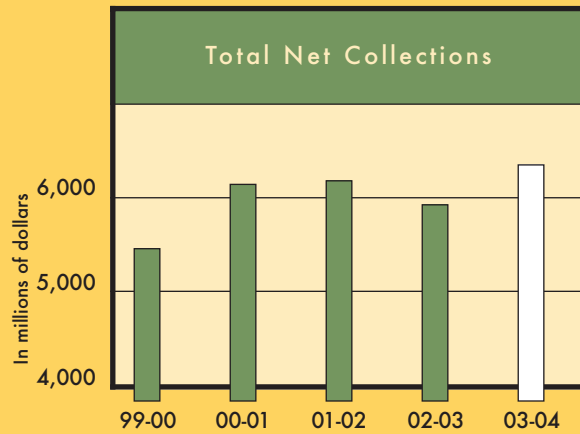
31.93%	\$6,208,637,481	Education - Including Health Care Services Division
30.76%	\$5,982,402,706	Department of Health and Hospitals (DHH)
10.13%	\$1,969,429,912	All Others
6.78%	\$1,317,711,855	Ancillary Appropriations
5.03%	\$978,570,334	Department of Social Services (DSS)
4.73%	\$920,229,817	Capital Outlay
2.82%	\$549,198,844	Executive Department
2.74%	\$532,774,829	Corrections
2.04%	\$396,385,024	Department of Transportation/Development (DOTD)
1.69%	\$329,038,387	Public Safety
1.35%	\$262,492,139	Elected Officials



State Government Revenue Sources
Fiscal Year 03-04



32%	Federal
30%	Revenue
14%	Statutory Dedications
8%	Carry-Forward/Recurring
6%	Self-Generated
5%	Dedications
2%	Treasury
2%	Natural Resources
1%	Insurance
0%	Public Safety

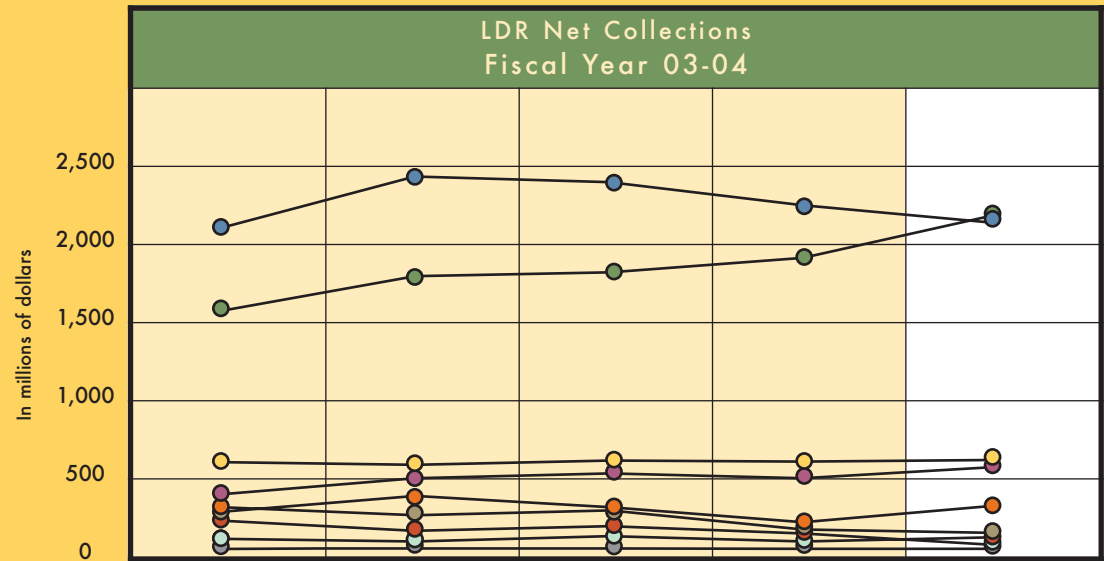


Fiscal Year	Total Net Collections	% Change
2003-04	\$ 6,230,533,515	5.49
2002-03	\$ 5,870,010,967	-4.35
2001-02	\$ 6,137,085,999	.86
2000-01	\$ 6,084,647,391	11.51
1999-00	\$ 5,456,354,169	2.68

Although total net collections increased 5.49% in FY 2003-04, 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.

Every dollar we collect is important to the people of this state. In 2003-04, there was an increase in net collections allowing us to contribute in excess of 6 billion dollars to the people of Louisiana.





Collections	FY 00	FY 01	FY 02	FY 03	FY 04
Sales	\$ 2,074	\$ 2,414	\$ 2,404	\$ 2,292	\$ 2,166
Ind. Income	\$ 1,582	\$ 1,750	\$ 1,779	\$ 1,863	\$ 2,192
Severance	\$ 377	\$ 464	\$ 496	\$ 431	\$ 514
Corp. Franchise	\$ 269	\$ 249	\$ 260	\$ 187	\$ 183
Corp. Income	\$ 222	\$ 293	\$ 264	\$ 199	\$ 233
Petrol. Products	\$ 551	\$ 540	\$ 560	\$ 559	\$ 563
Liquor/Alcohol	\$ 55	\$ 52	\$ 51	\$ 53	\$ 53
Tobacco	\$ 90	\$ 97	\$ 128	\$ 113	\$ 145
Other	\$ 236	\$ 173	\$ 195	\$ 173	\$ 29

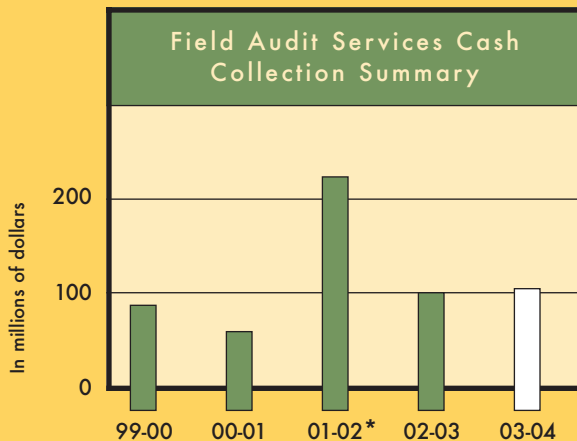
The chart above indicates the revenues generated by the various taxes collected by Revenue. For the first time, individual income tax provided the greatest revenue source providing for a more stable economic base in order to secure Louisiana's future.

Our field audit program is a critical piece of the tax collection program. Often, taxpayers do not always understand whether or not a transaction is taxable and our auditors have done an excellent job of educating them. While audits often end with the customer owing money to the people of this state, it also gives us great pride when even those being audited are willing to concede that we are both fair and professional.

Fiscal Year	Amount Collected	% Change
2003-04	\$104,398,543	2.95
2002-03	\$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

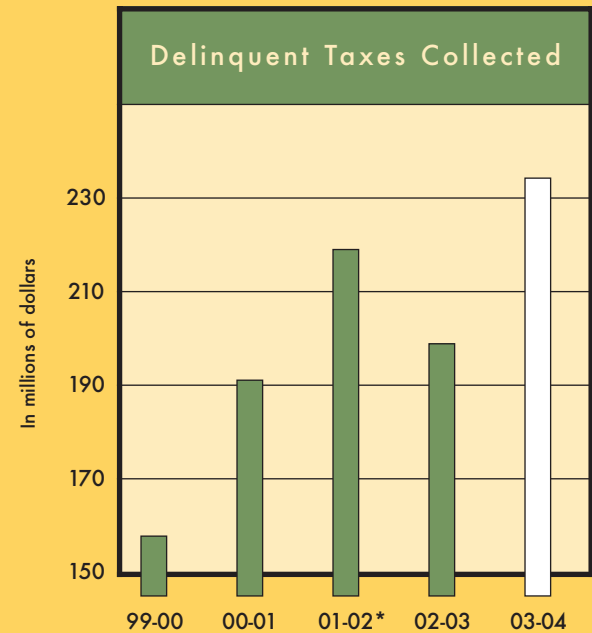
* \$126,904,967 of this figure was the result of the 2001 Tax Amnesty Program.
 ** This large increase was mainly the result of a judgment in a court case.

In fiscal year 2003-04, the field audit program collected \$104.3 million.





95% of the funds we collect are through voluntary means. Most taxpayers file their taxes and pay what they owe in a timely manner. When taxpayers have a tax liability and due to circumstances beyond their control cannot pay immediately, we are happy to make arrangements with them. Unfortunately, some taxpayers are not willing to work with us and we are left with few options to recover the money that is owed to the people of this state. We are pleased to report that 03-04 was one of our very best years in the area of delinquent tax collection - putting nearly 235 million dollars into the state fisc.



* This reflects the Tax Amnesty Program offered in FY 2001-02

Fiscal Year	Amount Collected	% Change
2003-04	\$ 234,113,890	17.73
2002-03	\$ 198,850,523	-9.5
2001-02	\$ 219,728,969	14.57
2000-01	\$ 191,779,013	20.83
1999-00	\$ 158,723,067	0

Division/Region	00-01	01-02	02-03	03-04
Collection Division	\$121,932,355	\$149,699,755	\$132,168,450	\$184,738,884
Contracted Collection Agencies	1,062,169	348,957	534,846	1,659,567
Regional Offices				
Alexandria	4,356,334	4,023,888	2,618,461	2,765,793
Baton Rouge	11,602,689	10,856,008	7,162,394	5,063,153
Lafayette	7,478,289	6,484,573	4,403,315	3,927,867
Lake Charles	4,938,114	3,950,440	2,817,096	3,470,365
Monroe	4,706,789	5,465,560	3,124,946	2,950,567
New Orleans	24,357,221	26,964,107	27,578,671	32,691,157
Shreveport	4,613,704	5,490,132	4,513,795	4,500,097
Thibodaux	6,731,349	6,445,549	13,928,549	10,109,753
Subtotal for Regions	\$68,784,489	\$69,680,257	\$66,147,227	\$65,748,752
Total Delinquent Taxes Collected	\$191,779,013	\$219,728,969	\$198,850,523*	\$234,113,890

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

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.

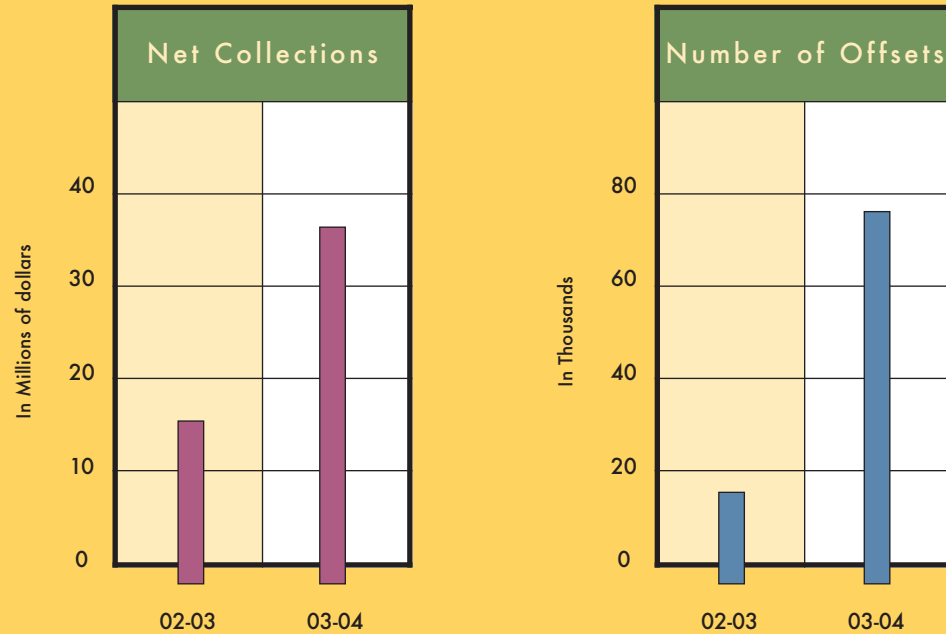


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John W. Snow



In order to collect these funds, we have had to use innovative tools and develop partnerships with other entities to make our efforts more effective. Two years ago, we entered into the Federal Offset Program which allowed us to garnish the federal refund of those individuals who had an outstanding tax liability to the people of Louisiana. The chart shows the dramatic growth of the program in a short period of time.



YEARS	Net Collections	No. of Offsets
2003-04	\$ 36,731,461	77,038
2002-03	\$ 15,002,628	17,408

When you drive past a public school or see a state trooper helping a motorist take time to consider what makes it possible. Of course, those of you who contribute to the economy by paying taxes can take the bulk of the credit. Yet we gather a large measure of satisfaction that additional hospital beds might be available or some professor might have her research funded simply because we worked a little bit harder at our jobs. After all, our people depend upon it!



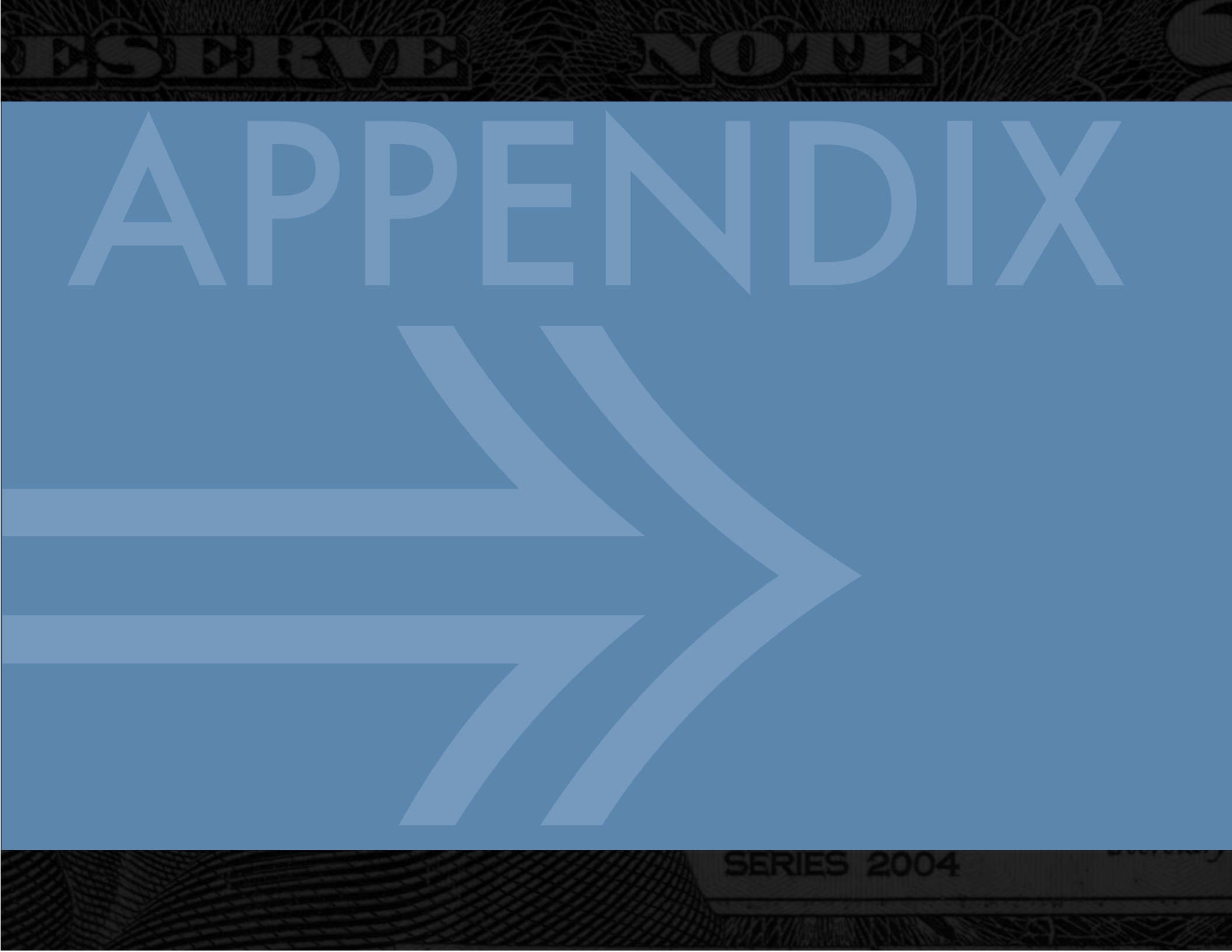


OFFICE OF THE
DEAN

TWENTY
THREE



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APPENDIX



SERIES 2004

MONTHLY NET CASH COLLECTIONS RECORD

Tax	July 03	Aug. 03	Sept. 03	Oct. 03	Nov. 03	Dec. 03
Corporation Franchise	\$ 2,100,000.00	\$ 5,000,000.00	\$ 12,906,445.46	\$ 548,065.82	\$18,326,539.44	\$ (9,166,979.21)
Gift Tax	192,175.21	239,792.83	48,534.56	262,177.45	(33,009.78)	88,666.00
Hazardous Waste Disposal Tax	1,242,291.91	(3,662.08)	4,188.34	1,388,151.70	30,316.81	(19,220.37)
Income						
Corporation	(2,663,332.69)	(29,507,717.05)	50,703,854.97	17,632,418.13	396,902.67	43,502,681.55
Fiduciary	(277,431.49)	(30,808.63)	283,863.64	314,761.30	34,226.74	524,374.10
Individual	139,900,601.52	152,007,591.06	186,315,630.72	167,439,024.82	143,148,107.54	153,955,602.98
Inheritance & Estate Transfer Tax	5,021,084.02	4,568,883.42	4,579,008.76	3,144,149.70	2,505,498.38	2,375,342.39
Liquor-Alcoholic Beverage Taxes						
High Alcoholic Content: (Liquor/Wine)	1,452,691.25	1,294,338.90	1,167,053.15	1,240,864.81	1,535,079.83	1,513,294.38
Out-of-State Shippers	4,543.68	1,435.83	1,167.29	1,550.08	2,312.49	2,199.36
Low Alcoholic Content: (Beer)	3,082,768.83	3,295,857.67	3,249,699.98	3,141,495.88	3,110,511.63	2,640,147.90
Natural Resources-Severance Tax	34,941,431.58	51,945,421.89	32,149,104.78	44,825,985.19	38,700,721.29	41,498,121.31
Petroleum Products						
Gasoline Tax & Inspection Fee	37,574,646.82	38,108,766.47	41,212,760.67	32,734,496.99	36,383,606.43	37,602,182.89
Special Fuels Tax	11,150,581.31	9,738,254.03	9,055,439.93	11,110,572.97	10,095,891.72	9,911,503.92
Public Utilities and Carriers						
Inspection and Supervision Fee	603,122.12	187,708.02	763,498.12	337,310.41	95,637.62	956,973.76
Natural Gas Franchise Tax	1,408,373.79	(2,378,345.94)	13,946.00	1,266,659.14	9,059.72	(39,138.58)
Trans. & Communication Utilities Tax	202,699.74	229,486.29	152,884.17	255,545.80	317,280.30	126,069.82
Sales Tax	190,689,315.53	173,667,590.06	180,574,138.26	163,414,105.83	170,844,645.88	168,795,985.36
Tobacco Tax	12,076,987.57	12,369,413.75	11,128,103.68	13,337,564.96	10,530,839.18	13,836,032.94
Total State Taxes	438,702,550.70	420,734,006.52	534,309,322.48	462,394,900.98	436,034,167.89	468,103,840.50
Other Taxes	2,367,707.36	3,176,462.27	2,663,301.26	2,785,096.59	3,000,965.46	2,252,491.41
Total Cash Collections	\$441,070,258.06	\$423,910,468.79	\$536,972,623.74	\$465,179,997.57	\$439,035,133.35	\$470,356,331.91

John W. Jones

THE MONTHLY NET CASH COLLECTIONS RECORD

Tax	Jan. 04	Feb. 04	Mar. 04	Apr. 04	May 04	June 04
Corporation Franchise	\$ 1,717,690.83	\$ 2,500,000.00	\$ 5,877,397.16	\$ 131,541,060.32	\$ 60,540.91	\$ 11,361,688.00
Gift Tax	174,269.11	87,433.00	193,069.66	1,884,329.27	387,931.00	332,228.00
Hazardous Waste Disposal Tax	1,035,382.76	9,495.77	21,277.51	990,902.78	161,339.17	(337.58)
Income						
Corporation	2,099,399.92	(8,263,312.66)	8,816,627.07	112,053,495.83	3,766,076.52	34,085,064.01
Fiduciary	(284,549.68)	84,176.02	274,032.18	2,781,200.61	1,541,686.18	(801,328.32)
Individual	215,725,952.18	122,758,239.40	151,866,345.82	268,814,536.45	274,912,858.05	214,693,016.30
Inheritance & Estate Transfer Tax	3,613,684.21	2,298,445.88	2,008,482.63	2,217,839.30	5,379,919.05	6,235,521.75
Liquor-Alcoholic Beverage Taxes						
High Alcoholic Content: (Liquor/Wine)	2,148,211.11	1,063,221.01	1,376,611.62	1,367,854.66	1,413,091.98	1,274,730.95
Out-of-State Shippers	406.91	838.47	265.15	604.65	262.05	10,066.37
Low Alcoholic Content: (Beer)	3,312,401.62	2,327,695.05	2,501,437.10	3,083,618.86	3,347,936.09	3,010,239.49
Natural Resources-Severance Tax	43,275,214.47	43,044,093.33	46,067,116.14	44,916,810.96	44,607,368.61	48,516,116.18
Petroleum Products						
Gasoline Tax & Inspection Fee	41,762,567.57	30,906,132.55	30,365,583.88	36,327,491.88	37,936,166.69	39,368,408.31
Special Fuels Tax	10,708,830.52	9,672,973.17	9,487,451.54	11,931,306.87	10,346,762.96	9,492,571.74
Public Utilities and Carriers						
Inspection and Supervision Fee	163,011.34	13,254.55	667,845.31	595,826.61	94,442.35	1,004,068.44
Natural Gas Franchise Tax	1,123,776.72	45,724.36	0.00	1,913,004.05	119,554.92	(169,140.47)
Trans. & Communication Utilities Tax	321,088.15	328,744.07	94,910.19	6,020,601.24	328,951.41	199,975.39
Sales Tax	220,497,425.42	139,800,288.04	183,540,150.82	201,520,568.70	190,202,313.02	182,671,372.77
Tobacco Tax	11,776,468.26	10,482,317.03	12,113,204.97	13,380,602.19	10,701,760.86	12,841,478.61
Total State Taxes	559,171,231.42	357,259,759.04	455,271,808.75	841,341,655.23	585,308,961.82	564,125,739.94
Other Taxes	2,698,063.82	3,278,424.72	(2,253,918.86)	2,519,038.07	3,757,275.82	2,613,732.15
Total Cash Collections	\$561,869,295.24	\$360,538,183.76	\$453,017,889.89	\$843,860,693.30	\$589,066,237.64	\$566,739,472.09

John W. Jones

TAX COLLECTIONS

Tax Collections	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
Major State Taxes					
Corporation					
Franchise Tax	\$ 269,382,461.17	\$ 248,546,215.78	\$ 260,339,632.62	\$ 187,447,317.26	\$ 182,772,448.73
Income Tax	222,007,595.54	293,056,052.83	264,419,332.09	198,715,818.42	232,622,158.31
General Sales Tax	2,057,581,238.12	2,448,203,788.26	2,403,580,261.60	2,276,134,966.80	2,166,217,899.69
Individual Income Tax	1,582,130,560.82	1,750,261,234.94	1,779,506,088.56	1,862,674,655.11	2,191,537,506.84
Petroleum Products					
Gasoline Tax	434,415,105.62	423,843,234.12	442,408,356.03	440,838,750.42	440,282,811.15
Inspection Fee	715,637.83	830,052.25	883,088.60	824,987.41	5,582,698.65
Special Fuels Tax	115,505,615.71	114,966,765.22	116,483,538.36	117,697,599.09	122,702,140.68
Severance Tax	405,504,202.80	445,003,934.26	496,498,111.26	430,927,943.61	514,487,505.73
Miscellaneous State Taxes and Fees	295,305,095.85	274,649,264.46	289,568,296.24	310,522,307.98	279,147,040.45
Other Taxes	73,806,656.01	85,286,849.37	83,399,293.73	84,546,620.41	28,858,640.07
Total	\$5,456,354,169.47	\$6,084,647,391.50	\$6,137,085,999.09	\$5,910,330,966.51	\$6,164,210,850.30

95499

John W. Jones

**THE
15-YEAR COLLECTION
RECORD**

In Millions of Dollars	89-90	90-91	91-92	92-93	93-94	94-95
Corporation Franchise Tax	\$ 256.85	\$ 244.01	\$ 262.40	\$ 263.43	\$ 257.64	\$ 267.80
Gift Tax	4.38	2.82	2.21	6.96	4.01	3.27
Hazardous Waste Disposal Tax	7.08	5.48	4.65	27.93	5.25	7.49
Income Taxes						
Corporation	343.98	326.66	231.21	245.27	219.19	283.08
Fiduciary	3.81	2.80	2.61	3.81	3.28	3.85
Individual	737.16	800.58	867.48	930.09	977.51	1,061.61
Inheritance and Estate Transfer Tax	46.80	39.36	43.95	43.54	48.57	57.97
Liquors-Alcoholic Beverage Taxes						
High Alcoholic Content (Liquor/Wine)	15.91	15.83	15.94	15.72	15.49	16.20
Low Alcoholic Content (Beer)	26.64	26.58	45.65	33.12	34.54	37.59
Natural Resources - Severance Tax	427.79	578.14	484.20	437.48	364.41	377.74
Other Taxes and Fees	37.69	41.72	52.40	56.82	50.86	55.23
Petroleum Products Taxes						
Gasoline	333.59	373.23	377.41	394.43	387.63	394.67
Special Fuels	65.69	70.61	73.92	77.57	79.28	94.26
Public Utilities						
Inspection and Supervision Fee	3.26	3.50	3.48	3.45	3.61	3.95
Natural Gas Franchise Tax	7.59	6.12	16.86	6.80	7.41	7.45
Transportation & Communication Utilities Tax	27.92	5.66	4.96	13.41	7.56	5.89
Sales Taxes	1,403.46	1,494.88	1,473.16	1,545.00	1,716.47	1,788.67
Soft Drinks Tax	11.16	11.64	12.72	11.99	13.21	6.80
Tobacco Tax	68.22	84.20	86.78	84.79	81.90	88.85
Unclaimed Property	10.52	7.86	9.26	11.27	9.07	9.71
Totals	\$ 3,839.50	\$ 4,141.68	\$ 4,071.25	\$ 4,212.88	\$ 4,286.89	\$ 4,572.08

John W. Jones

15-YEAR COLLECTION RECORD

95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04
\$ 233.52	\$ 243.97	\$ 251.17	\$ 296.49	\$ 269.38	\$ 248.55	\$ 260.34	\$ 187.44	\$ 182.77
3.50	3.83	5.27	9.25	5.14	4.57	4.32	5.57	3.86
4.79	5.53	4.41	4.31	3.67	4.82	4.43	4.48	4.86
327.54	380.16	359.51	286.32	222.01	293.06	264.42	198.72	232.62
4.82	13.15	8.76	13.11	12.67	12.97	9.23	4.47	4.44
1,160.36	1,260.05	1,450.81	1,522.54	1,582.13	1,750.26	1,779.51	1,862.67	2,191.54
54.80	73.90	84.51	86.73	90.44	78.36	64.68	53.52	43.94
16.01	15.62	16.13	13.67	16.43	15.85	16.29	16.28	16.85
36.93	34.41	36.17	36.48	38.49	36.52	35.07	36.43	36.10
349.07	419.42	352.11	261.25	405.50	445.00	496.50	430.93	514.49
56.11	62.80	66.66	73.93	67.11	96.73	98.39	102.76	28.86
405.26	397.55	423.72	427.31	434.42	423.84	442.41	440.84	440.28
96.75	97.06	107.23	109.27	115.51	114.97	116.48	117.70	122.70
3.92	4.27	4.12	4.15	4.76	5.30	5.37	4.98	5.58
7.59	6.31	7.61	7.69	10.02	6.44	4.73	15.25	3.31
6.76	2.63	2.67	6.14	2.28	2.63	2.82	(.92)	8.58
1,958.88	1,999.58	2,037.05	2,057.54	2,073.69	2,448.20	2,403.58	2,276.13	2,166.22
7.60	4.74	-0.01	0.00	0.00	0.00	0.00	0.01	0.00
87.94	88.25	87.20	85.44	89.64	96.58	128.52	112.75	144.57
11.44	10.49	9.64	12.16	13.06	0.00*	0.00	0.00	0.00
\$4,833.59	\$5,123.72	\$5,314.74	\$5,313.78	\$5,456.35	\$6,084.65	\$6,137.09	\$5,870.01	\$6,151.67

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

John W. Jones

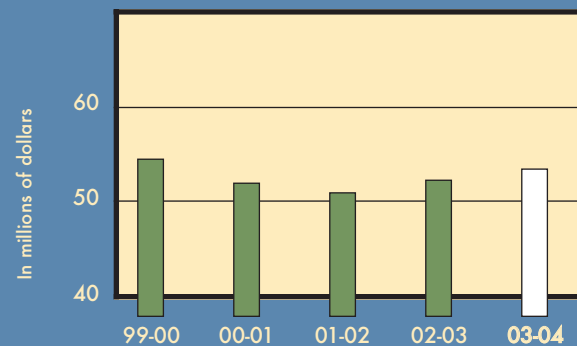
ALCOHOLIC BEVERAGE TAX

Fiscal Year	Low Alcoholic Content	High Alcoholic Content (Includes out-of-state shippers)	Total	% Change
2003-04	\$ 36,583,568	\$ 16,869,469	\$ 53,453,037	1.35
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

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 2003-04, alcoholic beverage taxes collections increased from \$52.74 million to \$53.45 million, an increase of 1.35%.



THE CORPORATION FRANCHISE TAX

Fiscal Year	Amount Collected	%
		Change
2003-04	\$ 182,772,448	-2.49
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

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

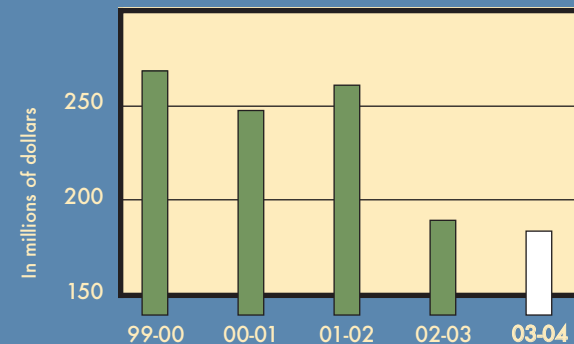
The total taxable base consists of the corporation's capital stock, surplus, undivided profits, and borrowed capital. The tax is computed on the basis of the portion of the total taxable base employed in Louisiana.

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.

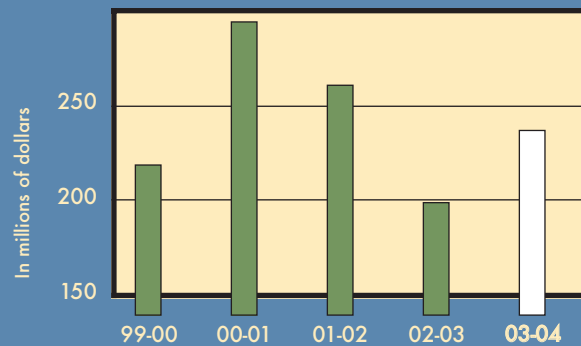
There is a minimum \$10 corporation franchise tax.

Corporation franchise tax collections represents 3.19% of the Department's total tax collections.



THE CORPORATION INCOME TAX

Fiscal Year	Amount Collected	% Change
2003-04	\$ 232,622,158	17.06
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



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.

THE INDIVIDUAL INCOME TAX

Fiscal Year	Amount Collected	% Change
2003-04	\$ 2,191,537,506	17.66
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

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 and a deduction is allowed for the amount of federal income taxes paid.

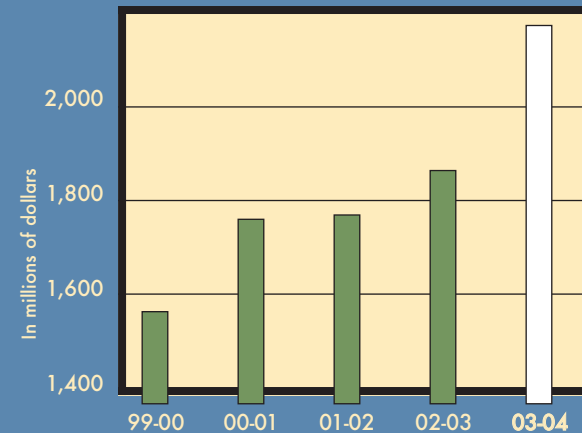
As of Jan. 1 2003 the Louisiana individual income tax rates are as follows: A taxpayer filing single, as married filing separately, or as head of household:

- 2% of the first \$12,500 of taxable income;
- 4% of the next \$12,500;
- 6% of the taxable income over \$25,000.

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

- 2% of the first \$25,000 of taxable income;
- 4% of the next \$25,000;
- 6% of the taxable income over \$50,000.

Individual income tax amounts to 31.73% of the Department's total collections.



Number of Returns by Income Brackets for 2003 Tax Year

Federal Adjusted Gross Income Brackets (≥ - <)	Total Federal Adjusted Gross Income (Line 7)	Number of Returns Filed
Less than \$ 0	\$ -1,158,803	41
0	0	43,334
1-6,000	705,101,056	220,920
6,001-8,000	585,745,253	83,453
8,001-10,000	743,827,985	82,648
10,001-12,000	975,967,718	88,897
12,001-15,000	1,618,725,355	120,143
15,001-20,000	2,962,390,784	170,243
20,001-25,000	3,054,513,536	136,369
25,001-30,000	3,004,201,424	109,572
30,001-35,000	2,943,899,858	90,796
35,001-40,000	2,894,426,175	77,330
40,001-45,000	2,830,447,013	66,697
45,001-50,000	2,737,584,658	57,699
50,001-60,000	5,285,533,551	96,417
60,001-70,000	5,225,061,182	80,211
70,001-80,000	4,248,099,423	56,698
80,001-90,000	3,773,472,431	44,535
90,001-100,000	3,074,389,481	32,458
100,001-150,000	8,125,195,297	68,331
150,001-250,000	5,046,232,771	27,356
250,001-500,000	5,602,425,445	17,275
500,001-1,000,000	3,951,543,094	5,786
Over \$1,000,000	26,807,229,671	4,409
Total	\$ 96,194,854,358	1,781,618

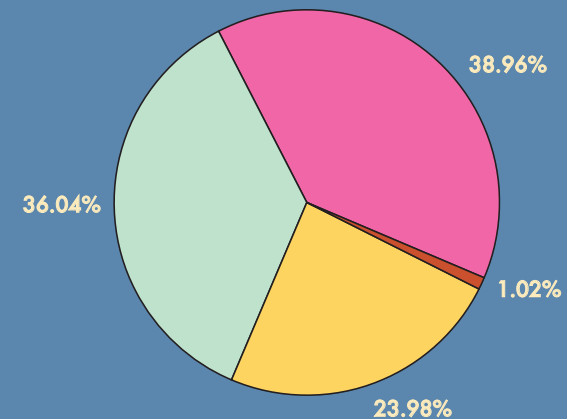
INDIVIDUAL INCOME TAX

Louisiana Income Tax after Credits for 2003 Tax Year

Brackets of Louisiana Income Tax after Credits	Number of Returns Filed	Total Adjusted Louisiana Tax (line 13A)
\$ 0	351,762	\$ 0
1-10	30,702	145,911
10-20	30,682	453,728
20-40	57,019	1,558,246
40-60	47,201	2,151,945
60-100	83,841	6,133,093
100-200	156,376	22,017,355
200-300	113,263	27,020,050
300-400	87,325	28,833,225
400-600	138,955	68,207,425
600-1,000	175,951	138,350,086
1,000-1,600	175,564	221,300,715
1,600-2,200	103,208	193,646,530
2,200-4,000	148,929	433,218,339
4,000-6,000	42,982	205,114,631
6,000-10,000	21,864	164,991,332
over \$10,000	16,228	368,348,212
Total	1,781,852	\$1,881,490,883

Individual Income Tax Returns by Filing Status for 2003 Tax Year

Filing Status	Number of Returns	% of Total
Married Filing Jointly	693,620	38.96
Single	641,538	36.04
Head of Household and Qualifying Widow(er)	426,893	23.98
Married Filing Separately	18,111	1.02
Total Returns Filed	1,780,162	100.00



NATURAL RESOURCES- SEVERANCE TAX

Cash Collection by Parish FY 03-04

Parish	Oil/Condensate	Gas	Timber/Pulpwood	Minerals	Total Tax Collected
Acadia	\$ 5,909,536.20	\$ 2,030,302.20	\$ -686.58	\$ 57.59	\$ 7,939,209.41
Allen	1,637,159.50	478,375.85	793,003.21	50,316.87	2,958,855.43
Ascension	336,981.89	196,683.60	20,799.47	0.00	554,464.96
Assumption	2,685,654.50	2,494,071.41	2,083.54	37,620.65	5,219,430.10
Avoyelles	326,565.69	69,235.73	143,541.73	0.00	539,343.15
Beauregard	3,992,339.02	491,816.07	849,536.97	0.00	5,333,692.06
Bienville	806,492.09	6,678,916.15	854,754.48	163.29	8,340,326.01
Bossier	2,200,395.71	10,145,429.45	457,356.92	1,831.73	12,805,013.81
Caddo	2,449,068.19	2,130,052.67	264,101.82	0.00	4,843,222.68
Calcasieu	9,784,269.70	2,734,570.34	276,734.06	7,856.63	12,803,430.73
Caldwell	2,729.36	542,215.86	247,872.80	0.00	792,818.02
Cameron	11,091,891.62	10,567,688.53	27,276.40	518.22	21,687,374.77
Catahoula	479,239.77	153,939.55	190,756.04	10.45	823,945.81
Claiborne	5,089,581.09	2,463,843.03	534,105.89	143.66	8,087,673.67
Concordia	937,437.01	217,690.61	69,796.91	0.00	1,224,924.53
DeSoto	931,597.64	6,799,565.76	485,642.05	362,954.50	8,579,759.95
East Baton Rouge	4,568,937.63	2,262,549.20	61,523.26	16,619.31	6,909,629.40
East Carroll	0.00	0.00	36,947.18	0.00	36,947.18
East Feliciana	230.90	65,612.09	251,856.14	6,055.91	323,755.04
Evangeline	2,923,844.98	1,075,099.69	244,350.04	0.00	4,243,294.71
Franklin	357,494.75	169,014.43	30,793.29	0.00	557,302.47
Grant	619,357.35	0.00	282,781.03	0.00	902,138.38
Iberia	14,270,986.81	1,943,158.30	350.64	226,091.36	16,440,587.11
Iberville	3,693,055.42	457,337.58	49,559.36	0.00	4,199,952.36
Jackson	107,935.44	9,744,851.44	745,419.18	10.37	10,598,216.43
Jefferson	5,637,710.51	1,754,033.08	10,468.94	119,241.81	7,521,454.34
Jefferson Davis	4,062,378.69	3,853,245.87	38,634.36	41,725.69	7,995,984.61
Lafayette	3,030,497.28	1,665,310.10	3,596.23	1,720.53	4,701,124.14
Lafourche	28,359,136.25	5,830,191.42	70.91	4,333.31	34,193,731.89
Lasalle	5,748,905.05	90,617.13	358,239.85	4,732.11	6,202,494.14
Lincoln	711,310.07	2,079,952.18	341,473.43	440.42	3,133,176.10
Livingston	492,885.17	281,000.83	657,628.01	18,324.28	1,449,838.29
Madison	0.00	0.00	38,456.55	0.00	38,456.55

NATURAL RESOURCES- SEVERANCE TAX

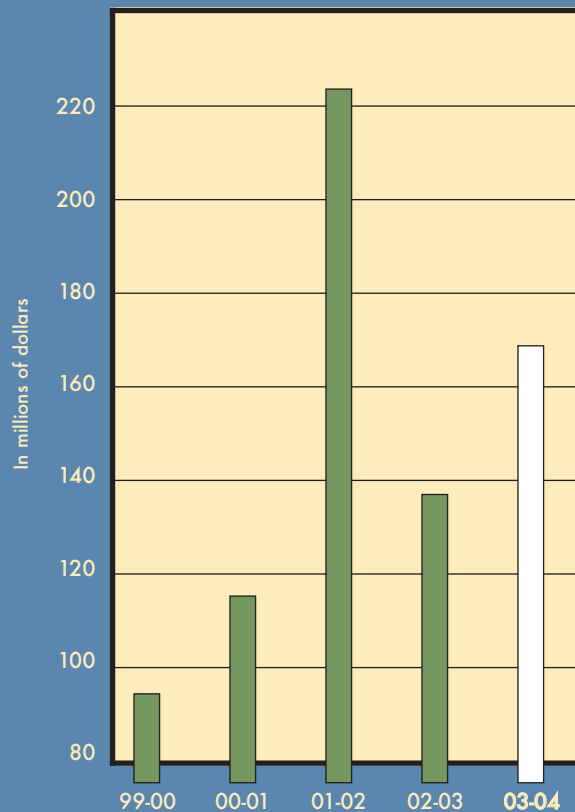
Cash Collection by Parish FY 2003-04

Parish	Oil/Condensate	Gas	Timber/Pulpwood	Minerals	Total Tax Collected
Morehouse	\$ 2,310.81	\$ 15,824.40	\$ 308,159.52	\$ 0.00	\$ 326,294.73
Natchitoches	177,281.45	139,784.94	514,268.47	0.00	831,334.86
Orleans	130,542.74	50,743.79	307.12	31,600.26	213,193.91
Ouachita	187,187.53	633,406.23	153,633.28	22,048.49	996,275.53
Plaquemines	68,633,505.41	16,218,824.97	199.77	7,616.56	84,860,146.71
Pointe Coupee	1,451,413.41	5,863,601.18	113,531.31	0.00	7,428,545.90
Rapides	2,340,504.60	470,576.29	569,180.42	16,986.31	3,397,247.62
Red River	60,914.94	188,882.17	187,980.83	67,798.80	505,576.74
Richland	259,500.11	0.00	28,236.28	0.00	287,736.39
Sabine	72,827.78	306,180.46	881,519.51	268.20	1,260,795.95
St. Bernard	3,323,300.87	11,671,152.03	412.70	10,904.80	15,005,770.40
St. Charles	2,245,180.29	485,292.87	7,068.95	28,463.02	2,766,005.13
St. Helena	1,160,232.71	12,152.18	283,486.28	65,354.50	1,521,225.67
St. James	378,293.50	467,385.45	7,963.59	2,688.84	856,331.38
St. John	212,630.33	58,199.94	389.04	3,029.71	274,249.02
St. Landry	1,562,645.12	394,870.56	54,626.70	0.00	2,012,142.38
St. Martin	4,019,560.12	1,872,866.15	15,885.76	32,330.83	5,940,642.86
St. Mary	9,713,333.12	8,956,747.30	776.91	185,668.61	18,856,525.94
St. Tammany	0.00	10,631.17	290,162.80	107,880.44	408,674.41
Tangipahoa	716.16	-20,535.02	314,563.47	10,773.77	305,518.38
Tensas	361,358.23	15,456.43	61,591.74	0.00	438,406.40
Terrebonne	34,539,004.92	18,838,565.59	663.84	0.00	53,378,234.35
Union	257,876.86	202,050.65	586,340.85	0.00	1,046,268.36
Vermillion	12,150,793.40	17,642,040.81	758.22	0.00	29,793,592.43
Vernon	2,215,015.24	478,490.07	862,387.64	26,573.81	3,582,466.76
Washington	3,047.00	-5,816.69	422,598.78	16,911.26	436,740.35
Webster	3,015,271.54	5,460,688.90	447,900.62	29,113.58	8,952,974.64
West Baton Rouge	23,527.03	-84,446.68	7,521.50	0.00	-53,398.15
West Carroll	0.00	0.00	16,177.46	0.00	16,177.46
West Feliciana	41,519.30	713.13	70,006.37	12,353.34	124,592.14
Winn	754,348.78	59,675.06	1,020,881.57	4,037.97	1,838,943.38
State Totals	\$272,539,248.58	\$169,870,374.48	\$ 15,598,005.41	\$ 1,583,171.79	\$459,590,800.26

NATURAL RESOURCES- SEVERANCE TAX

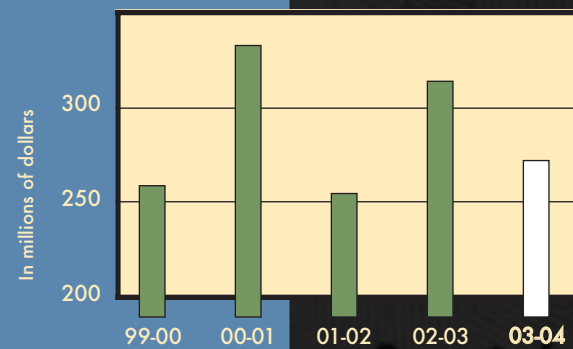
Natural Gas Production and Cash Collections

Fiscal Year	Amount Collected	Production (in MCFs)
2003-04	\$ 169,870,374	1,209,555,153
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

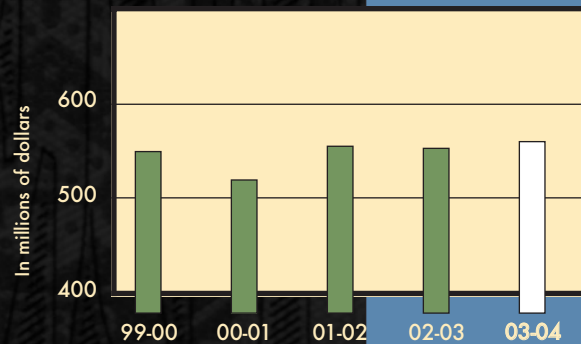


Oil/Condensate Production and Cash Collections

Fiscal Year	Amount Collected	Production (in barrels)
2003-04	\$ 272,539,248	81,808,892
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



THE PETROLEUM PRODUCTS TAXES



Fiscal Year	Amount Collected	% Change
2003-04	\$ 562,984,951	.65
2002-03	\$ 559,361,337	-.07
2001-02	\$ 559,774,983	3.73
2000-01	\$ 539,640,052	-2.00
1999-00	\$ 550,636,359	2.46

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 State also collects an inspection fee on petroleum products for the purpose of defraying the expenses connected with the inspecting, testing, and analyzing of petroleum products. Act 2003, No. 139 increased the fee from one thirty-seconds of one cent per gallon to four thirty-seconds of one cent per gallon. In addition to the fee increase, the Act also expanded the fee to apply to both gasoline and diesel fuel. These changes affected periods beginning on or after September 1, 2003.

The petroleum products taxes and inspection fee totaled \$566.00 million in fiscal year 2003-04, an increase of 1.19% from the \$559.36 million collected the previous year. Petroleum products taxes comprise 9.53% of the Department's total collections.

**THE
PETROLEUM
PRODUCTS TAXES**

Resource	02-03	03-04	% Change
Gross Gallons Taxed:			
Gasoline	2,368,234,077	2,424,819,315	2.39
Highway Diesel	654,314,470	669,622,313	2.34
Gasohol	31,376	1,793,420	5,615.90
Totals	3,022,579,923	3,096,235,048	2.44
Gallons Refunded			
	202,649,100	243,315,044	20.07
Net Gallons Taxed:			
Gasoline	2,207,964,072	2,203,904,253	(0.18)
Highway Diesel	611,935,375	647,222,331	5.77
Gasohol	31,376	1,793,420	5,615.90
Totals	2,819,930,823	2,852,920,004	1.17

THE PETROLEUM PRODUCTS TAXES

Total Collections

Fiscal Year	Gasoline Tax	% Change
2003-04	\$ 438,758,493	-.047
2002-03	\$ 440,838,750	-0.35
2001-02	\$ 442,408,356	4.38
2000-01	\$ 423,843,234	-2.43
1999-00	\$ 434,415,106	1.66

Fiscal Year	Special Fuels & IFTA	% Change
2003-04	\$ 122,010,473	3.66
2002-03	\$ 117,697,599	1.04
2001-02	\$ 116,483,538	1.32
2000-01	\$ 114,967,870	-.47
1999-00	\$ 115,505,616	5.70

Fiscal Year	Inspection Fee	% Change
2003-04	\$ 5,227,800	533.68*
2002-03	\$ 834,124	-6.58
2001-02	\$ 883,089	6.39
2000-01	\$ 830,052	15.99
1999-00	\$ 715,638	-14.53

* These are both Gasoline and Special Fuels Inspection Fees. FY 2003-04 is the first year that LDR collected Inspection Fees for Special Fuels.

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 all or portions of the sales tax since 1986. Some of the transactions affected include sales of natural gas, electricity, water utility services, newspapers, and sales to non-profit electric cooperatives. Each suspension has lasted for one to two years and has been renewed before it expired. The most recent (Act 4, 2004 First Extra Session) is for five years and will expire on June 30, 2009. Thus, for all periods since July 1, 1986, certain traditionally exempt transactions have been subject to a state sales tax at rates ranging from 1% to 4%. A tabulation of these exemptions and the periods during which they have

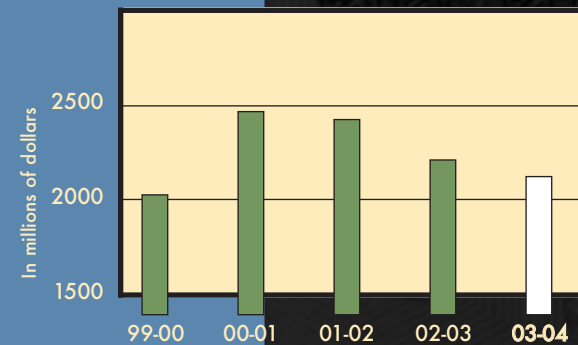
been suspended appears in the Sales Tax Manual, form R-1001, available on LDR's webpage at www.revenue.louisiana.gov.

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. On July 1, 2003, the "phase-in" was completed, thereby making home residential purchases of grocery items and utilities fully exempt from state sales tax.

Sales of non-residential utilities were subject to a state sales tax rate of 3.8%, in accord with the suspension of exemptions by Act 22, 2002 Regular Session. That rate was continued by Act 4, 2004 First Extra Session, and will remain in effect until June 30, 2009, the expiration date of the Act.

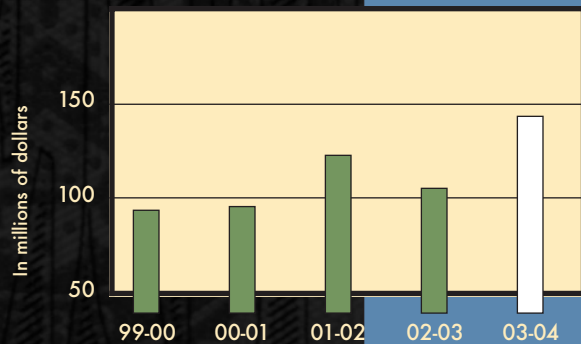
Sales tax net collections accounted for 35.1% of total tax collections in fiscal year 2003-04.

Fiscal Year	Amount Collected	% Change
2003-04	\$ 2,184,170,751	-4.71
2002-03	\$ 2,292,135,960	-4.63
2001-02	\$ 2,403,580,262*	-2.56
2000-01	\$ 2,466,867,977	18.96
1999-00	\$ 2,073,688,104	0.78



* 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
2003-04	\$ 144,574,774	28.22
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

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 increased from \$112.75 million to \$145.58 million in fiscal year 2003-04, an increase of 29.12%.

The Electronic Funds Transfer Program was authorized under Louisiana Revised Statute 47:1519, which was effective June 8, 1992. This statute authorizes the Department to require electronic funds transfer payments for taxpayers whose average payments exceed \$20,000. The \$20,000.00 threshold will be reduced in intervals to \$5,000.00 over several years. For periods beginning January 1, 2004 through December 31, 2005, the threshold is \$15,000.00.

**Taxpayers Registered for
Electronic Funds Transfer (EFT) FY 2003-04**

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	\$1,536	\$753	\$2,289	67%
Withholding Tax	1,304	520	1,824	71%
Corporation Income and Franchise Taxes	331	391	722	46%
Gasoline Tax	468	19	487	96%
Severance Tax	429	91	520	82%
Other Taxes	229	206	435	53%
Totals	\$4,297	\$1,980	\$6,277	68%

FIELD AUDIT SERVICES CASH COLLECTION SUMMARY

In-State Audit Activity Fiscal Year 03-04

Region	Collections
Alexandria	\$ 3,507,002
Baton Rouge	5,166,890
Lafayette	7,294,456
Lake Charles	2,845,895
Monroe	1,052,757
New Orleans	4,844,744
Shreveport	2,793,229
Thibodaux	2,670,595
Other	717,162
Total	\$ 30,892,730

Out-of-State Audit Activity

District	Collections
Dallas	\$ 2,992,845
Houston	46,501,489
Other Out-of-State Locations	24,011,479
Total	\$ 73,505,813

Audit Collections by Tax

Tax	Collections
Corporation Franchise Tax	\$ 43,281,750
Corporation Income Tax	25,022,738
Sales Tax	28,916,725
Severance Tax	13,931
Withholding Tax	73,505,813
Other	6,634,947
Total	\$ 177,375,904

THE
OFFERS OF COMPROMISE
FY 03-04

Name	Type of Tax	Total Tax, Interest Penalties & Fees	Amount Abated/Compromised	Amount Paid in Compromise
Bell, Richard Robert	Individual Income	\$ 6,524.02	\$ 3,936.02	\$ 2,588.00
Driskill, Donald J.	Sales	\$ 3,302.72	\$ 2,451.84	\$ 850.88
Fashion Connection, Inc.	Sales	\$ 10,895.43	\$ 7,225.43	\$ 3,670.00
Krumpf, Chris	Individual Income	\$ 28,123.40	\$ 15,957.00	\$ 12,166.00
Louisiana Community & Technical College System	Withholding	\$ 834,991.91	\$ 119,462.47	\$ 715,529.44
Martin, Douglas G.	Individual	\$ 3,125.21	\$ 2,875.21	\$ 250.00
Reaux, John M. & Debra B.	Individual	\$ 43,281.63	\$ 31,404.31	\$ 11,877.32
Schultheis-Kingston, Belinda	Sales	\$ 15,786.03	\$ 12,914.38	\$ 2,871.65
Spinner, Warren A.	Individual	\$ 58,017.78	\$ 21,090.86	\$ 36,926.92
Turning Points Academy, Inc.	Withholding	\$ 20,200.46	\$ 6,338.12	\$ 13,862.34
Venable, Harry J. & Rita J.	Individual	\$ 2,038.61	\$ 1,734.61	\$ 330.00
Wilson, Roger & Lydia	Sales	\$ 17,499.19	\$ 14,128.56	\$ 4,267.36

95499

John W. Jones

OPERATING EXPENSES

Tax Collection Program

Category	FY 02-03	FY 03-04	% Change
Salaries and Related Benefits	\$ 41,614,010	\$ 43,170,539	3.7
Travel	897,383	988,437	10.1
Operating Services	10,829,515	10,157,290	-6.2
Operating Supplies	568,015	461,257	-18.8
Professional Services	718,109	869,085	21.0
Interagency Transfers	10,099,340	8,783,454	-13.0
Capital Outlay	1,108,582	1,147,741	3.4
Subtotal	\$ 65,834,954	\$ 65,576,802	-.4
Tax Reengineering	5,920,501	5,983,403	1.1
Total Expenditures	\$ 71,755,455	\$ 71,560,204	-.3
Total Net Revenues	\$ 5,870,010,967	\$ 6,230,533,515	6.1
Allocated Operating costs per \$100 tax collected*	\$ 1.12	\$ 1.01	-5.8

* 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 non-recurring extraordinary expenses.

OPERATING EXPENSES

Alcohol and Tobacco Control Program

Category	FY 02-03	FY 03-04	% Change
Salaries and Related Benefits	\$3,235,036	\$3,667,063	13.4
Travel	92,078	99,588	8.2
Operating Services	509,884	636,627	24.9
Operating Supplies	28,422	48,528	70.7
Professional Services	146,756	157,251	7.2
Interagency Transfers	218,364	165,091	-24.4
Capital Outlay	120,790	581,569	381.5
Total Expenditures	\$4,351,330	\$5,355,717	23.1
Total Net Revenues	\$4,700,694	\$5,048,121	7.4

Charitable Gaming Program

Category	FY 02-03	FY 03-04	% Change
Salaries and Related Benefits	\$ 757,342	\$ 833,155	10.0
Travel	30,850	27,020	-12.4
Operating Services	146,795	134,859	-8.1
Operating Supplies	10,586	4,043	-61.8
Professional Services	80,377	95,457	18.8
Interagency Transfers	20,751	9,977	-51.9
Capital Outlay	1,355	4,292	216.7
Total Expenditures	\$1,048,056	\$1,108,803	5.8
Total Net Revenues	\$1,051,254	\$1,136,460	8.1

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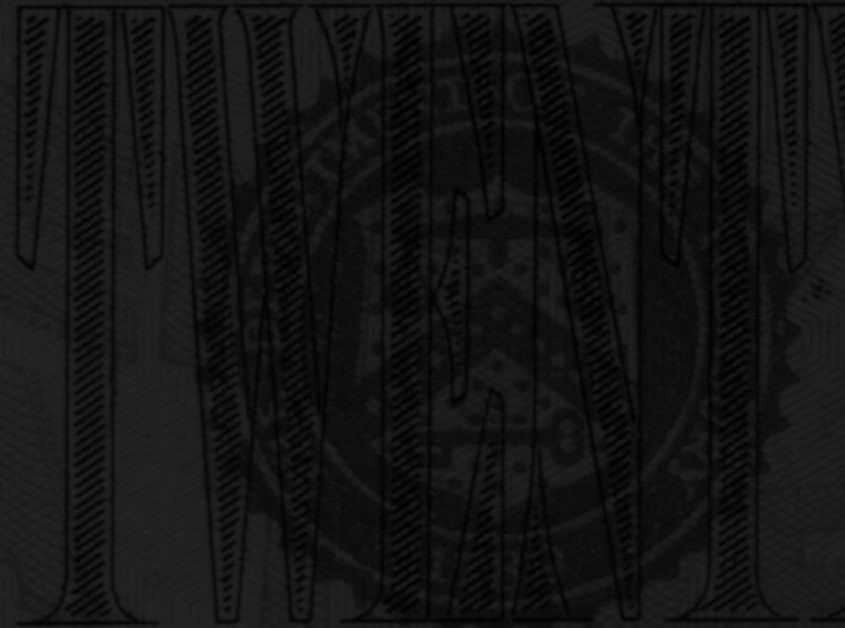
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