A common argument in support of the industrial tax exemption program is that the program is needed to help compensate for a tax structure that is said to be uncompetitive for business.

The argument tends to take for granted that the benefits of industrial tax exemptions are experienced more or less broadly across the business sector generally. In reality only a small percentage of the state’s businesses ever will receive an industrial tax exemption.

This study assesses the impact of industrial tax exemptions on disparities in property tax rates among business, homeowners and ITEP-recipient companies in East Baton Rouge Parish.

If you have questions about this study or would like additional information on the issue, please email contact@togetherbr.org.

TRY THE PROPERTY SEARCH TOOL AT:

propertysearch.togetherbr.org

Search any home or business to see how much it pays in property taxes per $1K in property
A common defense of Louisiana’s industrial tax exemption program is that it helps make Louisiana more competitive for business.

BUT DOES ITEP TRULY LOWER BUSINESS TAXES?
31,005 businesses are registered to operate in East Baton Rouge Parish.

Only FIFTY-ONE BUSINESSES have benefited from ITEP anytime in the last 10 years — .16% of the total.

99.84% OF BUSINESSES in EBR parish receive no property tax benefit from ITEP.

Sources:
For # of businesses, East Baton Rouge Parish Finance Department, “Businesses registered with EBR Parish for Occupational License Tax and/or Sales Tax Registration,” (January 12, 2019). For # of ITEP-recipients, LED, Fastlane Database.
The average business in EBR Parish pays **2.4 TIMES** as much on the dollar in property taxes as ITEP-exempt businesses in the parish.

On average, businesses in EBR Parish pay **$16.26 in property taxes** per $1K in property.

Businesses receiving ITEP — usually large, multinational corporations — pay **$6.83 in property taxes** per $1K in property.

*Source: E Baton Rouge Parish Assessor, Property tax rolls, 2017 data.*
The average EBR Parish HOMEOWNER pays 1.6 TIMES as much on the dollar as the most valuable property in the parish.

On average, homeowners in EBR Parish pay $8.89 in property taxes per $1K in property after accounting for the homestead exemption.

ExxonMobil pays $5.57 in property taxes per $1K in property on its refinery after accounting for ITEP.

Source: E Baton Rouge Parish Assessor, Property tax rolls, 2017 data.
The average minority-owned business in EBR Parish pays 2.9 TIMES as much on the dollar of ExxonMobil’s Refinery.

The average minority-owned business pays $16.38 in property taxes per $1K in property.

ExxonMobil pays $5.57 in property taxes per $1K in property on its refinery.

Sources:
- E Baton Rouge Parish Assessor, Property tax rolls, 2017 data.
- List of minority-owned businesses from DOTD DBE database (2019).
The average women-owned business in EBR Parish pays **2.8 TIMES** as much on the dollar of ExxonMobil’s Refinery.

The average women-owned business pays **$15.45 in property taxes** per $1K in property.

ExxonMobil pays **$5.57 in property taxes** per $1K in property on its refinery.

**Sources:**
E Baton Rouge Parish Assessor, Property tax rolls, 2017 data.
The average grocery store in EBR Parish pays **2.9 TIMES** as much on the dollar of ExxonMobil’s Refinery.

The average minority-owned business pays **$16.09 in property taxes** per $1K in property.

ExxonMobil pays **$5.57 in property taxes** per $1K in property on its refinery.

**Sources:**
E Baton Rouge Parish Assessor, Property tax rolls, 2017 data.
List of grocery stores from Google Maps (2019).
Property tax burden by business category

Amount paid in property tax per $1K property

Sources:
CONCLUSION

ITEP does not lower property taxes for businesses in Baton Rouge.

ITEP raises taxes for 99.8% of EBR Parish businesses.

For the idea to have merit that industrial tax exemptions help compensate for an uncompetitive business climate by lowering business taxes it would have to be true that ITEP lowers business taxes. For the overwhelming majority of businesses in East Baton Rouge Parish and across the state, that is not the case.

When individual exemptions are being considered, they should be approached with the understanding that ITEP is not an exemption benefiting the business sector at large.

ITEP is a subsidy to a very narrow segment of the business sector, which increases property taxes for the vast majority of businesses and other property tax payers.
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