

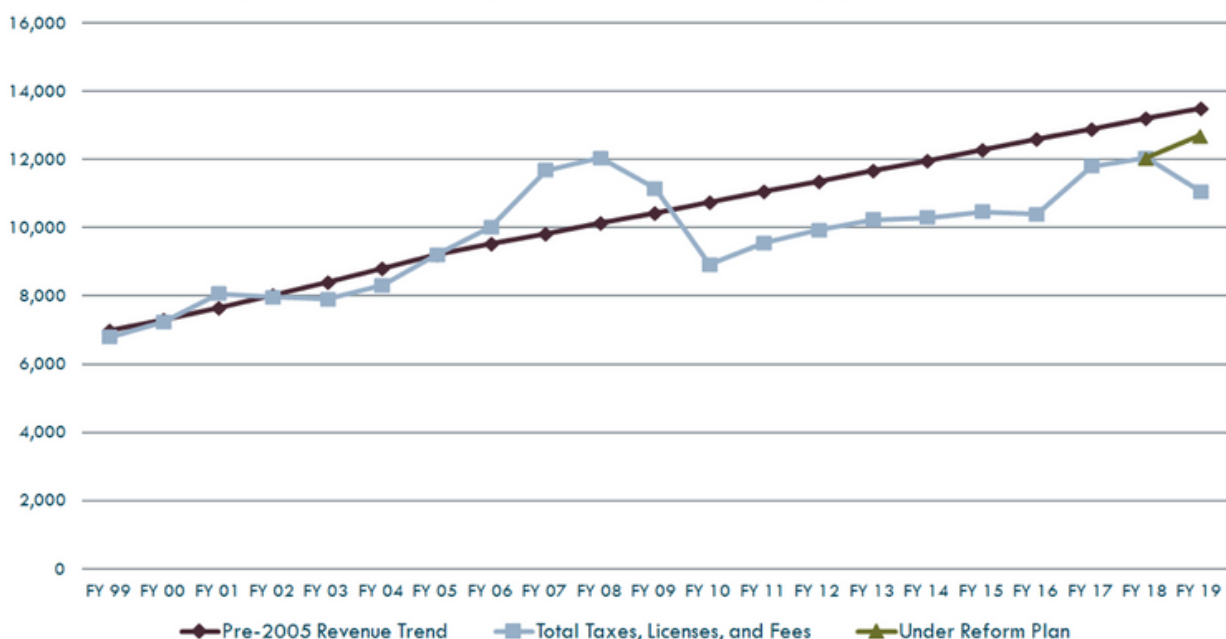
A reformed tax structure must ensure that we avoid the cliff and create a revenue system that grows over time along with the economy. Louisiana needs to get away from the cycle of annual shortfalls that have hurt our ability to expand the middle class. Even if we raise enough to avoid the cliff, the state is still on track to spend about \$1.5 billion less than it would had government continued to grow with the economy since 2005.

- Over half the income growth in Louisiana is going to the top 1% of earners.
  - Ending costly tax breaks while increasing fairness also is more sustainable since the growth in incomes is happening for those at the top.

- We need to be prepared for the future and stop lurching one budget crisis to the next.
  - Businesses and citizens deserve a predictable tax structure that grows with the economy. A sustainable revenue path leads to a stronger Louisiana.
  - A sustainable revenue path brings certainty to students who rely upon TOPS, schools, and businesses who must plan for the long-term.

Since major tax cuts in 2007 and 2008, the state hasn't been able to consistently fund our shared priorities: education, services for children and the disabled, public safety.

After post-Katrina bump, revenues down sharply (millions of dollars)



Source: Louisiana Legislative Fiscal Office, LBP analysis

