

Economic Incentives

Louisiana offers a broad range of business incentives including tax abatements, enterprise zones and financing assistance. Local economic development entities will provide assistance in researching and assisting with the application process for every incentive available and applicable to your business.

Enterprise Zone

The Enterprise Zone, or EZ program is a jobs incentive program that provides Louisiana income and franchise tax credits to a new or existing business located in Louisiana creating permanent net new full-time jobs, and hiring at least 50% of those net new jobs from one of four targeted groups. The benefit provides:

- Either a one-time \$3,500 or \$1,000 tax credit for each net new job created.
- A rebate of state sales and use taxes paid on qualifying materials, machinery, furniture, and/or equipment purchased or a 1.5% refundable investment tax credit on the total capital investment, excluding tax exempted items. The rebate shall not exceed \$100, per net new job.

Freeport Law

- Permits most manufacturers to bring raw materials into the state without having to pay a tax on them until after they have been placed in the manufacturing process.
- Cargoes in transit are exempt from taxation as long as they are kept intact within their smallest original shipping container.
- Louisiana ports and distribution facilities are also eligible for Freeport Law exemptions.

Corporate Jobs Tax Credit

- A one time tax credit ranging from \$100 to \$225 for each net new permanent job
- The credits may be used to satisfy state corporate income tax obligations
- The Program is offered to most industries, however it is not offered in conjunction with the Enterprise Zone program nor the Industrial Tax Exemption Program



IDF

Iberia Industrial Development Foundation

* All information is subject to change. Please visit www.opportunitylouisiana.com for up-to-date information or call the Iberia Industrial Development Foundation at (337) 367-0834



Deepwater Drilling Rig Repair, Renovation and Conversion Sales Tax Exemption

- Deepwater drilling rigs (for use outside the territorial limits of the state in Outer Continental Shelf waters), are exempt from State and local sales and use taxes during repair, renovation or conversion.
- Sales tax exemption applies to labor, sale of materials, services and supplies used during the period the rig is located at a Louisiana facility located in Iberia Parish for repair, renovation or conversion work.

Quality Jobs Program

- The Quality Jobs, or QJ, program provides a cash rebate to companies that create well-paid jobs and promote economic development.
- The program provides up to a 6% cash rebate of annual gross payroll for new direct jobs for up to 10 years.
- Provides a state sales/use tax rebate on capital expenditures or a 1.5% project facility expense rebate on the total capital investment, excluding tax exempted items.

Angel Investor Tax Credit

Louisiana's Angel Investor Tax Credit (AITC) encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital.

- Provides a 25% tax credit on investments by accredited investors who invest in businesses certified by Louisiana Economic Development as Louisiana Entrepreneurial Businesses (LEB).
- Provides an enhanced tax credit of 35% on investments by accredited investors who invest in LEB's located in qualified Opportunity Zones.
- To view current projects and an interactive map of Louisiana Opportunity Zones visit:
<https://www.louisianaopportunityzones.com/>
- \$7.2 million annual program cap.
- Investors can invest \$720,000 per business per year and \$1.44 million per business over the life of the program.
- The AITC Program sunsets on July 1, 2025.



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Modernization Tax Credit

Provides a 5% refundable state tax credit for manufacturers making capital investments to modernize or upgrade existing facilities in Louisiana.

- Provides a one-time 5% refundable state tax credit on capital expenditures taken over a five-year period (1% per year for five years) for manufacturers making qualified capital investments of at least \$5 million.

Taxes

Corporate Franchise Tax

- For periods beginning prior to January 1, 2023, \$1.50 for each \$1,000 or major fraction thereof up to \$300,000 of capital employed in Louisiana, and \$3 for each \$1,000 or major fraction thereof in excess of \$300,000 of capital employed in Louisiana.
- For periods beginning on or after January 1, 2023, \$2.75 for each \$1,000 or major fraction thereof in excess of \$300,000 of capital employed in Louisiana.
- The initial corporation franchise tax is \$110.

Corporate Income Tax

- Tax ranges from 3.5% to 7.5% of the net taxable income.

Property Tax

- There is no state property tax in Louisiana.
- The property tax millage in the Acadiana region ranges from 37 to 105 mills depending on where the property lies within each parish.

Sales Tax

- Sales tax is levied on the retail sale of personal property, goods used or stored for use in Louisiana and on leases and rentals of tangible personal property and certain services.
- Louisiana state sales tax is 4.45%
- Local sales tax within Acadiana ranges from 3.25% - 4.25%



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Industrial Property Tax Exemption

- An advance notification form is required
- New and expanding manufacturing operations or expansions are eligible for exemption of property taxes on new construction or additions to existing buildings; the purchase of permanently fixed equipment and machinery is also included.
- A business can take advantage of this program for a period of 5 years; there is a provision for the granting of a second 5 year exemption.

Research & Development Tax Credit

The Research and Development Tax Credit encourages existing businesses with operating facilities in Louisiana to establish or continue research and development activities within the state.

- Provides up to a 30% tax credit on qualified research expenditures incurred in Louisiana — with no cap and no minimum requirement.

Technology Commercialization Credit & Jobs Program

- Provides a 40% refundable credit for companies that invest in the commercialization of LA technology.
- Additional 6% payroll rebate for the creation of new, direct jobs.
- Qualifying research centers that develop LA technology to be commercialized may be granted a refundable tax credit based on new jobs created.
- Credits are granted for a period of no less than 5 years.

Restoration Tax Abatement

The Restoration Tax Abatement (RTA) program provides an up-to ten-year abatement of property taxes (ad valorem) on renovations and improvements of existing commercial structures and owner-occupied residences located within economic development districts, downtown development districts, historic districts, and opportunity zones.

Inventory Tax Program

- Businesses will receive state tax credits for local property taxes paid on inventories
- The credits can be used to satisfy state income and corporate franchise taxes.



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