

# **INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP)**

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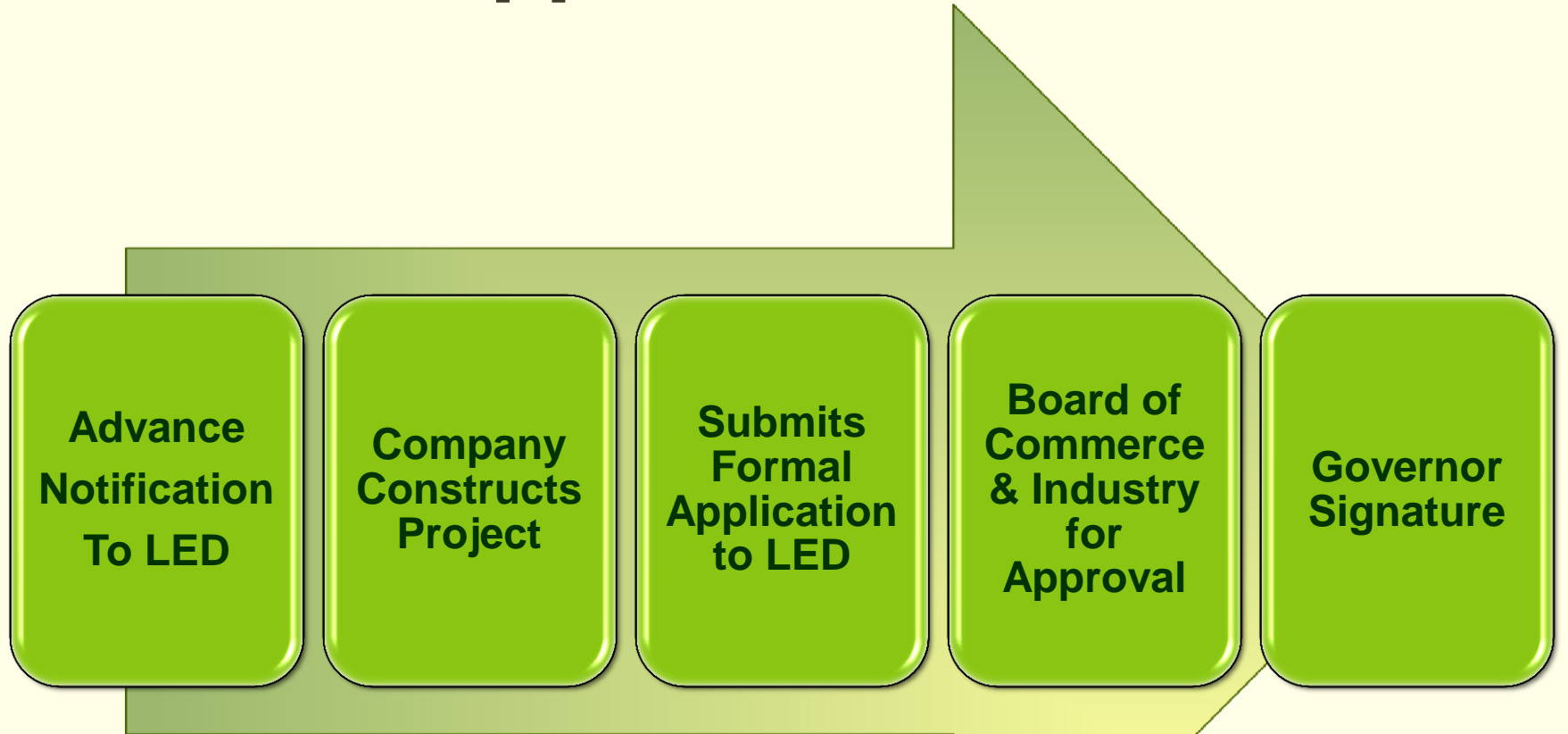
**Big Changes, Big Local Impacts**



# ITEP HISTORY

- **Louisiana's oldest incentive program**
- **Intended to recruit the capital intensive, manufacturing sector**
- **Why? Largest “ripple” through the economy**
- **Rationale was to offset other tax disadvantages**
- **Used by large & small businesses**
- **Very important to St. Charles Parish's economic drivers**

# Old ITEP Approval Process



**ENTIRELY B.R. PROCESS**

# **“Old” ITEP BENEFITS**

- **100% property tax exemption for 10 years.**
- **Supposed to be 5 + 5**
- **Did not have to create jobs**
- **Did not have to detail how the asset was part of the manufacturing process. Just have the right NAICS number**
- **Impact is all local**

# **“New” ITEP – June 2016**



**Gov. Edwards issues Executive Order JBE 2016-26**

**Requires local approval**

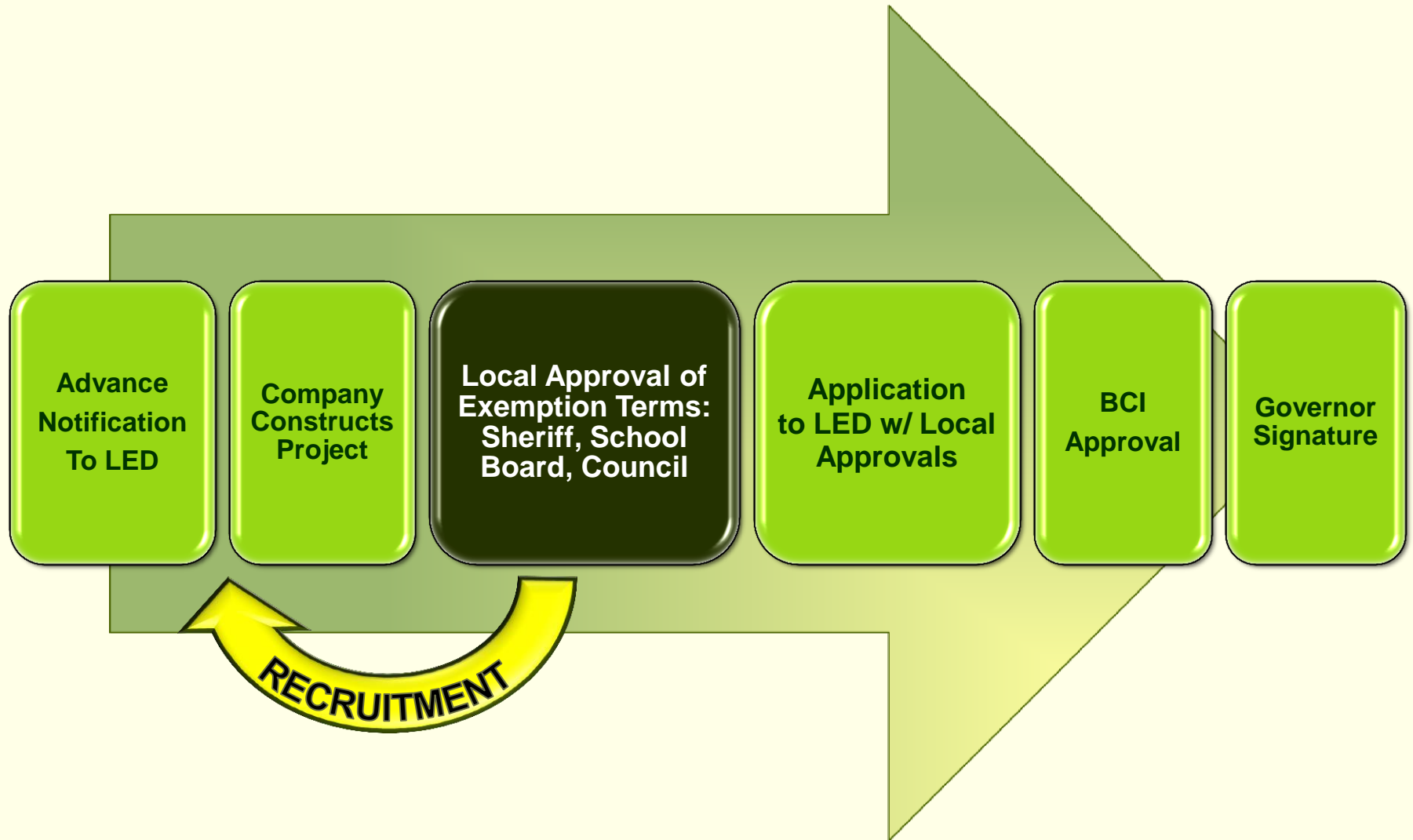
- School Board
- Council
- Sheriff

**Requires job creation or compelling reason for job retention**

**Requires more stringent review & definition of the manufacturing process**

**Changes benefits**

# “New” ITEP Approval Process



# Local Approvals

**Council  
Resolution**

**School Board  
Resolution**

**Sheriff's  
Letter**

# **“New” ITEP Benefits**

**Up to a 100% Ad Valorem exemption for up to 5 years**

**Can be renewed for up to another 3 years for an exemption up to 80%**

# Outlook

- **Fewer local exemptions due to prohibition of Misc. Capital Additions (MCA's)**
- **More engaged companies**
- **Initially, clumsy process**
- **Refinement to the approval process**
- **Quicker capture of Ad Valorem revenue**
- **Legislative budgetary consequences???**
- **Prove our commitment to economic development**

**QUESTIONS?**