

In my 37 years of business, I've been no stranger to the burdens that small businesses face, particularly those that taxes can bring. The expected financial burden taxes place on businesses is expanded to include an administrative burden when the business is small. Operating on limited monetary resources and staff, the majority of small businesses make a sincere effort to remain in compliance with the regulations but frequently find themselves faced with administrative burdens that tie up their limited resources.

I come before you today to offer my support for the Targeted Tax Reform that Senator Vitter is proposing. Having affected changes in taxes at the local and state level through influence and inspiration, I felt it necessary to be here in support of the outlined initiatives that are sure to have an impact on my business, BEGNEAUD Manufacturing, and in particular in support of the overall spirit of cooperation and collaboration. This bill makes specific efforts to ensure that the government and business are working together instead of in opposition and in doing so, make strides toward a common goal.

A couple of key provisions in the bill stand out for me as being in service of this collaborative working partnership. Requiring that the IRS include small business review panels for their input on potential impacts shows a willingness to listen and learn from those who live the realities of small business ownership daily. Without lobbyists to represent their causes, small businesses rely on outreach from governmental agencies to help ensure their voices are heard. Instituting panels as a means to be certain that small business concerns are voiced solidifies the IRS's commitment to understanding the unfamiliar challenges faced by so many across the country.

The bill also grants authority to the IRS Commissioner to waive penalties and deadlines for businesses as appropriate if it is found that the business has been acting in good faith. As I mentioned previously, the majority of small businesses operate from the intent to stay in compliance. Confusing regulations coupled with limited resources can lead to businesses inadvertently falling out of compliance. It is refreshing to see that this bill seeks to put an emphasis on correcting the actions of small businesses and going forward as opposed to punishing their attempts.

A common term in political rhetoric today is "fight." Fighting for and against causes does not leave us with much energy to do anything else. In Louisiana, many of my colleagues fought against a state use tax for years without much headway. Only through our *influence* of Governor Kathleen Blanco were we able to achieve what so many had fought for, affecting good change to the state use tax. In her statement about the bill, attached, she mentioned how powerful the simple act of influence was. Government and business so often fight each other, working in opposition, with each claiming that one must suffer at the expense of the other. I firmly hold, though, that if both look to serve the other, it would benefit the whole.

My personal declaration states that "I am a commitment to inspiring others to collaborate, creating new value for all to enjoy." I believe that what Senator Vitter is proposing in this bill falls directly in line with my values. The proposed bill includes excellent steps towards our government making a good faith effort to work with small businesses and meet them where they are. I offer you my full support of this collaborative effort.

Date: 3/23/2004

Governor Kathleen Babineaux Blanco

Statement at Bill Signing Ceremony of House Bills 2 and 3

Thank you, Don, for inviting us here to mark the dawn of a new way of doing business in Louisiana.

I think all of us can see that Begneaud Manufacturing is an innovative national leader in the precision metal processing field. Don, we are very fortunate to have such an aggressive and creative company like yours in Louisiana.

The legendary business consultant Peter Drucker once observed that "whenever you see a successful business, someone once made a courageous decision."

I think Don is living proof of the courage and the vision required to build and sustain a successful enterprise.

On behalf of the citizens of our state, I want to thank you and your employees -as well as the thousands of other small and large business owners in Louisiana. Thank you for all your hard work, for the jobs you create, and for your commitment to doing business in Louisiana.

The reason I came here today is quite simple: My friend Don Begneaud inspired me to champion the cause of eliminating the corporate franchise tax on debt and the sales tax on manufacturing machinery and equipment.

Don's argument was that of virtually every business leader who has fought this tax for years.

He persuaded me to take a hard look at a tax system that discourages job creation by taxing the money companies borrow to build their business, and then, on top of that, levies another tax -a sales tax -on the purchase of manufacturing machinery.

The machine that you see behind -a million- dollar machine -- was bought with borrowed money. The borrowed money is being taxed and the machinery is being taxed. And that's money that Don doesn't have to reinvest in his business or to pay his employees.

As Don and other businessmen will tell you, these two taxes have been a roadblock to job creation in our state for too long.

These bills start us on the road to phasing out these taxes. And I am hopeful that the phase out will begin this year!

These taxes have made Louisiana less competitive when competing for business. They've punished existing Louisiana businesses. And, they've hurt job creation efforts especially hard because they are paid up-front.

It's time these taxes are gone, and I'm proud to be the governor who got rid of them.

It's also worth noting that this legislation reduces taxes on Louisiana businesses by more than one and a half billion dollars over the next ten years.

So, Don, thank you for inspiring me -and helping me better understand the negative impact of these taxes that we are eliminating .

I also want to thank all the members of the House and Senate who supported this legislation .

I want to offer special appreciation to the leaders of both houses for their support of my agenda and for the skillful way they guided these bills through the process.

My thanks to House Speaker Joe Salter, Senate President Don Hines, House Speaker Pro Tern Sharon Weston Broome, Senate President Pro Tern Diane Bajoie, Chairman Bryant Hammett of the House Ways and Means Committee, and Willie Mount, chairwomen of the Senate Revenue and Fiscal Affairs Committee .

To you and to all the members of the Legislature who supported these bills, this day is possible because of your strong commitment to a more prosperous future for the people of our state.

I would also like to thank my good friend Dan Juneau, president of the Louisiana Association of Business and Industry. Dan has worked very hard for many years trying to persuade governors and legislators to see the wisdom of eliminating these taxes.

Dan is an effective and dogged advocate for Louisiana business -- and this day is his day, too.

Dan, I look forward to working closely with you and your members over the coming years to create thousands of new jobs for the people of Louisiana .

Today, we embark on a new chapter in our state's history. We are creating a more business-friendly state. We are working harder than ever to attract new jobs to Louisiana . And we are devoting ourselves to creating a vibrant economy that includes every one of our citizens.

When I ran for governor, I said that I wanted to be the governor who brought our children back home. Every single day, that's what motivates me and all these people standing here with me.

Passing these bills was not only about increasing the bottom line of our corporations. It wasn't just about creating more wealth for our citizens.

For me, the motivating factor in all of this is what it means to individual families who love Louisiana and want to stay here and raise their families.

If you love Louisiana that much -and millions of us do -then you deserve a government that is doing everything it can to create new, good- paying jobs.

If you want to stay here and raise a family and make this state stronger, then I want you to know that you have a governor and a Legislature dedicated as never before to creating that kind of opportunity.

This is the kind of state that we all want. And, working together, I am optimistic that the nation will hear our message -that, in Louisiana, there is a new way of doing business. Thank you all very much.

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