

Louisiana Incentives *for Business*

Quality Jobs Program

Louisiana's Quality Jobs Program grants businesses engaged in manufacturing or other basic industries cash rebates up to 6% of annual gross payroll. Qualifying companies must have a minimum annual payroll of \$500,000 (\$250,000 for less than 50 employees), pay wages of 1.75 the minimum wage, and provide 85% insurance coverage. The program can be used in conjunction with the Industrial Property Tax Exemption Program.

Industrial Property Tax Exemption Program

Louisiana's Industrial Property Tax Exemption Program exempts new manufacturing facilities and expansions from state, parish and local property taxes for up to ten years. Program benefits can be combined with those of other programs, such as the Enterprise Zone or Quality Jobs programs.

Enterprise Zone Program

Louisiana's Enterprise Zone Program provides tax credits and other incentives to businesses hiring from within officially designated Enterprise Zones. EZs are urban or rural areas of high unemployment, low income, and/or where a large number of residents are receiving some form of public assistance.

Economic Development Assistance Program (EDAP)

This program, administered by the Louisiana Department of Economic Development provides grants for publicly owned infrastructure to assist industrial or business development projects that promote economic development and that require state assistance.

Restoration Tax Abatement Program

The program provides 10-year property tax abatement on the improvements made to commercial and residential properties in designated downtown development districts, economic development districts and historic districts.

Sales and Use Tax Exemption

Louisiana businesses receive an exemption of the 4 percent state sales, use, lease and rental tax on eligible machinery & equipment purchased in the state. The tax will be gradually phased out through 2010.

Inventory Tax Credit

The Inventory Tax Credit provides a 100 percent refundable tax credit against state corporate income and franchise taxes for inventory taxes paid to political subdivisions.

Corporate Jobs Tax Credit Program

The Corporate Jobs Tax Credit Program provides credits of up to \$225 per new worker. The credits can be used to satisfy state corporate income taxes and are an alternative option to the benefits of the state's Industrial Property Tax Exemption program and Enterprise Zone program benefits.

Research & Development Tax Credit Program

Companies claiming Federal income tax credit for research activities are able to claim credit against state income and corporation franchise taxes up to 20% of the state's apportioned share of increased R & D expenses.

Technical Commercialization Credit Program

Companies partnering with Louisiana universities can claim an annual 15% credit against the costs of investment in machinery, equipment and expenditures associated with obtaining rights for the use of technology, including patents, copyrights, licenses, and the leasing of equipment for an initial 4 year program time. Businesses in identified traditional or seed clusters with no more than 225 employees and not less than 75% of all employees residing in Louisiana can sell tax credits for 75% of value amount to another Louisiana taxpayer.

Biotechnology Sales/Use Tax Exemption

Under the plan, equipment classified under the NAICS biotechnology category will be exempt from all state and local sales/use taxes.

Customized Software Tax Phaseout

Customized software developers in Louisiana are exempt from state sales and use taxes (local is optional.) The tax exemption will be phased beginning with a 25% exemption in July 2002 to June 2003, with an additional 25% over the succeeding 4 years up to June 2005.

Film and Video Production Tax Credit

Allows tax credits on percentage of production costs associated with motion picture production companies producing nationally distributed movies, videos, commercials, television series, etc. 10% for spending of \$300,000 to \$1,000,000; and 15% over \$1 million.

Automotive and Aerospace Industry Tax Credit

The program provides a \$5,000 one-time income tax credit per new job for companies that participate in the Enterprise Zone program in the automotive and aerospace industries.

Rural Tax Increment Financing

The Rural TIF Program allows parishes or municipalities with a population of at least 250,000 the ability to offer tax increment financing on sales, use, property, and hotel occupancy taxes.

Cooperative Endeavor Agreements

Allows the use of public funds for cooperative endeavor agreements for economic development projects to be used on privately owned land or buildings, instead of need for public ownership for transaction.

Tax Equalization

The state of Louisiana will match the tax rates of a competing state if necessary to retain a business in the state. Approval by the LA Legislature is required.

Industry Assistance Program

Financially distressed companies anticipated to close in the state might be eligible for tax relief from the state in order to retain jobs and investment. Approval by the LA Legislature is required.

Workforce Development & Training Program

This program provides funding for customized workforce training programs, if all qualifications are met, in order to improve the competitiveness and productivity of Louisiana's workforce and business community and to assist Louisiana businesses in promoting employment stability.

Incumbent Worker Training Program

Louisiana has a \$50 million fund to upgrade the skills of existing or train new employees of resident industry. Local workforce investment boards (WIBs), technical colleges and the LA Department of Labor work to provide this benefit.

FEDERAL PROGRAMS

Gulf Opportunity Zone

In the wake of the 2005 hurricanes, the Bush Administration passed a package of incentives for existing and new businesses located in Louisiana's designated areas. Although Ascension Parish was not negatively impacted by the hurricanes companies can benefit from these programs.

- Enhanced Section 179 expensing for small businesses
- Fifty percent bonus depreciation for expansion or new building construction
- Increase in the Rehabilitation Tax Credit to help restore commercial buildings
- Employer-provided housing incentives
- Expansion and extension of the Employee Retention Tax Credit
- Extension of the net operating loss carryback period
- Reduction of demolition and cleanup costs

Community Development Block Grants

Grants to expanding and new companies for infrastructure projects in areas affected by the 2005 hurricanes.

FINANCIAL ASSISTANCE

Louisiana Economic Development Corporation (LEDC)

The Louisiana Economic Development Corporation (LEDC) was established in July 1988 by an Act of the Legislature. LEDC serves as the one reviewer and administrator of the Department of Economic Development's loan, guaranty, and grant programs. LEDC administers several programs for small Louisiana businesses, ranging from loan guarantees to venture capital.
www.lded.state.la.us/businessresources/ledc.aspx

Louisiana Project Equity Fund

Louisiana Project Equity Fund is a new financing program created by the Louisiana Economic Development (LED) to assist small businesses in purchasing capital equipment and accompanying inventory and/or technology for enhanced production. The program is administered by the Louisiana Economic Development Corporation.

Louisiana Public Facilities Authority

The Louisiana Public Facilities Authority is a private publicly funded corporation that administers Industrial Revenue Bonds (IDBs) for businesses expanding or relocating to Louisiana.
www.lpfa.com/