



Louisiana's tax system needs to be improved, but a rushed special session is the wrong way to do it.

Gov. Jeff Landry is asking the Louisiana Legislature to make sweeping changes to the state's tax structure during a three-week special session.

The package is long and complex, but in general, Landry is asking lawmakers to renew expiring sales taxes and expand the sales tax base. He is also demanding steep cuts to income taxes for corporations and individuals, and elimination of the franchise tax.

Landry's plan will mainly benefit corporations and the wealthy, while working and middle-class families will pay more for services and products they use every day.

An analysis by the Legislature's economists found that the tax proposals, when taken together, would cut state revenue by \$634 million once fully implemented, which could result in budget cuts to health care, K-12 education, roads and other important services.



Under Gov. Landry's plan, new sales taxes would be added to services and products we use every day.

Including



Diapers



Home repairs and maintenance



Garbage collection



Streaming services like Netflix and Hulu

Most of the changes to corporate taxes will benefit multinational corporations that aren't headquartered in Louisiana and out-of-state shareholders. This will shift the state's tax burden to working and middle-class people through sales tax increases on everyday services and cuts to programs that benefit everyone.

Kansas recently tried something similar, and it was a dismal failure. After giving a massive tax reduction to millionaires and big corporations, the state was forced to make drastic cuts to things like education while businesses fled the state, jobs disappeared, and economic growth slowed to the worst in the region.



95% of corporate income-tax cuts will flow out of state.

Source: Institute on Taxation and Economic Policy

The rushed special session would make Louisiana's problems worse

1 Louisiana's national rank for combined state and average local sales tax rates
Source: Tax Foundation

\$1.4B Amount of new and renewed sales taxes in Gov. Landry's plan
Source: Legislative Fiscal Office

Louisiana faces an estimated budget shortfall next year between \$400-\$700 million. But taken together, the governor's tax proposals would cut state revenue by an estimated \$634 million by the 2026-27 budget year. Louisiana's tax system needs to be improved, but a rushed special session is the wrong way to do it.

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