

Ellevate LA 2021 Policy Statements

Centralizing Sales Tax Collection

Louisiana is one of two states left in the United States with what is called “decentralized” collection of sales taxes. In almost all states with sales tax, it is collected at the state level on behalf of the state and all of the individual counties. The state then remits the tax to the respective counties. However, in the State of Louisiana, not only is the state a collector, but each parish also has its own collecting authority.

The presence of so many collectors creates a complex system of differing interpretations of rules, differing policies and procedures, and exposure to multiple sales tax audits in a single year. This leaves companies working ten times harder to pay their taxes in Louisiana as they do in other states.

In 2017, representatives from JC Penney’s national sales tax compliance department testified before Louisiana’s Sales Tax Streamlining & Modernization Commission that 21% of the time for the entire department was spent on compliance in Louisiana. Considering that the company does business in forty-nine states, that statistic says a lot about the burden of submitting taxes in Louisiana.

The Louisiana state constitution gives every parish the right to its own collector. That means that 2/3’s of the legislature will have to agree on the new Centralized Sales Tax Collection system, but also that a constitutional amendment will have to be approved by a vote of the citizens of our state.

Ellevate Louisiana supports legislation to create a single collection board in Louisiana. For the first time ever, there seems to be consensus amongst state and local officials to make this seemingly impossible goal a reality. HB199 by Speaker Schexnayder creates the State and Local Streamlined Sales and Use Tax Commission, comprised of equal representation of local and state appointees to act as the single collector for Louisiana. All of the details have not been worked out. Encourage your legislator to work in good faith with all sides to find compromise that enables this important goal to become a reality. It is imperative to the future of our state that we transition our system of sales tax collection to be more compatible with the way business is done today.

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Elimination of the Federal Income Tax Deduction

Louisiana is one of only three states that allow a full deduction for federal income taxes paid for purposes of computing Individual and Corporate Income Tax. The reason that other states do not grant the deduction is that it causes wide swings in state tax revenues when federal laws change. Policy groups that rank the tax environments of states do not credit our state for having this large deduction, but instead penalize us for having the higher tax rates that result from giving it.

As a result of the Federal income tax deduction, Louisiana's actual income tax rates are much higher than its effective tax rates. Our average effective personal tax rate is around 4%, whereas our actual top tax rate is 6%. Although the effective rate is more difficult to discern for Corporate tax, the actual top tax rate is 8%, which is on the high side. By eliminating the Federal income tax deduction, Louisiana's tax rates could be lowered considerably.

Being able to do this would substantially change the world's impression of Louisiana's tax environment. States with no income tax or low income tax rates appear to be attracting larger numbers of residents and jobs. We not only have an income tax, but appear to have one of the higher rates in the South. The truth is, our effective income tax rates are low. Eliminating the federal income tax deduction and lowering our stated rates will show the world the truth about Louisiana's tax low rates, thus improving the perception of our tax environment and our prospects for attracting jobs and population.

In order to eliminate this deduction, the legislature must pass a constitutional amendment requiring a 2/3's vote in the legislature and a majority vote of the public. This will not be easy.

Ellevate Louisiana supports legislation that eliminates the Federal Income Tax Deduction by simply changing rates for all tax brackets to ensure that the result is not only revenue-neutral, but bracket-neutral. This means that taxpayers at every socioeconomic level and businesses of every size will see a corresponding reduction in their state income tax rate. It is important for our state to eliminate this risky deduction in a way that is fair to all of our citizens and does not also include other policy changes that might cloud the issue. This is a time to craft legislation that does not pit one group against another, but simply removes an unwise deduction from our law and paves the easiest path to passage. It is our hope that the options for eliminating the deduction be presented in a transparent way, so that everyone can truly understand the impact it will have on their tax liability.

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Funding for Early Childhood Care and Education

The inability to find childcare in today's new normal has forced many young families, disproportionately women, to make the ultimate career decision - to leave the workforce. The U.S Chamber of Commerce Foundation recently reported that 50 percent of parents who have not yet returned to work cite childcare as the biggest reason they have not returned. With many childcare providers operating with limited capacity and at higher costs, or in some cases closed all together, working parents have had to make some tough choices.

Ellevate Louisiana supports policies to increase access to high quality early childhood development programs in Louisiana. Access to quality early childcare is crucial to these families' ability to participate in the workforce. It also provides an educational and emotional foundation for our community's youngest citizens that is critical to their future development. Quality early childhood education establishes a strong foundation for the future success of a child as 80 percent of brain development occurs by the time a child turns three years old. This time of rapid learning and continuous exploration is a critical time in a child's life. Extensive research shows that young children who participate in high-quality early childhood education programs are four times more likely to graduate high school and become productive citizens than peers who do not participate in such programs. Participation in quality early childhood education programs also develops cognitive and character skills that drive education, career and life success such as attentiveness, impulse control, persistence and teamwork.

In 2017, the Louisiana Legislature established the Early Childhood Education Fund to deliver dollar-for-dollar matching grants from the State of Louisiana to local governments that raise local funds to support Early Childhood programs. To date, three funding streams have been established to fund it: 1) including \$3.6 million from the land-based casino when the casino revenues paid to the state exceed \$60 million a year 2) the excise taxes on industrial hemp-derived CBD products and 3) the excise taxes on sports betting. The trust fund has received only minimal funding from these relatively small sources.

Ellevate Louisiana asks that the Legislature give top priority to funding the Early Childhood Education Fund with a combination of dedicated and general fund sources in order to incentivize local governments to enact their own programs to draw down matching funds for this important priority.

In an uncertain time, investing in early childhood education is a cost-effective strategy to lighten the strain on working families and strengthen our economy, while improving the success of our children in school and life.

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Our State's Infrastructure

Ellevate Louisiana recognizes the urgent need for investment dollars into transportation infrastructure to support economic development, safety and quality of life in our State. Finding the funding for this important priority has proven to be tricky, not only in Louisiana, but also around the country. It is the position of Ellevate Louisiana that the funding for this investment should be from a dedicated financial structure that can continually supply adequate funding from a stable source.

From recent Congressional appropriation provided by the American Rescue Plan, the state will soon receive substantial one-time federal funding. Ellevate Louisiana advocates that the state uses this federal funding source in supporting numerous infrastructure projects throughout the state. Additionally, these statewide projects should be awarded to Louisiana-based businesses whenever possible so that these construction dollars stay within the state and revitalize our economy.

Statewide Broadband

Ellevate Louisiana recognizes the need for statewide broadband infrastructure across our State. The COVID -19 pandemic served to highlight this urgent need. Our educational systems, healthcare systems, business groups, and families were suddenly unable to meet in person. The best option for connecting instantaneously shifted to online. Unfortunately, we quickly found that our broadband infrastructure was insufficient for many of the state's children to continue their education after COVID-19 ended in-person schooling. Parallel problems were exposed related to many of our citizen's ability to access telemedicine, to continue working from home, and to stay connected to other groups that they needed to maintain. Ellevate Louisiana believes that Louisiana needs to be mobile-ready from this point forward.

In response to the deep need that was highlighted by COVID-19, the State of Louisiana has implemented the Broadband for Everyone Commission and opened a new Office of Broadband and Development. As the Office begins meeting with stakeholders to assess needs on the local level, Ellevate Louisiana is supportive of their effort to find the most cost-effective ways to develop and implement a comprehensive plan that provides access to fast, affordable broadband across Louisiana using the most current technology available.

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Higher Education & Louisiana's Workforce

Louisiana faces a "middle skills" workforce shortage in critical sectors such as healthcare, transportation, information technology, manufacturing and construction. "Middle skills" jobs are those that require more than a high school diploma but less than a four-year degree. This shortage is brought on by the fact that Louisiana's post-high-school educational attainment rate consistently ranks among the bottom states in the United States.

Prior to the onset of COVID-19, the Louisiana Board of Regents cited a Georgetown University study that estimated that 53% of open jobs in Louisiana would require a career credential or college degree by the year 2020. In order to have a pool of ready-now workers and reach the average educational attainment rate for Southern states, Louisiana must increase the percentage of adults with some college from 30.7% to 42.0% by the year 2025, which equates to an increase of 182,495 credentials (NCHEMS/Board of Regents).

Now is the time to boldly reimagine an approach to providing Louisiana's un- and under-employed adult labor force with training that results in these much-needed credentials.

Ellevate Louisiana supports programs like Reboot Your Career and the MJ Foster Promise that fund affordable or free access for adults meeting economic requirements to programs leading to credentials in high-demand jobs in growing economic sectors such as healthcare, transportation, information technology, manufacturing, and construction. It is important that barriers to entry be kept low so that Louisiana can not only meet its workforce needs, but also help its people find meaningful employment and a better quality of life.

Ellevate Louisiana is also supportive of programs like Complete LA which was begun by the University of Louisiana System. By providing coaching, ease of entry, and inexpensive single course options for adults that attended but did not complete college, the UL System makes it easier for adults to increase their contribution to the workforce and to have higher earning potential.

Additionally, we must leverage the substantial federal resources that our state has and will receive through the CARES Act and the American Rescue Plan in any way possible to bolster these efforts.

We sit at the precipice of great possibility. Let's make changes to improve the future of our people, once and for all.

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Title IX Work Evolving from the Select Committee on Women & Children

Title IX of the Education Amendments of 1972 addresses issues of sexual discrimination in both educational programs and employment. It requires reporting when violations are uncovered. Ellevote Louisiana supports the work of the Louisiana Select Committee on Women and Children and its recommendations for enacting stronger provisions in Louisiana law that clarify the responsibilities for reporting Title IX infractions at Louisiana's higher education institutions.

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Behavioral Health

Ellevate Louisiana recognizes our State's increased need for mental health and substance abuse services. Louisiana's need for these services was exacerbated during the COVID-19 pandemic as people faced isolation, anxiety, and depression. While Louisiana has some systems in place to respond to behavioral health needs, the biggest gap area is the lack of a statewide crisis response system. When services are not available during a behavioral health crisis, our citizens end up in jails, hospitals, or psychiatric institutions with poor outcomes and unnecessary costs. The Louisiana Department of Health has worked to develop a plan for a statewide crisis response system that includes Mobile Crisis Intervention, Behavioral Health Urgent Care Centers, Community Brief Crisis Support and Crisis Stabilization.

Ellevate Louisiana supports the additional behavioral health funding that is included in [HB1](#) to begin the implementation of these essential crisis services.

Long Term Care

Long Term Care consists of institutionally based services in nursing homes, services in alternative residential and community settings like assisted living and PACE (Programs for All Inclusive Care for the Elderly), and home-based care.

Over the years, Louisiana has made efforts to "rebalance" the state's long term care system to provide greater access to home and community-based alternatives so that people can stay in their own homes and communities. Despite these efforts, very little progress has been made.

While the COVID-19 crisis may have highlighted the inherent problems in institutional living, it has always been clear that most adults want to remain in their own homes as long as possible. Long waiting lists for waivers and limited access to PACE and other day programs have made the hope of staying at home impossible for most.

Ellevate Louisiana supports significant reform of long-term care including additional funding for waivers, PACE programs, and other home and community-based alternatives to nursing home care.

Telehealth

Telehealth has been poised to change health care delivery for many years. During the COVID-19 pandemic, telehealth was the key to continued health care and became a primary rather than a secondary method of delivery. Over the last year, many lessons have been learned about when and how telehealth

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can be most effective. The industry learned that there are many forms of health care that can be efficiently delivered through telehealth.

Ellevate Louisiana supports the continued expansion and refinement of telehealth to assure increased availability in appropriate settings with the necessary safeguards to prevent fraud and abuse.