C100 LOUISIANA
Committee of 100
for Economic Development, Inc.

December 15, 2017

The Honorable John Bel Edwards
Office of the Governor
PO Box 94004
Baton Rouge, LA 70804

The Honorable John Alario
Louisiana State Senate
PO Box 94183
Baton Rouge, LA 70804

The Honorable Taylor Barras
Louisiana House of Representatives
PO Box 94062
Baton Rouge, LA 70804

Dear Governor Edwards, Senate President John Alario and House Speaker Taylor Barras:

On behalf of the Committee of 100, we write to encourage you to promote a comprehensive fiscal reform legislative package that will solve our immediate deficit, create a revenue structure that is both stable and predictable, and sets forth a plan for addressing the structural problems that have led to the fiscal crises of the last eight years. As you are aware, the Committee of 100 developed a menu of options to do just this more than two years ago with input from multiple stakeholders including you and the other three gubernatorial candidates. That plan embraced the principles in the Richardson, Sheffrin and Ahm report that was developed earlier for the Legislature. Subsequently, both of these efforts, along with the LABI Budget Basics report, were integral to the recommendations made by the legislatively created HCR 11 Task Force.

The issues have been fully studied and the options have all been identified. While some can be accomplished quickly, others will take longer to enact and implement, but the time to start this process is now and not later. The health of our state, our economy and the interests of our businesses and citizens mandate that we take the steps necessary to address the fiscal cliff now while planning for a multi-year implementation of the changes recommended by the HCR 11 Task Force.

The Committee of 100 stands ready to support comprehensive reforms now and into the future. We recognize that this will require a level of cooperation and engagement that has been sorely lacking from our political climate and has brought us to the brink of failure that we now face, but it is the only way to position our state to realize our potential.

As business leaders, we want government that is transparent and fiscally efficient, but more than anything we need government that is stable and predictable. Unfortunately, over the

past years while our government has become more transparent and fiscally efficient, it has become anything but stable and predictable. With annual deficits for almost the last decade until this past year, the legislative debate has been monopolized by short term fiscal fixes that distract from stabilizing our economy and send precisely the wrong message to businesses seeking to grow here or move here. By implementing the comprehensive measures recommended by HCR 11, we can begin to reverse this perception.

We realize that change does not come easily or without challenges, and that shifting revenue structures carries with it the inherent risk of under or over collection, but shifting to better policy and structural stability should never be inhibited by uncertainty. Instead, mechanisms utilized by other states, such as tax triggers, can be employed to regulate the revenue streams derived from tax changes over time. If well designed, the triggers can limit the volatility and unpredictability associated with changes to revenue codes, and can be a valuable tool for states seeking to balance the economic impetus for tax reform with a governmental need for revenue predictability. Eleven other states have turned to tax triggers to implement contingent tax rate reductions or other reforms in recent years. We would be glad to work with you, your team, legislators and other stakeholders to develop tax trigger designs that address the key obstacles to moving forward on genuine tax reform.

The Committee of 100 appreciates the opportunity to submit these thoughts regarding our state's future. We also offer to assist you in support of these critical issues, however appropriate. Please do not hesitate to reach out to us. We thank you for the work you are doing to assure we are building a state that sustains a competitive environment for business and industry.

Sincerely,

Sonia Perez- Chair
Committee of 100
for Economic Development, Inc.

Tom Clark- Past Chair
Committee of 100
for Economic Development, Inc.