

The Truth of Tax Privileges

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In Fargo, North Dakota, a company called Aldevron applied to the city council for a tax exemption. If given, it would spare the company from handing \$4.6 million dollars to the city government over the next ten years.

Now, Aldevron isn't just a company with a name seemingly out of a sci-fi movie. It is science-fictional in its mission, providing "high-quality plasmid DNA, proteins, enzymes, antibodies, and other biologicals to help our partners achieve ground-breaking science," and so on.

Sounds very interesting. But is it *\$4.6 million* interesting?

That is subjective. A more objective question was asked of the company's representative by

Fargo's voters might consider an initiative to take away politicians' ability to make creative use of their taxing authority.

Commissioner Tony Gehrig: "If you didn't get the incentive would you still expand?"

The answer was revealing: *yes*.

That is when another commissioner, Dave



Piepkorn, got a bit peeved.

He "accused Gehrig of 'bitching' about the subsidies," explains Rob Port of the Say Anything blog. Then Piepkorn went on to "bitch" . . . about Gehrig. "It really bothers me when he puts words in people's mouths."

So Commissioner Piepkorn asked Aldevron's rep if the company would go somewhere else *sans* the special privilege.

The company man, looking a tad uncomfortable, as Port notes, said *no*. Businesses have to take a long view of their relationships with local government, and tax breaks are just one element in overall "friendliness."

After all, businesses have to go *somewhere*.

Rob Port concludes that "the subsidies occur because they're expected, not because they're needed."

Fargo's voters might consider an initiative to take away politicians' ability to make creative use of their taxing authority.

Perhaps while voting out Piepkorn.

This is Common Sense. I'm Paul Jacob.