

MM&E & BUSINESS UTILITY EXEMPTION OPTIONS

Since MM&E is not taxed in most other states and most states subject business utilities to a full sales tax rate but exempt all or part of industrial utilities, an effort should be made to exempt MM&E at all levels and find the right policy for Business and Industrial Utilities. On top of this, we need to achieve base unification in this process.

1. Allow state and local government to each tax one penny of business utilities in exchange for full exemption on MM&E
 - Should closely track to the same parishes for purposes of the revenue trade
 - Should be worth about the same amount in total
 - Would be a more consistent revenue source for locals than taxes on MM&E
 - Should be a good trade for business since most states do charge some tax on business utilities

2. Change the MM&E exemption to a rebate or a refund
 - Eliminates the need to have locals take on the exemption
 - MM&E continues to be taxed at one of the highest rates in US
 - Utilities could continue to be subject to taxation at the state level while fully exempted at the local level due to budgetary constraints

3. Allow state and local government to each tax Business Utilities but exempt Industrial Utilities in full or in part, in exchange for full exemption on MM&E
 - Can set differing rates Business and Industrial Utilities that would approximate the same amount as the MM&E Exemption overall to the locals
 - May not track as closely to the same parishes for purposes of the revenue trade
 - Would be a more competitive policy in terms of how other states are taxing both types of business utilities
 - Would be a more consistent revenue source for locals than taxes on MM&E
 - Should be a good trade for business since most states do charge some tax on business utilities.