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More than \$187 million in Louisiana business tax breaks approved

BY: **WESLEY MULLER** - JULY 15, 2023 11:00 AM



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The Louisiana Board of Commerce and Industry approved over \$187 million worth of industrial tax exemptions Friday in its first meeting since April.

Venture Global Calcasieu Pass will get the overwhelming lion's share of those tax breaks – an estimated \$184.6 million – for just the first year of its contract under the state's lucrative Industrial Tax Exemption Program (ITEP).

Venture Global applied for ITEP consideration for the liquefied natural gas (LNG) export terminal it is building in Cameron Parish. The board approved its tax exemption without much discussion, though member Sen. Bret Allain, R-Franklin, pointed out Venture Global will also receive supplemental tax credits for the same project via the state's Quality Jobs program, which gives rebates for portions of a business' payroll or project facility costs.

ITEP gives large manufacturers exemptions on their property taxes, a primary source of revenue for local governments to pay for public schools, law enforcement, roads and other community services.

Because Venture Global filed its ITEP application in 2015, it avoided changes Gov. John Bel Edwards made to the program through an executive order after he took office in 2016. He limited the local property tax exemption to 80% of a company's tax bill and required companies to create or retain jobs in exchange for the tax breaks. Most significantly, Edwards gave local governments the authority to approve or deny ITEP applications.

Venture Global plans to create 240 jobs at the facility with a collective payroll of \$35.2 million.

A company representative told the board construction of the facility is nearly complete, though he did not elaborate. The terminal began commissioning LNG shipments last year but still hasn't yet begun commercial operations. Commissioning is a step in which the company tests its operations and infrastructure to ensure the facility meets regulatory standards.

Venture Global reported problems with some of its systems in March and said it would require "extensive repairs and replacements," according to a [report](#) in the industry journal LNG Prime.

It hasn't stopped the company from making money. Its commissioning shipments have netted over \$10 billion in profits, according to a S&P Global [report](#).

Other applications the board approved include a \$737,000 first-year exemption for Syngenta Crop Protection in Iberville Parish and a \$821,000 first-year exemption for Ucore North America in Rapides Parish.

Syngenta, which produces pesticides, herbicides and other chemicals used in farming, has promised to create three jobs with a collective payroll of \$370,000. Ucore processes rare earth metals and promises to create 85 jobs with a collective payroll of \$4.6 million.

ITEP contracts last five years and can be renewed for an additional five years, giving Syngenta and Ucore potential tax breaks totaling \$7.3 million and \$8.2 million, respectively, over that time period. Louisiana Economic Development, the agency that manages the

state's buffet of corporate tax incentives, is also giving Ucore a \$900,000 performance-based grant for infrastructure spending.

The board approved a five-year contract renewal with a \$656,000 first-year exemption for Union Carbide's chemical plant in St. Charles Parish. The contract requires no job creation goals or approvals at the local level because the company filed its ITEP application in 2015 before the governor's adjustments.

Mauser USA, which manufactures containers for industrial chemicals, received board approval on its contract renewal with a \$105,000 first-year exemption for its Ascension Parish facility. The board approved the renewal despite the company not complying with its job and payroll requirements.

Alliance Compressors, which builds air conditioners in Natchitoches Parish, received board approval on three ITEP applications with first-year exemptions totaling more than \$200,000. The company far exceeded its job creation requirements.

The board also approved an application from Frymaster, a Caddo Parish business that makes commercial kitchen fryers for restaurants, for a \$116,000 first-year exemption even though the company failed to meet its job creation requirements.

Frymaster executive Kyle Williams told board members the COVID-19 pandemic was hard on his company. The application was approved without any penalties.

The board also approved numerous ITEP applications with exemption amounts under \$100,000.

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Wes Muller traces his journalism roots to 1997 when, at age 13, he built a hyper-local news website for his New Orleans neighborhood. Since then, he has freelanced for the Times-Picayune and worked on staff at WAFB/CBS, the Sun Herald and the Enterprise-Journal. He also taught English as an adjunct instructor at Baton Rouge Community College. Muller is a New Orleans native, Jesuit High School alumnus, University of New Orleans alumnus and a U.S. Army veteran and former paratrooper. He lives in Southeast Louisiana with his two sons and wife.

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