

Caddo School Board Denies Industrial Tax Exemption

Nick Wooten, The Times

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Machinist Rick Hedland, left, talks to Shreveport Councilman Willie Bradford about the Nakamura-Tome machine at the Inferno Manufacturing Company. (Photo: Henrietta Wildsmith/The Times)

The Caddo Parish School Board rejected a property tax exemption for a Shreveport company with ties to the oil and gas industry during a special session March 5.

The board voted 6-5 to reject the exemption for Inferno Manufacturing, a Shreveport-based company that makes liquid level gauges and gauge valves for the oil and gas industry.

The board "no" vote means Caddo schools will not forfeit \$5,200 in property tax revenue each year for five years — totaling nearly \$26,000.

Caddo schools were one of four local governments to weigh in on the Inferno request of a tax exemption. It joined Caddo Sheriff Steve Prator in denying Inferno's request. The City of Shreveport and Caddo Parish approved the exemption last month.

Inferno sought the exemption for the purchase of a \$480,000 metal working machine. The vote came after a lengthy public comments section at Monday's meeting, with nearly all speakers expressing opposition. The board also heard a presentation from the board's finance director, Jim Lee, and a spirited debate with many questions from board members.

"We needed to have more backup stipulations," said Barry Rachal, who abstained from the vote. "Non-compliance to what? We don't even have the information that should be given to us. ... We've got to put something in place to be able to deal with these in an equal manner. ... We don't have that."

Board member Margaret Brown voted no for similar reasons.

"I am not sure that we know all of the ins and outs of voting one way or the other," she said.

The tax break is part of the Industrial Tax Exemption Program, in place since the 1930s. A 2016 executive order issued by Gov. John Bel Edwards put in place guidelines that, for the first time, allow local taxing bodies to recommend whether to approve the exemptions.

Previously, the state Board of Industry and Commerce, with approval of the governor, decided to grant the exemptions.

Some opponents of the tax exemption have argued that the breaks are handed out indiscriminately to companies that don't end up adding promised jobs and that they cost local governments money needed to provide local services.

Caddo Parish educators spoke out against the exemption, highlighting the struggles they faced getting classroom supplies. Representatives from the Caddo Association of Educators and Together Louisiana/Interfaith spoke during the public comment section against the exemption as well.

"We think that the school boards, like the sheriff, are making history," said Lady Carlson, representative of **Together Louisiana/Interfaith**, which has opposed the exemption.

Inferno owner Allen Organick was somber after the vote. Scott Martinez, president of the Northwest Louisiana Economic Partnership expressed disappointment that the exemption wasn't granted.

"Very disappointed," Martinez said. "It was a vote against working families and kids that are supported by jobs at companies like Inferno in Caddo Parish."