



July 1, 2009

The Honorable Bobby Jindal  
Governor  
State of Louisiana  
State Capitol, Fourth Floor  
Baton Rouge, LA 70804

**Re: HB 106**

Dear Governor Jindal:

The St. Tammany West Chamber of Commerce urges you to sign HB 106.

Louisiana currently suffers from a major business recruitment and retention problem, not only for companies, but for business leaders as well. This is because Louisiana taxes up to 6% tax on the sale of a privately held business, while Texas, Florida, and Tennessee have no personal income tax, and other southern states like Arkansas and South Carolina provide significant tax reductions for capital gains.

As a result, we know of many individuals who have moved their companies out of state, prior to sale. The negative result is multifold:

- The loss of companies, jobs and tax revenues
- The loss of business owners who become philanthropists after the sale of their company
- The loss of entrepreneurship, as the senior executives who would frequently start new companies with wealth generated from a liquidation event are no longer here
- An on-going recruitment disadvantage

HB 106 can rectify this situation, and eliminate a major wealth – and brain – drain on Louisiana. Moreover, HB 106 will now provide a recruitment tool for drawing new companies and investment into Louisiana.

This issue was first identified by the GNO, Inc. Tax Competitive Tax force in 2004. This group has the support of the Louisiana CPA Association, the Louisiana Technology Council, the National Federation of Independent Business, the Lafayette Economic Development Authority, the Louisiana Industrial Development Executives Association, local business councils, and the LA Coalition for Capital, as well as the regional Business Councils below.

As you have said, we should tax activities we want to discourage, and remove taxes from activities we want to encourage. Surely, we want to encourage entrepreneurship and wealth preservation in Louisiana. This is exactly what HB106 will do.

Thank you for your attention to this important issue.

On behalf of our Board of Directors,

Yours very truly,

Handwritten signature of Lacey Toledano in black ink.

Lacey Toledano  
President & CEO

Handwritten signature of Jean Champagne in blue ink.

Jean Champagne  
Chairman

(Board of Directors list attached)