

# Plan would alter tax exemptions

A state senator has proposed tinkering with one of Louisiana's sacred cows — the homestead exemption.

State Sen. Robert Barham, R-Oak Ridge, wants to change the exemption for both homeowners and businesses.

Currently, the first \$75,000 of a homeowner's primary residence is free from taxation. Also, industrial investment is free from all property taxes for 10 years.

Barham has proposed making the first \$10,000 of a home's value applicable to all local school property taxes. The next \$75,000 of the home's value would be tax exempt. Seniors would keep their full exemption.

Barham's pitch would also do away with 10-year exemptions on industry for school property taxes.

"I am not proposing doing away with the homestead exemption," he said. "I am proposing that we take a look at getting ride of all exemptions as they pertain only to education."

Gov. Kathleen Blanco, and her predecessor, Mike Foster agree that education is the key to lifting Louisiana out of its bottom-of-the-barrel rankings in so many quality of life categories.

"If we believe education is the key to taking Louisiana where we want to be, then let's everyone put our money where our mouth is," Barham said.

Barham said a by-product of his plan would be getting more people involved in local educa-

tion decisions, a theory that is endorsed by Jim Brandt, president of the Louisiana Public Affairs Research Council.

"The broader the tax base, the fewer the exemptions, the more people you have supporting it, and the rates could be lowered. At the same time, you would build more support for public education," said Brandt.

"If you are paying, you pay more attention."

Barham's originally made his proposal in a Senate bill. However, he had decided to ask for a resolution to study his idea of removing all exemptions on school taxes.

Two opposing forces, the Louisiana Association of Business and Industry and the AFL-CIO, have said they are willing discuss Barham's plan.

LABI's John LeBlanc said his organization has always been willing to discuss giving up the industrial exemption on school millages if all exemptions were "on the table."

Said AFL-CIO vice president Louis Reine: "I am committed to sitting down with Sen. Barham and the business community in any discussion of what would be best for children."

Barham's plan would have to be converted into a constitutional amendment that would require approval of two-thirds of both the Louisiana House and Senate and a majority of Louisiana voters before it could become a reality.

Nevertheless, the tax exemption changes for education has merit and deserves further study and debate.