

Industry Makes Response to The Advocate Editorial dated January 24, 2023:  
A big-dollar tax exemption raises question for governor candidates.  
Our Views: A Big-dollar tax exemption works just fine.

Industry Makes objects to the accusatory tone of the recent editorial printed by The Advocate regarding Louisiana's Industrial Property Tax Exemption Program (ITEP), and the claim that industry "has some explaining to do."

To put that objection in context, some brief history: Louisiana has one of the highest homestead exemptions in the nation at \$75,000.00 per household. With an exemption that large (which residential property owners enjoy every year without having to re-apply), property taxes fall disproportionately on Louisiana businesses. In recognition of this, in 1936, Louisiana created the Industrial Property Tax Exemption Program for manufacturers to temporarily alleviate some of the tax burden. This allows business to re-invest that money to grow and expand in Louisiana. Louisiana's manufacturers have worked tirelessly and effectively with the State of Louisiana to stay compliant, and to achieve a renewal, for a total of the full ten-year eligibility (as the ITEP was originally written), as well as navigate the new ITEP rules included in Governor Edwards' 2016 executive order.

The ITEP is not "giving away other people's money". You cannot give away what you do not have. An ITEP exemption gives local taxing authorities 20 percent of property tax revenue today and 100 percent property tax revenue at the end of the ten-year abatement. If the local taxing authority chooses not to grant an ITEP exemption, then they will receive 0 percent today and 0 percent after ten years. The purpose of Louisiana's tax incentives is to attract projects, which generate long-term benefits for the local community, region, and the state. ITEP gives Louisiana an advantage in corporate board rooms. Industry Makes will continue to work hard ensuring that Louisiana keeps that advantage.

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