

BY THE NUMBERS

# BUSINESS IS PAYING MORE THAN THEIR “FAIR SHARE” IN LOUISIANA.



LOUISIANA IS RANKED **#13** FOR THE GREATEST RELIANCE ON BUSINESS TAXES AS A SHARE OF ALL TAX REVENUE.

LOUISIANA BUSINESSES PAY  
**38%** OF ALL STATE TAXES.

LOUISIANA BUSINESSES PAY  
**59%** OF ALL LOCAL TAXES.

TOTALING JUST UNDER HALF OF ALL TAXES COLLECTED IN LOUISIANA = **48%**  
(ABOVE THE NATIONAL AVERAGE OF 44%)

## SALES TAX

LOUISIANA BUSINESSES ARE SUBJECT TO A HIGH BURDEN FOR SALES TAXES, RECEIVING A D ON ONE NATIONAL REPORT FOR FAILING TO EXEMPT MAJOR BUSINESS INPUTS



**RANK EARNED**  
FOR FAILURE to  
STAY COMPETITIVE

LOUISIANA BUSINESSES PAID AN ESTIMATED **\$2.9 BILLION IN SALES TAXES** TO STATE AND LOCAL GOVERNMENT IN 2016.

BUSINESSES IN LOUISIANA ARE SUBJECT TO THE  
**HIGHEST SALES TAX**

IN THE NATION ON MANUFACTURING MACHINERY.

**BUSINESSES PAY \$3.1 B**  
IN PROPERTY TAXES

Did you know?

BUSINESS ACTUALLY PAYS PROPERTY TAX AT A RATE **50%** HIGHER THAN INDIVIDUALS AND UNLIKE HOMEOWNERS, THE INVENTORY, MACHINERY, EQUIPMENT, AND EVEN OFFICE FURNITURE OF BUSINESS IS ALSO TAXED.

1.

AN ESTIMATED 94% OF AMERICAN FIRMS PASS BUSINESS INCOME THROUGH TO THEIR INDIVIDUAL INCOME TAXES, INSTEAD OF PAYING THE CORPORATE INCOME TAX – WHICH IS A MAJOR REASON THAT CORPORATE INCOME TAX COLLECTIONS ARE A SMALL PERCENTAGE OF BUSINESS TAXES.

**ALL LOUISIANA CORPORATE INCOME TAX EXEMPTIONS ARE DOWN 21%**  
(SINCE 2015)

2.

SPECIFICALLY, THE INVENTORY TAX CREDIT IS DOWN 46%; THE NET OPERATING LOSS DEDUCTION IS DOWN 21%; AND THE EXEMPTION FOR THE SALES TAX ON BUSINESS UTILITIES HAS DROPPED BY A WHOPPING 86%, AMONG OTHERS.

3.

LOUISIANA COMPANIES CONTINUE TO PAY THE FRANCHISE, WHICH MUST BE PAID REGARDLESS OF PROFITABILITY; IT IS THE SECOND HIGHEST FRANCHISE TAX RATE IN THE NATION.

“

I AM CONVINCED THOSE DAYS HAVE COME TO AN END IN THE BAYOU STATE, AS OUR WAGON IS OVERLOADED AND HAS BROKEN DOWN. OUR LOAD IS SIMPLY UNSUSTAINABLE, AND WE NEED TO BUILD A NEW AND MUCH SMALLER WAGON WE CAN AFFORD TO PULL IN THE FUTURE. AND WE WON'T BUILD IT RUNNING OFF BUSINESSES WHO CREATE JOBS AND TAXPAYERS THAT PULL THE WAGON. THAT'S DUMB.

”

ROLFE MCCOLLISTER, EDITOR  
GREATER BATON ROUGE BUSINESS REPORT, 2017

And then there is this...  
THE STATE OF LOUISIANA  
**IS RANKED #41**  
FOR ITS BUSINESS CLIMATE

We can't work like this...

**LABI** Louisiana Association  
OF BUSINESS AND INDUSTRY