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Stelly reform survives year

At the start of the 2005 legislative session, a number of members and the Republican Party fulminated against the Stelly Plan, a landmark 2002 tax reform that swapped higher income taxes for lower state sales taxes on food and residential utilities.

The deal was harshly criticized as a tax on the middle classes, even if the numbers suggested that about 80 percent of taxpayers got a net tax benefit from the deal.

It was also one of the most meaningful tax reforms passed in a long time, pushed by then-Rep. Vic Stelly of Lake Charles and embraced by Gov. Mike Foster, both Republicans.

Gov. Kathleen Blanco refused to join with the clamor for income-tax cuts that would have unraveled the fiscal benefits of the Stelly Plan, and members of the Legislature ultimately refused to pass bills to change it.

We believe that was a wise decision. While Jim Brandt, president of the Public Affairs Research Council, assessed the session as a largely mediocre one, he and other tax-reform advocates are pleased that the Stelly Plan survives intact.