

JustSouth Monthly

JSRI Perspectives on FAITH DOING JUSTICE

LOYOLA
UNIVERSITY
NEW ORLEANS



Connect with
JSRI on [Twitter](#),
[Facebook](#) and
[Tumblr](#).

Number 42

December 2014

Louisiana's \$1 Billion Giveaway

Giveaways cost the U.S. taxpayers \$50 billion a year

by Fred Kammer, S.J.

SUPPORT US »

JSRI Upcoming Events

December 11

Fr. Kammer will begin his service on the Mission Integration Committee of Christus Health meeting in Dallas.

December 16

Staff will brief visiting students from Santa Clara University on the social realities of New Orleans and the work of JSRI.

January 16-18

Ms. Baudouin and Fr. Kammer will co-lead the social justice retreat for Jesuit Volunteers of the southern region at a retreat center in rural Texas.

JSRI Recent Activities

December 8

Dr. Mikulich helped draft a [statement on racial injustice](#) that was posted on *Catholic Moral Theology*.

November 25

Dr. Weishar was interviewed by [The New Orleans Advocate](#) and Fox News 8 regarding President Obama's Executive Action on immigration.

The New Orleans Advocate, in an eight-part report^[1], has highlighted the burgeoning practice of creating tax-breaks ("tax incentives," "tax loopholes," "tax expenditures") that now cost Louisiana \$1.08 billion dollars a year. Legislatures create these benefits purportedly to induce businesses to locate in a state or expand there. Two examples from *The Advocate* illustrate these incentives:

- Every time the Robertson clan films another episode of "Duck Dynasty," Louisiana is on the hook for nearly \$330,000, at last count.
- During the past three years, state taxpayers agreed to fork over nearly \$700,000 to Wal-Mart to build new stores in two affluent suburbs.^[2]



The report focuses on six programs which together have grown by an average of 17% a year over the past decade and their 2013 cost: film industry incentives whereby the state pays 30% of production costs of films made here (\$251 million); refunds of property taxes businesses pay on inventory (\$427 million); solar power tax credits to businesses and individuals (\$61 million); tax

exemptions for fracking wells (\$240 million); the Enterprise Zone program (\$70 million); and various property and sales tax benefits to lure "megaprojects" here (costing hundreds of millions).

In 2013 alone, these six programs totaled over \$1 billion dollars in a state struggling to meet its budget and doing so by repeated cuts primarily in health care and education. Higher education spending has dropped from \$1.13 billion in FY2009 to \$535 million in FY2015. The difference often is made up in increased tuition for families.

Louisiana is not alone. The Institute on Taxation and Economic Policy estimated that states and localities are devoting about \$50 billion in tax incentives

November 19

Dr. Sue Weishar spoke on behalf of JSRI at a demonstration in front of the Immigration and

annually.^[3] The report stated bluntly:

Unfortunately, despite the enormous expenditures being made on these programs, the evidence suggests that tax incentives are of little benefit to

[Subscribe](#) to our email list

organized by the Congress of Day Laborers to protest the pending deportation of two of their members who have been active in local civil rights campaigns.

November 18

Dr. Mikulich participated in "Ferguson Across America" on Loyola's campus.

November 16

Fr. Kammer presented two workshops at the Ignatian Family Teach-In in Washington, D.C.

October 2014

Research conducted by Dr. Sue Weishar on Alternatives to Immigration Detention was included in information submitted at a hearing on Family Detention held at the Inter-American Commission for Human Rights headquarters in Washington, D.C.

The multiple reasons are persuasive:

1. Tax incentives rarely tip the balance in business decisions to hire or invest within a state, since state and local taxes are only a small part of costs—averaging about 1.8%. Tax incentives are more of a “windfall” for a decision made for other reasons.
2. State economies are closely interconnected, so the taxpayer dollars given to companies through incentive programs never remain in-state for very long. Companies often buy equipment and supplies and hire from outside.
3. Tax incentives create winners and losers. Incentive-fueled growth at one business usually produces losses for other businesses in the same state. So, when Louisiana favored Wal-Mart with tax breaks, how many Louisiana businesses suffered?
4. The \$50 billion in annual state and local tax incentives must be paid for, and that often means reducing other public services such as health care and education.
5. “While small tax incentives are unlikely to affect business behavior, large tax incentives can harm a state or locality’s reputation. Business owners sometimes interpret the presence of lucrative incentives as a signal that a location may have other serious weaknesses, or that the government is mismanaged or desperate.”^[5]

Tax spending, like all government policies, should serve the common good, not special interests.

LOYOLA UNIVERSITY NEW ORLEANS

As our number of enrolled students continues to rise, we need to make sure that each and every one has access to an exceptional educational experience. We can't do it without your help. [Give today!](#)

Published by the Jesuit Social Research Institute

Office Phone: 504- 864-7746 | **E-mail:** jsri@loyno.edu | **Website:** www.loyno.edu/jsri
Mailing Address: 6363 St. Charles Avenue, Campus Box 94, New Orleans, LA 70118

6363 St. Charles Avenue | New Orleans, LA 70118

This email was sent to .

To ensure that you continue receiving our emails, please add us to your address book or safe list.

[manage](#) your preferences | [opt out](#) of all Loyola e-newsletters

Got this as a forward? [Sign up](#) to receive our future emails.