LWVLA Environmental Committee Report

Wendy King
Environmental Committee Chair

None of the bills to be followed during the legislative session were voted on. They remained in “pending” status, due to the shortened legislative session, and were not considered during the special session. I followed, through my involvement with Together Louisiana and Together New Orleans, the Industrial Tax Exemption Program. One of the largest recipients of ITEP exemptions is the Folgers Coffee plant in New Orleans. The ITEP requires that the corporation applying for the ITEP exemption must demonstrate that it will provide jobs, in order to qualify for the exemption. What Together Louisiana and Together New Orleans advocates have learned is that 98% of the ITEP exemptions are approved, without the company showing proof of providing jobs. The other issue we learned about was companies exploiting loopholes to avoid ITEP reform. Folgers, for example, had a 60.18% exemption in 2019 (From a February 2020 analysis, “The Fiscal Impact of ITEP Reform on Local Tax Revenue”). In this analysis, “Folger Coffee has not received ITEP exemption since ITEP reform came into place, but simply has proceeded as though it has, neglecting to report $105 million in new property to the assessor that, by law, is taxable property.”

Tax exemption legislation: SB272 by Senator Mark Abraham

TAX EXEMPTIONS: Constitutional amendment to establish an ad valorem tax exemption for property subject to a cooperative endeavor agreement requiring the property owner to make payments in lieu of taxes. (2/3 - CA13s1(A)) (EN SEE FISC NOTE LF RV See Note)

Current Status: Sent to the Secretary of State - Act 370

This bill will go before the voters as a proposed Constitutional Amendment. If enacted, it would embed a new category of corporate tax exemption into the state constitution.