Despite warnings that the state will have to choose between cuts or taxes next year, several members of a constitutional convention panel balked Monday at the idea of giving the Legislature more flexibility in levying income taxes.

The convention's State Revenue Committee took no action on proposals to lift or modify current constitutional limits on income taxes. However, a number of committee members indicated they would have a hard time supporting such a move.

The constitution currently limits the Legislature's ability to levy personal income taxes by capping personal income tax rates at 2 percent on the first $20,000; 4 percent between $20,000 and $100,000; and 6 percent on taxable income over $100,000.

There is no constitutional cap on corporate income taxes.

Committee Chairman Rep. Steve Theriot, D-Marrero, said the potential impact of federal tax rules provides a compelling argument for taking such things as income tax rates and brackets out of the state constitution.

With current constitutional limits in place, the Legislature can do little to change state tax laws to take advantage of any changes that might occur at the federal level, Theriot said.

Testifying before the committee, Commissioner of Administration Raymond Laborde said if the convention yanks income tax limitations — and the people go along with it — the Legislature would still have to make changes in statutes to alter the current rate structure.

Laborde said the budget situation is a lot bleaker than many believe and that the state could be facing a gap of as much as $842 million between desired spending and anticipated revenue if some convention budget proposals are adopted.

And, he said, with more than 70 percent of the state's $4.4 billion general fund protected from cuts by constitution, statute, federal mandate or court order, making cuts would be nearly impossible.

Laborde said the Legislature will need the flexibility that would accompany taking income tax rates out of the constitution.

Laborde said if a tax increase is considered, the Legislature will have to decide where to levy that tax.

And, he said, Louisiana's per capita income tax burden of $175 a year is well below both the Southern and U.S. averages.

Landrieu said the Legislature faces a most unpleasant choice next year if constitutional changes are not made.

"I don't think this Legislature has the will to cut," Landrieu said.

Lawmakers will have to cut spending, raise taxes or do some combination of the two, Landrieu said. And, he said, the only tax choice now is sales taxes.

Echoing Forster, Rep. Everett Doerge, D-Minden, said the public will perceive any talk of removing income tax rate caps as the first step to a tax hike and balk at the idea.

Rep. Sherman Copelin, D-New Orleans, said he doesn't personally support the idea of increasing income taxes but thinks the Legislature should have as much latitude as possible in coming up with a tax policy and structure for the state.

The constitution also mandates that federal income taxes paid are deductible from income before state taxes are figured. Taking current income tax caps and federal deductibility out of the constitution are among Gov. Edwin Edwards' recommendations to the convention. And, state Rep. Mitch Landrieu, D-New Orleans, has submitted one proposal to lift caps on tax brackets entirely and another to cap the rate on personal income taxes at 6 percent.

Both of Landrieu's proposals also called for eliminating the deductibility of federal taxes on state income tax returns. Taking income tax brackets and rates out of the constitution will give the Legislature more flexibility and some place other than sales taxes to look for additional revenue, Landrieu said.

But Rep. Garey Forster, R-New Orleans, countered that when proponents of income tax changes talk about giving the Legislature "greater flexibility," they send a message that groundwork is being laid for a massive tax hike.

Forster said he doesn't think the public will go along with opening the door to higher income taxes, even if the convention does "fancy it up" with proposals to tighten state spending and budget practices.

Forster advised his fellow delegates to do the spending and budget reform first and then come back with tax measures once they have regained public trust and confidence.

Right now, Forster said, most voaters "don't want our hands in their pockets anymore until they have better trust. . . ."