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## **Incentives**

### **State Business Incentives**

also go to [www.louisianafoward.com](http://www.louisianafoward.com)

These business incentives are funded by the State of Louisiana to attract and cultivate business. Find out about the Enterprise Zone, Quality Jobs, Restoration Tax Abatement and Industrial Tax Exemption programs.

The [LED Board of Commerce & Industry](#) administers these incentives.

#### **Enterprise Zone**

The Enterprise Zone (EZ) Program is a JOBS incentive program that provides Louisiana Income and Franchise tax credits to a business hiring a minimum number of net new employees.

- Requires an [Advance Notification](#) form.
- Must increase employment by 10% within the first 12 months;
- Or, add at least 5 new jobs in the first two years.

#### **Quality Jobs**

The Quality Jobs Program promotes economic development by encouraging businesses to create well-paid jobs.

- Requires an [Advance Notification](#) form.
- Must be in one of the following industry clusters: Bio-Science, Manufacturing, IT, Environmental Technology, Food Technology, Advanced Materials or Oil & Gas Field Service;
- Or, must have at least 75% of sales out-of-state;
- Or, must have at least 50% of annual sales out-of-state;
- And, must provide a basic health care insurance plan.

#### **Restoration Tax Abatement**

The Restoration Tax Abatement (RTA) Program encourages the expansion, restoration, improvement and development of existing commercial structures and owner-occupied residences in specified districts.

- Requires an [Advance Notification](#) form.
- Applies to municipalities and local governments to develop existing structures in Downtown Development Districts, Economic Development Districts or Historic Districts.

#### **Industrial Tax Exemption Program**

Available exclusively to manufacturers, the Industrial Tax Exemption Program is Louisiana's original incentive program for capital investments.

- Special circumstances may require an Advance Notification form.
- Applies to capital investments for new or existing Louisiana manufacturers only.

### **Research & Development Tax Credit**

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

- Applies to businesses that encourage development, growth and expansion within the state;
- And, encourage new and continuing efforts to conduct research and development activities in the state.

### **Industry Assistance Program**

The Industry Assistance Program provides a tax exemption when manufacturers and their contractors give preference and priority to Louisiana manufacturers or Louisiana suppliers, engineers, contractors and labor.

- Must be a Louisiana manufacturer with facilities in the state;
- And, maintain current employment;
- And, commit to significant investment to continue doing business in Louisiana.

### **Tax Equalization Program**

The Tax Equalization Program attracts, retains and encourages the expansion of manufacturing establishments, headquarters, warehousing and distribution establishments to Louisiana that would not do so in Louisiana due to a higher tax burden.

- Must be a manufacturing establishment, headquarters or warehousing and distribution establishment planning an expansion;
- The competing site in another state must offer comparative advantages to Louisiana.

## **Federal Business Incentives**

Federal money has been made available to businesses through such programs as the Gulf Opportunity Zone, Renewal Communities and New Markets Tax Credits Incentives and more.

### **Gulf Opportunity Zone**

Louisiana's business incentive package is one of the most aggressive in U.S. history. These incentives demonstrate the commitment of Governor Blanco and the U.S. Congress to the future of our state's economy. They include:

- A 50% Bonus Depreciation and Net Operating Loss (NOL) carryback, which allows you to leverage business investments to get refunds on past years taxes.
- \$7.9 billion in Gulf Opportunity Zone Bonds available for rebuilding.
- An Enhanced Section 179 expensing, allowing your business to write off up to \$200,000 of expenditures on your company's taxes.

Renewal Communities

Renewal Communities (RCs) are distressed areas in urban and rural communities that the federal government has targeted for development and where businesses are eligible for billions of dollars in tax incentives.

New Markets Tax Credits

Investors in qualified projects can obtain a tax credit of five or six percent of the amount invested for each year the investment is held, for up to seven years of the credit period.

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