

1 Introduced April 23, 2002, by Councilwoman
2 Livaudais, seconded by Councilman
3 Washington (by request)
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5 **RESOLUTION NO. R02-07**
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7 A resolution urging the Louisiana Legislature to immediately pass
8 legislation to remove long-term debt from the base of the corporate franchise tax and
9 to eliminate one-half of the state sales tax on the purchase of business machinery
10 and equipment.

11 WHEREAS, job growth in Louisiana in the last decade was the second
12 lowest in the South; Louisiana lags behind every southern state except Florida and
13 Virginia in the amount of private payrolls that come from manufacturing; median
14 income in the state dropped by \$1,674 from 1998-2000; and in 2000, the per capita
15 personal income was only 78.2% of the national average; and
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19 WHEREAS, between 1999-2000, the increase in annual pay for Louisiana
20 residents was the smallest in the country, and in that same year, the rate of job
21 growth dropped by 50%; and
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24 WHEREAS, Louisiana was the only southern state to experience a net loss
25 in domestic migration during the past 10 years; and
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27 WHEREAS, Louisiana offers few incentives for businesses to locate or
28 expand in the state and the few that are offered, such as the Ten Year Industrial Tax
29 Exemption, are under constant attack; and
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32 WHEREAS, under Louisiana's current tax structure, the state cannot
33 compete effectively with other states to attract business; and
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1 **RESOLUTION RO2-07**
2 **PAGE 2**

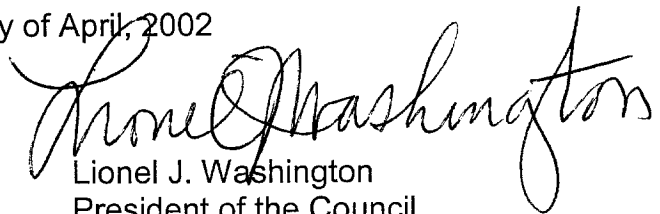
3 WHEREAS, Louisiana is one of the only two states in the entire nation that
4 includes debt in the base of its corporate franchise tax; and

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6 WHEREAS, Louisiana is one of only three states in the country – and the
7 only southern state – that does not have an exemption for sales tax on the purchase
8 of machinery and equipment used in production, and it is the only southern state that
9 fully taxes those purchases.

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11 WHEREAS, major legislation will be introduced during the regular
12 legislative session that will eliminate these two disincentives to investment in
13 Louisiana;

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15 NOW THEREFORE BE IT RESOLVED that the Slidell City Council does
16 hereby call upon the members of the Louisiana Legislature to immediately pass
17 legislation to remove long-term debt from the base of the corporate franchise tax and
18 to eliminate one-half of the state sales tax on the purchase of business machinery
19 and equipment.
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28 **ADOPTED** this 23rd day of April, 2002

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31 Lionel J. Washington
32 President of the Council
33 Councilman, District A
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