

LABI 2002 Voting Record

Overview

As many of our best and brightest citizens leave Louisiana for higher-paying jobs and better opportunities, efforts by concerned legislators to stem this outmigration were thwarted by the opposition of the Foster administration and its leaders in the Legislature. While the administration worked hard to deliver hundreds of millions of dollars in payments and tax breaks for two professional sports franchises in New Orleans, it snubbed tens of thousands of bedrock businesses — businesses that provide the jobs and produce the tax revenues necessary to fund those deals, as well as the day-to-day operations of state government.

LABI sponsored business tax reform legislation that would have encouraged business development and created jobs by removing two major disincentives to economic growth in Louisiana. The bills that comprised this legislative package were introduced with more than 40 House co-authors and 18 co-authors in the Senate.

One of the key components of LABI's push for critical business tax reform — removing debt from the base of the corporate franchise tax — was passed twice by a strong vote in the Senate despite opposition from the Governor and Senate President. However, the measure was prevented from being considered on the House floor by the Speaker. The other component, reducing by half the state sales tax on business machinery and equipment, did not pass out of House committee until it was too late in the session for it to pass.

The Legislature is now three-fourths of the way through the current term. Over the course of a term, many critical votes are cast on legislation important to business people across Louisiana. Throughout the cycle of regular, fiscal, and special sessions, voting records fluctuate — sometimes radically — depending on the issues. Because voting records do fluctuate from session to session, no single session's record should be considered in isolation; the average over the entire term best reflects the level of a legislator's support for a better business climate in this state.

VOTING RECORD CRITERIA



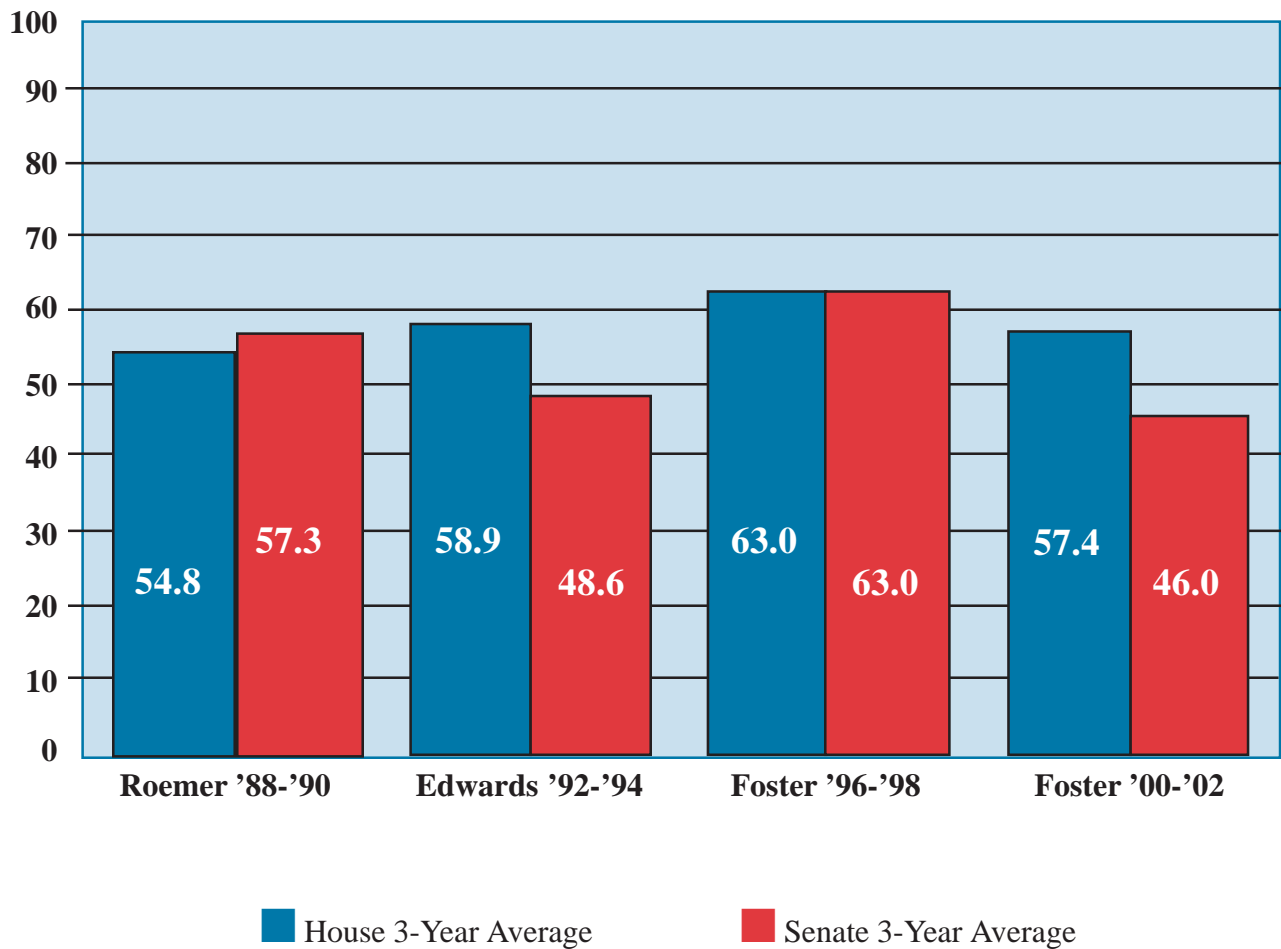
There are certain rules which consistently apply to LABI voting records and to LABI's use of those records:

- ★ Only KEY business votes are included in the record. Only bills on which LABI has taken a clear, broad-based position are considered.
- ★ A vote may be on an amendment or procedural motion, as well as on final passage, if that vote was crucial to the fate of the bill.
- ★ Because of such factors as committee action or amendments, the inclusion of a vote on a bill in one house doesn't necessarily mean that it will be a record vote in the second house.
- ★ Votes are often weighted according to their importance to the business community. See the voting record chart for specific point values.
- ★ The four-year voting record will be a composite of only those votes between 2000 and 2003. Every legislator has an equal opportunity for a good four-year record, despite historical voting patterns.
- ★ The annual and cumulative voting average is based upon the number of points actually earned, compared to the number of points that could have been earned over the period.
- ★ Legislators are not penalized in LABI voting records for absences due to hospitalization or immediate family illness or death.
- ★ The voting record is based on printouts from the House and Senate voting machines and personal privilege corrections recorded in the Official Journal.

The charts on the following pages compare the strength of support for business in the Legislature **during the first three years** for each of the past four terms. It is interesting to note the correlation between the sitting governor's legislative agenda and the voting records of the Legislature.

Comparative Averages

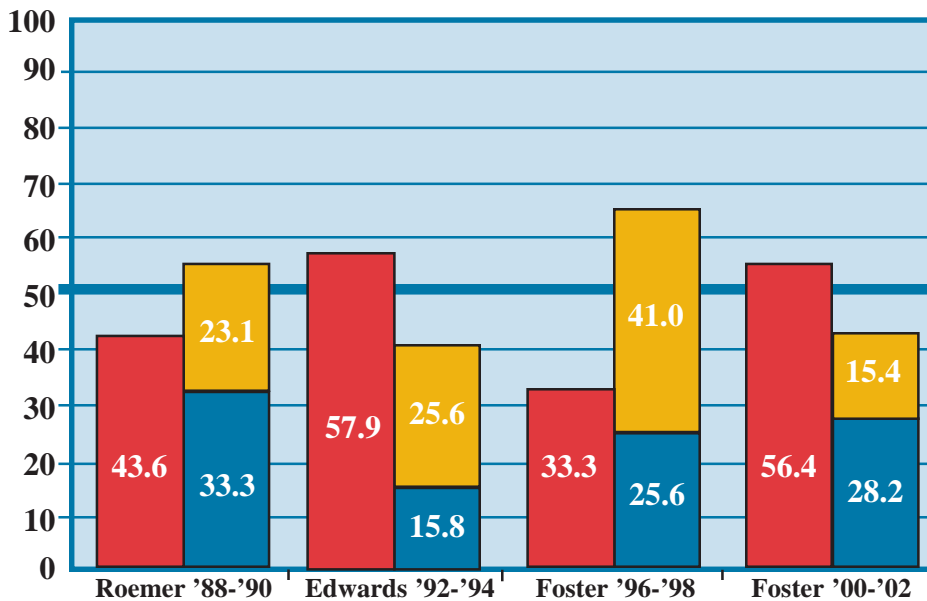
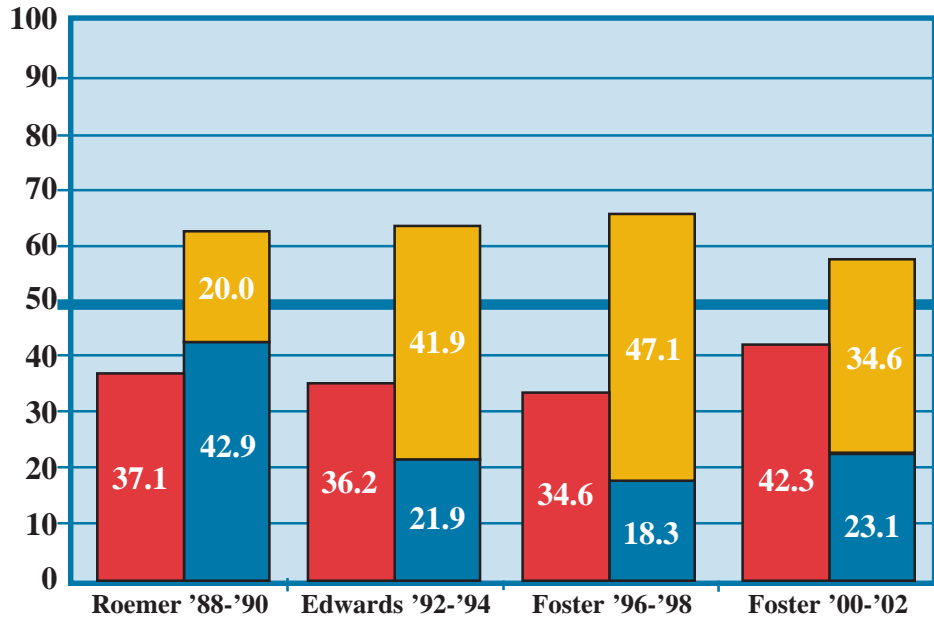
Under Governor Roemer and during Governor Foster's first term, the administration and business community were more aligned on the legislative agenda.



These charts show the percentage of each chamber's members that supported, to varying degrees, LABI's position. The red bar is the percentage of those voting with LABI less than 50% of the time. When a majority of members of either chamber fall into this category, it is extremely difficult to pass meaningful business reform legislation.

House

- 0-49%
- 50-74%
- 75-100%



Senate

- 0-49%
- 50-74%
- 75-100%

Conclusion

The 2003 elections will be here before we know it, and taking an active role in these elections has never been more critical. Unless we elect more leaders who respect and value the contributions businesses of all sizes make to the well-being of this state, all of our futures remain at risk.

HOUSE

HB 256, Montgomery, Communications
Tax, Final Passage – 1 pt.
Cumulative Percentage 2000-2002
Percentage 2001
Percentage 2000

Alario	1	40	47	22
Alexander, E.	1	88	100	67
Alexander, R.	0	73	94	44
Ansardi	1	57	46	67
Arnold	1	100	n/a	n/a
Baldone	1	80	75	n/a
Baudoin	a ⁰	24	19	33
Baylor	0	12	20	0
Beard	1	100	n/a	n/a
Bowler	1	96	94	100
Broome	0	36	33	44
Bruce	a ⁰	35	36	33
Bruneau	1	81	94	56
Capella	1	100	n/a	n/a
Carter, K	a ⁰	28	23	38
Carter, R	1	27	19	33
Cazayoux	1	46	69	0
Crane	1	88	100	67
Crowe	1	92	86	100
Curtis	0	5	8	0
Damico	1	73	94	33
Daniel	a ⁰	100	100	100
Dartez	0	71	97	33
Devillier	a ⁰	40	45	33
DeWitt	0	30	50	0
Diez	1	73	83	50
Doerge	0	42	44	44
Downer	1	79	88	57
Durand	0	54	81	11
Erdey	a ⁰	83	71	100
Farrar	1	54	38	78
Faucheux	1	54	57	44
Flavin	a ⁰	88	81	100
Frith	1	69	87	33
Fruge'	1	81	94	56
Futrell	1	92	100	78
Gallot	0	32	34	n/a
Glover	0	9	17	0
Green	1	36	33	33
Guillory	1	31	26	33
Hammett	0	46	75	0
Heaton	1	48	53	33
Hebert	1	73	81	56
Hill	1	30	31	17
Honey	0	0	n/a	n/a
Hopkins	1	60	53	67
Hudson	a ⁰	18	25	0
Hunter	0	12	19	0
Hutter	1	73	71	n/a
Iles	0	20	33	0
Jackson, L	0	24	19	38
Jackson, M	1	33	27	38
Johns	a ⁰	80	100	44
Katz	1	98	97	100
Kennard	a ⁰	85	96	67

HOUSE

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Cumulative Percentage 2000-2002
Percentage 2001
Percentage 2000

Kenney	0	67	90	33
LaFleur	1	50	75	0
Lancaster	1	84	100	56
Landrieu	0	16	27	0
LeBlanc	1	68	93	22
Lucas	0	22	17	33
Martiny	a ⁰	71	88	38
McCallum	1	69	88	33
McDonald	1	88	88	89
McVea	0	47	50	n/a
Montgomery	0	29	26	38
Morrell	0	35	19	67
Morrish	0	86	94	75
Murray	0	12	19	0
Nevers	1	42	31	56
Odinot, Sr.	0	8	13	0
Perkins	1	92	88	100
Psychaud	a ⁰	n/a	n/a	n/a
Pierre	1	33	28	33
Pinac	0	15	27	0
Pitre	1	84	100	56
Powell	1	75	78	67
Quezaire	1	19	25	0
Richmond	1	28	20	33
Riddle	a ⁰	64	56	78
Romero	1	75	72	78
Salter	0	42	69	0
Scalise	1	100	100	100
Schneider	1	88	100	67
Schwegmann	1	41	41	33
Shaw	1	77	88	56
Smith, Gary	1	62	56	67
Smith, Jack	a ⁰	68	88	33
Smith, Jane	a ⁰	65	80	38
Smith, John	a ⁰	38	31	50
Sneed	a ⁰	76	94	44
Stelly	a ⁰	75	100	33
Strain	1	79	84	67
Swilling	1	38	33	n/a
Thompson	1	43	69	0
Toomy	0	72	93	44
Townsend	0	29	28	33
Triche	1	69	75	56
Tucker	1	100	100	n/a
Waddell	1	79	84	67
Walsworth	1	88	100	67
Welch	a ⁰	33	25	44
Winston	1	85	94	67
Wooton	a ⁰	54	59	44
Wright	1	92	88	100
Voted with LABI's position	57			
Voted against LABI's position	28			
Absent	20			

STATEWIDE TAXING DISTRICT

HB 256, Montgomery – This bill would have created a new statewide taxing district called the Louisiana Communications Tax District. The district would have been controlled by local government representatives, with the authority to levy and collect up to a 3% tax on all communications services without a vote of the taxpayers.

This new levy would have increased taxes on business and residential users of communication services. The taxes collected would have been apportioned and distributed among local governmental subdivisions. As originally filed, with the levy of the tax at 1%, the fiscal note reflected a tax increase of \$42 million. In House committee, HB 256 was amended to allow an increase up to 3%. At 3%, the increase in taxes could have reached over \$120 million.

How the House Voted

Legislation increasing or imposing a tax requires a 2/3 vote of the Legislature. However, because this bill would have created a statewide taxing district with the authority to levy a tax, it required only a simple majority vote to pass. A vote AGAINST final passage was a vote WITH LABI. The bill failed, 28-57.

SENATE

	SB 26, Barham. Phase-Out Debt from Franchise Tax, Bill Jones Amendment – 1 pt.	SB 26, Barham. Phase-Out Debt from Franchise Tax, Return to Calendar – 1 pt.	SB 26, Barham. Phase-Out Debt from Franchise Tax, Final Passage – 1.5 pts	HB 104, Montgomery. Franchise Tax, Barham Amendment – 1.5 pts.	HB 31, Stelly, Tax Swap Plan, Processing Tax Amendment, Campbell - 3 pts.	Cumulative Percentage 2000-2002	Percentage 2002	Percentage 2001	Percentage 2000
Bajoie	0	0	0	a-	3	20	38	21	14
Barham	1	1	1½	1½	3	63	100	90	39
Bean	1	1	1½	1½	3	76	100	89	59
Boissiere	1	1	1½	1½	3	48	100	24	39
Cain	1	1	1½	1½	3	45	100	47	24
Campbell	0	0	0	0	0	32	0	28	45
Chaisson	0	0	0	1½	3	77	56	70	87
Cravins	0	0	0	0	0	3	0	11	0
Dardenne	1	1	1½	1½	3	51	100	80	22
Dean	0	1	1½	1½	3	88	88	90	87
Dupre	1	1	1½	1½	3	57	100	75	0
Ellington	1	1	1½	1½	3	44	100	80	9
Fields, C.	0	0	0	0	0	13	0	18	16
Fontenot	1	1	1½	1½	3	66	100	80	48
Gautreaux	1	a ⁰	1½	1½	3	59	100	75	39
Hainkel	0	0	a-	0	0	15	0	67	0
Heitmeier	0	0	0	0	3	26	38	26	22
Hines	1	0	0	0	0	9	13	25	0
Holden	0	0	0	0	0	20	0	21	38
Hollis	1	1	1½	1½	3	68	100	70	57
Hoyt	1	1	1½	1½	3	83	100	90	73
Irons	a ⁰	0	1½	a-	3	40	64	29	36
Johnson	a ⁰	1	1½	1½	0	21	57	44	0
Jones, B.	0	0	0	0	3	23	38	65	0
Jones, C.D.	0	0	0	0	0	5	0	20	0
Lambert	1	1	1½	a-	3	45	81	28	39
Lentini	1	1	1½	1½	3	56	100	82	30
Malone	1	1	1½	1½	3	100	100	100	100
Marionneaux	0	0	0	0	0	38	0	44	48
McPherson	a ⁰	a ⁰	a-	1½	0	26	25	7	32
Michot	1	1	1½	1½	3	83	100	100	70
Mount	1	0	1½	1½	3	46	88	30	39
Romero	1	1	1½	1½	3	54	100	70	30
Schedler	1	1	1½	1½	3	68	100	79	50
Smith	1	1	1½	1½	3	46	100	70	17
Tarver	0	0	0	0	0	13	0	24	14
Theunissen	1	1	1½	1½	3	59	100	70	39
Thomas	1	1	1½	1½	3	59	100	74	39
Ullo	0	0	1½	1½	3	49	75	70	30

Voted with LABI's position	22	21	25	25	28
Voted against LABI's position	14	16	12	11	11
Absent	3	2	2	3	0

ELIMINATION OF DEBT FROM THE CORPORATE FRANCHISE TAX BASE

SB 26, Barham – This legislation would have (a) eliminated the franchise tax for corporations with a taxable base of \$500,000 or less over a 3-year period beginning July 1, 2006; and (b) phased out the debt component of the franchise tax for all corporations over a 6-year period beginning July 1, 2004, with debt no longer in the taxable base of corporations for taxable years beginning after July 1, 2009.

Removal of the debt component from the corporate franchise tax base was one of the two major economic development proposals supported by LABI during the session. This measure would have eliminated the disincentive of taxing debt in this state, a practice which Huey Long began in 1932, and which has hurt Louisiana's opportunity for investment and job creation. Small businesses and start-up companies are particularly impacted by this tax, as they are more likely to incur debt while trying to begin a business.

Considering that almost no other state imposes such a tax, Louisiana corporations are at a significant competitive disadvantage. Oklahoma, the only other state that taxes debt, caps the total franchise tax at \$20,000; Louisiana's franchise tax has no cap. The recent 2002 PAR study concluded that Louisiana's manufacturers have a state and local tax burden in excess of 200% of the southern average. Numerous tax studies conducted in the past similarly concluded that taxing debt is a substantial disincentive to operating a business in Louisiana.

How the Senate Voted

During the Senate floor debate, there were attempts to gut and/or kill SB 26, all of which failed. Sen. Bill Jones offered an amendment that would have put a trigger into the bill,

a- Was absent when LABI needed a "yes" vote

a⁰ Was absent when LABI needed a "no" vote

limiting the effectiveness of the legislation. Under the terms of the trigger, the phase-out of the debt from the franchise tax base would not have begun until there was no state sales and use tax on food for home consumption and utilities. If added to the bill, this trigger would have caused uncertainty as to the eventual elimination of the disincentive. Consequently, the economic development benefits of passing such legislation would have been significantly reduced if this trigger amendment had passed. A vote AGAINST the Jones amendment was a vote WITH LABI. The amendment failed, 14-22.

Sen. Cravins also attempted to kill the bill by making a motion to involuntarily return the bill to the calendar. A vote AGAINST the motion to return the bill to the calendar was a vote WITH LABI. The motion failed, 16-21.

Once it had disposed of amendments and procedural motions, the Senate voted on final passage of SB 26. A vote FOR final passage was a vote WITH LABI. The bill passed, 25-12.

HB 104, Montgomery – As the session was winding down, SB 26 had not been heard in the House Ways and Means Committee, thus stalling in the House after successfully passing the Senate. The substance of HB 104, which provided for an exclusion from the debt in the franchise tax base for certain financing transactions related to motor vehicles, had already passed in duplicate legislation. In a last-ditch effort to pass the substance of SB 26 during the session, Sen. Barham amended the original provisions of HB 104 out of the bill and substituted the language from SB 26. After passing the Senate, HB 104 was held up in the House during the final hours of the session. The Speaker did not allow the House to vote to concur in the Senate amendment, which likely would have finally passed the legislation.

How the Senate Voted

A vote FOR the Barham amendment was a vote WITH LABI. The amendment passed, 25-11.

PROCESSING TAX

Amendment to HB 31, Stelly – During the debate on the “Stelly Plan,” Sen. Foster Campbell once again attempted to enact his “processing tax.” The amendment would have added a provision to the constitutional amendment which would have allowed for a tax of as much as 3% of value of the product on the use of hydrocarbon processing facilities in Louisiana.

How the Senate Voted

A vote AGAINST the amendment was a vote WITH LABI. The amendment was rejected, 11-28.

