

STATE AND FEDERAL INCENTIVES MATRIX (Not inclusive of all business incentives – Not all available incentives are guaranteed)

MARCH 2011

FEDERAL		
New Market Tax Credits	This incentive is available for properties located within federally-qualified New Market Tax Credit census tracts. Working with a Community Development Entity (CDE) or a financial institution who obtains New Market Tax Credits can result in savings to your company by receiving a reduced rate of financing for the project resulting in savings between 1.5% to 2% during the first seven years of loan.* <i>Amount of savings depends on availability of NMTCs.</i> (2/11)	US Department of the Treasury LA Economic Development
Workforce Investment Act - WIA	This Federal Program provides funding for state and regional workforce training that is administered by local Workforce Investment Boards. (Lafayette Consolidated Gov't through Lafayette Business & Career Solutions)	US DOL - locally LCG – Business & Career Solutions Center
Renewal Communities	Renewal Communities (RCs) are distressed areas in urban and rural communities that the federal government has targeted for development and where businesses may be eligible tax incentives. (4/10)	US Department of Housing & Urban Development www.renewallouisiana.com LA Economic Development
Work Opportunity Tax Credit (WOTC)	Businesses can be eligible for up to \$2,400 in Federal tax credits for each new qualified employee hired from certain target groups. Can also earn as much as \$4,800 for each new disabled veteran hire, and \$9,000 in federal credits for each long term welfare (TANF) recipient hired over a two year period. (Qualified food stamp recipient, other TANF recipient, qualified veteran, Vocational Rehab referral, qualified ex-felon, and SSI recipient.) (10/10)	US Department of Labor LA Workforce Commission
Federal Historic Rehabilitation Tax Credit	Encourages the preservation of historic buildings through incentives to support the rehabilitation of historic and older buildings. Income producing properties that are individually listed on the National Register or a contributing element within a National Register Historic District. Credit is up to 20% of construction costs and fees. (4/10)	Office of Cultural Development/Division of Historic Preservation
Foreign Trade Zones	A foreign-trade zone is a designated location in the United States where companies can use special procedures that help encourage U.S. activity and value added – in competition with foreign alternatives – by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings. A site which has been granted zone status may not be used for zone activity until the site has been separately approved for FTZ activation by the local U.S. Customs and Border Protection (CBP) officials, and the zone activity remains under the supervision of CBP. For a list of zones in Louisiana, click on this link: http://ia.ita.doc.gov/ftzpage/letters/ftzlist-map.html#louisiana (10/10)	http://ia.ita.doc.gov/ftzpage/index.html
Small Business Administration	This Federal Program provides several programs and assistance to small business. Services include small business loans, counseling and training. These programs can be assessed either through the local Small Business Development Center or directly through their website.	http://www.sba.gov/ http://www.lsbdc.org/center.aspx?center=18008&subloc=0
Research and Development Tax Credit	Companies may claim Federal Income Tax credit for research and development activities. May be coupled with the Louisiana Research and Development Tax Credit program. (3/11)	http://www.alliantgroup.com/ag/index.cfm/our-services/research-and-development-tax-credit/
Rural Development Grants - USDA	There are several federal grants and programs available under the USDA that may apply to major projects seeking assistance with infrastructure in a USDA Rural zone.	http://www.rurdev.usda.gov/LP_EconDevHome.html
STATE – Guide to Doing Business in Louisiana		
Quality Jobs	The Quality Jobs Program promotes economic development by encouraging businesses to create well-paid jobs in specific clusters. Rebates of 5% to 6% of gross annual payroll for new jobs and may rebate state 4% sales/use tax on new infrastructure, machinery and equipment purchased during construction. (4/10)	LA Economic Development
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 (\$2,500 per). (4/10)	LA Economic Development
Industrial Property Tax Exemption	Available exclusively to manufacturers, the Industrial Tax Exemption Program is Louisiana's original incentive	LA Economic Development

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	program for capital investments. Abates local property taxes for 10 years on new investments. (4/10)	
LA. Inventory Tax Credit Program	Louisiana tax law provides for a credit against income tax and franchise tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors and retailers. (4/10)	LA Department of Revenue
Incumbent Worker Training Program (IWTP)	The program is designed to benefit business and industry by assisting in skills development of existing employees and increasing employee productivity and the growth of the company through customized training. Company must have been in business for at least three years in LA, paying and in full compliance with LA UI tax system. Business or group of businesses must have at least 15 employees to train during contract. (4/10)	LA Workforce Commission – IWTP Unit
Governor’s Rapid Response Fund	A permanent \$10 Million annual fund for making major awards to community or technical college campuses in order to rapidly launch needed training programs or improve or expand existing programs. (10/10)	LA Community and Technical College System 225-922-2800
Retention and Modernization	The purpose of this incentive is to induce business to remain in the state and not relocate outside of the state and to modernize existing business operations in Louisiana. (4/10)	LA Economic Development (no rules as yet)
Registered Apprentice Program	LA. Businesses sponsoring a Registered Apprentice program can claim tax credits for all eligible apprentices they employ. The credit is equal to \$1/hour worked for up to a maximum of \$1,000 per apprentice. (4/10)	Louisiana Workforce Commission http://www.laworks.net/Downloads/Downloads_WFD.asp#APP
Headquarter Growth Fund	Eliminates taxes on interest and dividends for companies locating their headquarters in LA. and aligns with other states to apportion income from capital gains. (This incentive will be determined by LED)	La Economic Development – Contact Directly
La. Research and Development Tax Credit	Companies claiming Federal Income Tax credit for research and development activities can claim credit against state income and corporation franchise taxes. (4/10)	LA Economic Development
Small Business Employee Training Program (SBET)	The IWTP Small Business Employee Training Program (SBET) is designed to benefit businesses with less than 50 LA employees by assisting in skills development of existing employees through individual, standardized (off the Shelf) training. Training costs cannot exceed \$3,000 and employers are reimbursed for tuition and required textbooks and manuals. Company must have been in business for at least three years in LA, paying, and in full compliance with LA UI tax system. (4/10)	Louisiana Workforce Commission http://www.laworks.net/WorkforceDev/IWTP/IWTP_SmallBusiness.asp
Small & Emerging Business Development Program (SEBD)	The Small and Emerging Business Development Program (SEBD) is one of the main delivery vehicles for Louisiana Economic Development (LED) to assist small businesses in both the rural and urban regions of the state. SEBD is a statewide program in cooperation with individuals, practitioners, organizations and agencies committed to on-going sustainable economic and human development in rural and urban Louisiana. Developmental assistance including entrepreneurial training, marketing, computer skills, accounting, business planning, legal and industry specific assistance can be funded up to 50%. Administered through Small Business Development Centers. (10/09)	LA Economic Development SBDC located at UL Lafayette
Louisiana Contractors Accreditation Institute	The Louisiana Contractors Accreditation Institute is a management training course designed to support the state’s growing construction industry. Held in conjunction with the Louisiana Community and Technical college system. (4/10)	LA Economic Development
Bonding Assistance Program	Aids certified small and emerging businesses in reaching the bonding capacity required for specific projects. As of 2/1/2011 the maximum guarantee has been reduced from \$200,000 to \$50,000. (3/11)	LA Economic Development
Contract Loan Program	Provides a loan participation and guarantee to a bank for government contract loans. (4/10)	LA Economic Development
Louisiana FastStart	Provides workforce recruitment, screening and training to new and expanding Louisiana companies at no cost. (4/10)	LA Economic Development
Motion Picture Tax Credit	Productions considering Louisiana can earn a fully transferable tax credit of 30% on in-state expenditures and an additional 5% on the payroll of Louisiana residents. (3/11)	La Economic Development http://www.lafilm.org http://www.entertainmentpartners.com/Content/ProductionIncentives/Jurisdictions/charts.aspx?jid=22

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Digital Interactive Tax Credit	The Digital Media Incentive provides a tax credit of 25% of qualified production expenditures for state-certified digital interactive productions in Louisiana and 35% tax credit for payroll expenditures for Louisiana residents. (3/11)	LA Economic Development
LA. Sound Recording Investor Tax Credit	Created with the entertainment industry in mind. Much like the state's highly successful film program, the credit has advanced to 25 % and is designed to boost record production development by reducing the cost of making new master music recordings, whether distributed by CD, digital download or as part of a soundtrack. (3/11)	LA Economic Development
Live Performance Tax Credit	Provides a tax credit of up to 35% of production and infrastructure development, with additional credits available for payroll and transportation costs. (4/10)	LA Economic Development
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. (4/10)	LA Economic Development
25% State Commercial Tax Credit Program	To promote the rehabilitation of income-producing historic buildings that contributes to the significance of designated Downtown Development Districts and Cultural Districts in Louisiana. (4/10)	http://www.crt.state.la.us/hp/tax_incentives/state_commercial_tax_credit.aspx
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. (This incentive will be determined by LED)	LA Economic Development
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. (4/10)	LA Economic Development http://www.louisianaforward.com/
Louisiana Economic Development Award Program (EDAP)	Provides assistance for publicly-owned infrastructure to assist industrial or business development projects that promote economic development and require state assistance. Provides a minimum of \$25,000 and projects must create or retain 10 permanent jobs. (4/10)	LA Economic Development
Mentor Protégé Tax Credit Program	Provides mentor firms to assist emerging construction businesses with state tax credits. (4/10)	LA Economic Development
Technology Commercialization Credit & Jobs Program	Qualifying individuals or businesses that invest in the commercialization of Louisiana technology within Louisiana may earn, apply for and be granted a refundable tax credit on any income or corporation franchise tax liability and earn a refundable tax credit based on new jobs created. Qualifying Research Centers that develop Louisiana technology to be commercialized may earn, apply for and be granted a refundable tax credit based on new jobs created. Such credits shall be earned and granted for a period of no less than five years. (4/10)	La Economic Development
Small Business Loan Program	Provides loan guarantees and participations to banks to facilitate capital accessibility for businesses. Guarantees may range up to 75% of the loan amount, not to exceed a maximum of \$1.5 million. Loan participations of up to 40% are also available. Applicants must have a business plan and a bank that is willing to fund the loan. (4/10)	LA Economic Development Corporation
Micro Loan Program	Provides loan guarantees and participations to banks for micro-business loans, ranging from \$5,000 to \$50,000.	LA Economic Development
Microenterprise Development Program	Provides self-employment training that gives entrepreneurs the competitive advantage they need to succeed.	LA Economic Development
Rail Rolling Stock Tax Exemption	Offers tax incentives to companies to encourage the manufacturing and repair of rail rolling stock within Louisiana. (This incentive will be determined by LED)	LA Department of Revenue
Hudson Initiative	Provides small businesses with greater potential for access to state procurement and public contract opportunities. (4/10)	LA Economic Development Corporation
Veteran Initiative – Small Entrepreneurship Program	Veteran Small Entrepreneurships (VSE) is a small entrepreneurship program, specifically for veteran and service-connected, disabled veteran-owned businesses, utilizing business offerings available for state procurement and public contracts. (4/10)	LA Economic Development Corporation

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Freeport Law – Article 7, Section 21 D of the Louisiana State Constitution	Manufacturers bringing raw materials into the state do not pay taxes on them if the goods are held on public property of a port, docks of the common carrier in which they entered the state, or held in public or private storage in their original containers or for raw materials or bulk. Tax exemptions are also allowed for items held for export outside the state and for goods that are in transit through the state in interstate commerce, if the point of origin and final destination are both outside of Louisiana and the goods remain in original containers. This incentive is administered by each parish tax assessor. (10/10)	www.louisianaassessors.org/Assessors/Assessors.htm
Credit for employment of certain first-time drug offenders	A tax credit is allowed for each taxpayer who provided full-time employment to an individual who has been convicted of a first time drug offense and who is less than 25 years of age at the time of the initial employment, and have worked 180 full days. Credit is \$200/tax year per employee for a max. of two years.	LA Department of Revenue See page 18
Credit for employment of nonviolent offenders	A tax credit is allowed for each taxpayer who provided full-time employment to an individual who has been convicted of a first time non-violent offense and who is less than 25 years of age at the time of the initial employment, and have worked 180 full days. Credit is \$200/tax year per employee for a max. of two years.	LA Department of Revenue See page 22
Credit for employment of previously unemployed	\$750 tax credit allowed to encourage the employment of previously unemployed Louisiana residents and recipients of FITAP payments participating in the Find Work Program. Credit is against company income tax for taxable period, during which the new employee has completed one year of service with the taxpayer.	LA Department of Revenue See page 30
Louisiana Basic Skills Training Tax Credit	A tax credit is allowed for Louisiana businesses that provide basic-skills training for their full-time employees. The employees must be Louisiana residents and participation in the training must be voluntary. The credit is \$250/employee/year. The total credit cannot exceed \$30,000/tax year.	LA Department of Revenue See page 38
Credit for New Jobs	Employers are allowed a tax credit for hiring new employees for jobs in the state that did not previously exist. Employers receiving tax credits under the Quality Jobs Program cannot qualify for this credit.	LA Department of Revenue See page 64

The Lafayette Economic Development Authority provides information on incentive programs and tax credits in general terms only. Every effort has been made to present current information. However, federal and state revenue codes are complex and change frequently. Furthermore, the provisions of the tax code regarding at-risk rules, passive activity limitation, and alternative minimum tax can affect a taxpayer's ability to use tax credits. Applicants are strongly advised to consult an accountant, tax attorney, or other professional tax advisor or legal counsel for help in determining whether these incentives pertain to their own situations. We make no representation that any of these incentives are available for a given project, only that they exist in law.

Other Links - Louisiana

[Louisiana Small Business Development Center – University of Louisiana at Lafayette](#)

[New Business Guide – Louisiana Department of Revenue – September 2008](#)

[Small Business Resource Guide](#)

[Entertainment Incentives](#)

[Louisiana Angel Network](#) - The Louisiana Angel Network (LAN) is a registered Louisiana Nonprofit Corporation headquartered in Baton Rouge, Louisiana governed by its Board of Directors. LAN is a select network of accredited investors across Louisiana that provides seed and early stage investment capital to viable startup companies ready for angel-round funding. Typically, LAN makes equity investments of \$50,000 to \$2 million of capital in order to take entrepreneurs to the next level- from finishing product development to entering the marketplace.