

Legislature's New Hot Potato?

Written by Lou Gehrig Burnett
Wednesday, 16 January 2013 08:38 -



Proposed elimination of state income tax will be big issue

Republican Gov. Bobby Jindal is apparently ready to drop a politically hot potato in the lap of the Louisiana Legislature, which will certainly be juggling other hot potatoes when it goes into session on April 8.

He is proposing the elimination of the state's income and corporate taxes in exchange for higher sales taxes and other tax code changes.

This tax plan, which Jindal says is his highest priority for this year, will have to mingle with other problems the Legislature will face, such as education and healthcare funding and a \$1.6 billion budget shortfall.

Jindal's rationale is that eliminating these taxes will make Louisiana more attractive to businesses and to individuals who want to move here. But some analysts point out that having one of the highest sales taxes in the country could be counter-productive to Jindal's objectives.

Political and financial analysts note that to make up for the loss of revenue from personal income and corporate income taxes – \$2.5 billion a year from each -- the state's sales tax would have to be raised to at least seven percent. At present, it's four percent.

Nine states currently do not impose a personal income tax upon their residents – Texas,

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Wyoming, Washington, Florida, Tennessee, New Hampshire, Alaska, Nevada, and South Dakota.

California has the highest state sales tax at 7.5%. Other states with a 7% sales tax are Indiana, Mississippi, New Jersey, and Rhode Island.

Legislators, so far, have been cautious in their response to Jindal's political bombshell. Among concerns already being expressed is the impact the plan would have on low-to-middle income families.

Also a consideration, some legislators say, is how it will affect local sales tax collections and whether sales taxes are too unstable a source on which to base a budget. Increasing taxes on alcohol and tobacco will likely be contentious as well.

Implementing Jindal's plan and attempts to alter the state's tax code is sure to be controversial and define ideologies among the legislators. It's a given that some individuals, businesses, and organizations will be unhappy, no matter what the Legislature produces – if it does produce anything -- in tax changes.

Making themselves unpopular with constituents is not something that legislators look forward to. There are enough issues on the table already doing that. Let the games begin.

Kudos for Vitter

Louisiana's junior senator, Republican David Vitter, has a lot of state residents and residents along the Gulf Coast who want to give him a chest bump or a high-five.

The reason: He made national news when he called Democratic Senate Majority Leader Harry Reid an idiot.

During discussion of legislation to provide billions of dollars for flood insurance claims and recovery aid to the East Coast states devastated by Superstorm Sandy, Reid said that Congress was there within days with federal aid in 2005 to help victims of Hurricane Katrina in

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Mississippi, Alabama, and “especially Louisiana.”

Never mind that Reid apparently forgot the total confusion of the federal aid system that created chaos in New Orleans, resulted in the firing of the director of FEMA, and the bringing in of Gen. Russell Honore to restore order and sanity to the effort.

Vitter, now ranking Republican on the Senate Environmental and Public Works Committee, had not forgotten the chaos and he didn't forget the number of lives Katrina claimed and the billions of dollars in damage it caused.

“Sadly, Harry Reid has again revealed himself to be an idiot, this time gravely insulting Gulf Coast residents,” Vitter said. He added, “Both Katrina and Sandy were horribly destructive storms that caused real human misery. And by most any measure, Katrina was our worst disaster in history.”

Vitter pointed out that Katrina caused the deaths of 1,833 people and more than \$125 billion in damage. It also displaced hundreds of thousands of residents, some of whom have never returned.

Conversely, Superstorm Sandy claimed 120 lives and the damage figure has been placed at more than \$50 billion.

In response to Vitter's frank comments, Reid said that he “misspoke.” Residents affected by Katrina likely felt an apology was in order.

Vitter's standing up for Louisiana was applauded across party lines. One local Democratic politico put it this way: “I seldom agree with Vitter on anything, but I do agree with him on this.”

Call him Judge

Newly elected Judge Mike Nerren now has his seat on the 26th Judicial District Court bench, which includes Bossier and Webster parishes. He was sworn in Friday.

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Former state Rep. Billy Montgomery was the master of ceremonies, and Judge Nerren was sworn in by Bossier City Judge Tommy Wilson and retired District Judge Cecil Campbell, Jr.

Judge Nerren will serve out the remainder of the term of District Judge Bruce Bolin, who retired. He and all 26th Judicial District Court judges will be up for re-election in 2014.

Hall of Fame info

The induction of the late Angelo Roppolo and former Bossier City Mayor George Dement into the 21st Annual Louisiana Political Hall of Fame is fast approaching.

The event takes place on Saturday, February 9, in Winnfield, the site of the Louisiana Political Museum. Let's hope we have a good turnout from the Shreveport and Bossier areas for the event.

A reception will be held between the hours of 4 and 5:30 p.m. at the museum, located at 499 East Main Street. Beginning at 6 p.m. the induction banquet will be held at the Winnfield Civic Center, 2000 South Jones Street.

Tickets are \$50 each and must be purchased by January 31. Call 318-628-5928 or send an e-mail to lapolmus@bellsouth.net to make your reservation.

Lou Gehrig Burnett is a seasoned veteran of national and local politics. He publishes Fax-Net Update, a weekly political newsletter.