

Good+Neighbors!

A newsletter from the Port Arthur Industry and Community Leaders Advisory Group

SPRING/SUMMER 2005

TAX DAY: SUPPORTING COMMUNITY SERVICES

“The PAIG Companies are glad to be important part of making life better for everyone in Port Arthur. Paying property taxes is one way we provide benefits to our community.”

Hermie Bundick,
Chairman of the Port Arthur Industry & Community Leaders Advisory Group

When we think of tax day most of us think of April 15, when those of us that have to write a check over and above withholdings, take a late night run to the post office to begrudgingly mail our tax return to the Internal Revenue Service. But there is also another very important tax day; it's January 31. This is the date that property taxes are paid to Jefferson County. Property taxes support local governmental entities that provide services like schools, roads, water, sewer, parks, recreation, police and fire protection.

Most of us have heard that the refining and petrochemical industries in Port Arthur pay a lot of property taxes, but just how much do they pay? Hermie Bundick, Chairman of the Port Arthur Industry & Community Leaders Advisory Group, reports that, “The ten PAIG companies wrote checks totaling \$104.4 million in property taxes to support the work of governmental entities in Jefferson County for 2004.” PAIG companies include Air Products, BASF/Sabina, Chevron Phillips, Great Lakes Carbon, Huntsman, Motiva, Onyx, Praxair, Premcor and Total.

The more than \$100 million paid annually by local industry would be very difficult to replace. The U.S. Census Bureau reported at the time of the 2000 census there were 92,880 households in Jefferson County. The \$104.4 million tax bill to these ten local plants equates to \$1,125 for every household in the county. If these companies weren't in the Port Arthur area and individuals and families had to make up the difference to maintain the same level of governmental services, residential

property taxes would have to increase by \$93.75 per month. Based on information received from the Jefferson County Tax Department, this would be an 89% tax increase.

Over \$65 million or 62.3% of total 2004 property taxes paid by PAIG companies supports public education. Port Arthur ISD received over \$26.6 million and Sabine Pass ISD received \$4.6 million from PAIG companies. This amounts to \$3,050 for every child enrolled in these two south county school districts.

Dr. Willis Mackey, Superintendent of PAISD said, “We depend heavily on our local industrial tax payers to fund education in the District. They pay the majority of the taxes collected and support our kids in many other ways. Because of our bond issue most of these companies got a tax increase this year but they believe in public education and supported our bond proposal.”

City governments also received over \$17.5 million, with the City of Port Arthur receiving \$13.5 million. Most of these dollars go for police and fire protection, water, sewer, parks and recreation.

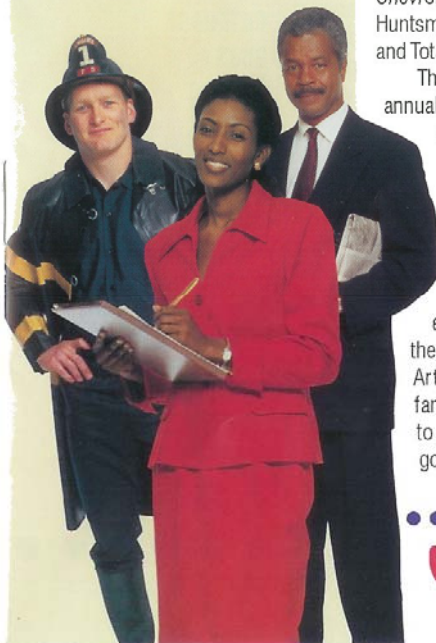
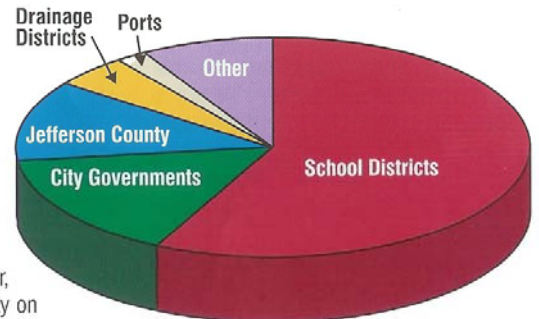
Port Arthur Mayor Oscar Ortiz said, “The majority of the funds we receive from industry come in the form of in lieu of taxes. Most of the Port Arthur plants operate in industrial districts. This means that they pay property taxes to support city services but don't use many city services. For example, industry provides most services like water, sewer, fire protection and security on

their own. We work closely with our industrial district members and often help each other out. Without local industries' in lieu of tax payments, Port Arthur couldn't offer the high level of service to our citizens without substantially raising taxes and fees.

Other major beneficiaries of PAIG companies' tax payments include Jefferson County - \$13,500,000, Drainage Districts - \$5,400,000, Ports - \$2,100,000 and the Navigation District - \$900,000.

Mr. Bundick said, “Taxing entities in Port Arthur and South County received the vast majority of the PAIG companies' tax payments.” When asked why companies with plants in Port Arthur have to pay taxes outside south Jefferson County, he responded, “Some of the PAIG companies operate plants, storage structures, pipelines and port facilities in other parts of the County that support their operations in Port Arthur.”

Mr. Bundick said, “The PAIG Companies are glad to be important part of making life better for everyone in Port Arthur. Paying property taxes is one way we provide benefits to our community. Providing hundreds of good jobs and purchasing millions of dollars in local goods and services are also vital to South County's economy.”



Working together to make life better.