

# State and Federal Incentives Matrix

(Not inclusive of all business incentives. Not all available incentives are guaranteed.)



July 2016

<b>FEDERAL</b>		
New Market Tax Credits	The New Markets Tax Credit Program (NMTC Program) helps economically distressed communities attract private capital by providing investors with a Federal tax credit. Investments made through the NMTC Program are used to finance businesses, breathing new life into neglected, underserved low-income communities. (7/16)	<a href="#">US Department of the Treasury</a>
-Workforce Innovation & Opportunity Act - WIOA	This Federal Program provides funding for state and regional workforce training that is administered by local Workforce Development Boards. (Lafayette Consolidated Gov't through <a href="#">Lafayette Business &amp; Career Solutions</a> ) (7/16)	US DOL - <a href="#">Business &amp; Career Solutions Center</a>
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 \$5000 for each Long-term TANF recipient and up to \$9,600 in federal credits for each long-term un-employed disabled veteran. (Qualified food stamp recipient, other TANF recipient, qualified veteran, Vocational Rehab referral, qualified ex-felon, and SSI recipient.) (7/16)	<a href="#">US Department of Labor LA Workforce Commission</a>
Federal Historic Rehabilitation Tax Credit	Encourages and supports the preservation/rehabilitation of historic/older buildings through incentives. 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 (7/16)	<a href="#">Office of Cultural Development/Division of Historic Preservation</a>
Federal Non-Historic Rehabilitation Tax Credit	Encourages the preservation of non-historic buildings that were built before 1936. The rehabilitation must be substantial and must involve a depreciable building. Substantial means that the cost of rehabilitation must exceed the pre-rehab cost of the building. The building must be used for an income-producing purpose for at least 5 years. Credit is up to 10% and cannot be used with the Federal Historic credit. (7/16)	<a href="#">Office of Cultural Development/Division of Historic Preservation</a>
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: <a href="http://enforcement.trade.gov/ftzpage/letters/ftzlist-map.html">http://enforcement.trade.gov/ftzpage/letters/ftzlist-map.html</a> (7/16)	<a href="#">Foreign Trade Zones Board</a>
Brownfields Program	The EPA's Brownfields Program provides grants and technical assistance to communities, states, tribes and others to assess, safely clean up and sustainably reuse Brownfield sites. Brownfields are properties that may have hazardous substances, pollutants or contaminants present. Grants are available for Phase I/II environmental assessments, clean-up (if necessary), and redevelopment. In addition, the program was expanded in 2006 to cover properties with petroleum contamination. (7/16)	<a href="http://www.epa.gov/brownfields/">http://www.epa.gov/brownfields/</a>
EB-5 Immigrant Investor Incentive	USCIS administers the Immigrant Investor Program, also known as "EB-5," created by Congress in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. (7/16)	<a href="#">EB-5</a>
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. (7/16)	<a href="#">Small Business Administration Louisiana Small Business Development Center</a>
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. (7/16)	<a href="#">Research and Development Tax Credit - R&amp;D Tax Credit</a>
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. (7/16)	<a href="#">USDA Rural Development Programs Summary</a>

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<b>STATE – <a href="#">Guide to Doing Business in Louisiana</a></b>		
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. (7/16)	<a href="#">LA Economic Development</a>
Quality Jobs	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 on 80% of gross payroll for new direct jobs for up to 10 years. Effective July 1, 2018, the rebate is available on 100% of gross annual payroll. Provides a 4% sales/use rebate on capital expenditures or a 1.5% refundable investment tax credit on the total capital investment, excluding tax exempted items. (7/16)	<a href="#">LA Economic Development</a>
Competitive Projects Payroll Incentive Program	The Competitive Projects Payroll Incentive Program provides an incentive rebate of up to 15 percent of a participating company's new payroll for up to 10 years. Additionally, a participating company will be eligible for either a rebate of state sales and use taxes on capital expenditures or 1.2 percent project facility expense rebate. See website for a list of eligible industries. (7/16)	<a href="#">LA Economic Development</a>
Industrial Property Tax Exemption	Available exclusively to manufacturers, the Industrial Tax Exemption Program is Louisiana's original incentive program for capital investments. Abates local property taxes for up to 10 years on new investments and annual capitalized additions related to the manufacturing site. <i>Note: Executive Order JBE 2016-26, issued June 24, 2016, provides changes and new requirements. See LED website for updates.</i> (7/16)	<a href="#">LA Economic Development</a> <a href="#">LA Office of the Governor</a>
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. The program provides five-year property tax abatement (plus an option for a five year renewal with local governing authority approval) for the expansion, restoration, and improvement of commercial structures and owner-occupied residences. (7/16)	<a href="#">LA Economic Development</a>
LA. Inventory Tax Credit Program	Louisiana tax law provides 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. The credit/refund will be affected by the amount of ad valorem taxes paid to all political subdivisions in the taxable year. For taxpayers who paid \$500,000 or less in eligible ad valorem taxes, the full amount of the excess credit will be refunded. If more than \$500,000 but less than or equal to \$1,000,000 is paid, a refund of 75% of the excess credit is issued with the remaining 25% carried forward as a credit against subsequent tax liabilities up to 5 years. If more than \$1,000,000 is paid, 75% of the first \$1,000,000 of the excess credit is refundable and the remaining amount is carried forward as a credit against subsequent tax liabilities up to 5 years. Manufacturers are not allowed to receive a refund of any portion of the inventory tax credit in any year they also participate in the Industrial Tax Exemption Program (ITEP). <i>Note: SB6/Act 4 and SB10/Act 5 of the 2016 LA Legislature 2<sup>nd</sup> Special Session made major changes to the Inventory Tax Credit. Please check LA Department of Revenue website for updated Revenue Information Bulletin. Applicable to returns filed after July 1, 2016, regardless of tax year of the return, unless it is an amended return for a prior year on which the inventory tax credit was properly claimed.</i> (7/16)	<a href="#">LA Legislature 2016 Act 4</a> <a href="#">LA Legislature 2016 Act 5</a>
Incumbent Worker Training Program (IWTP)	The program is designed to benefit businesses and industries 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. (7/16)	LA Workforce Commission – <a href="#">IWTP Unit</a>
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, 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. (7/16)	Louisiana Workforce Commission <a href="http://www.laworks.net/WorkforceDev/IWTP/IWTP_SmallBusiness.asp">http://www.laworks.net/WorkforceDev/IWTP/IWTP_SmallBusiness.asp</a>

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Louisiana FastStart	A single-source workforce solution that works with businesses to anticipate and address the company's workforce needs early in the startup or expansion process. This is discretionary incentive of the state and based on company's commitment to create jobs. Target industries that this program works with are manufacturing, call centers, headquarters, wholesale distribution, technology, and digital media. (7/16)	<a href="#">La Economic Development</a>
Competitive Projects Payroll Incentive Program	The Competitive Projects Payroll Incentive Program provides an incentive rebate of up to 15 percent of a participating company's new payroll for up to 10 years. Additionally, a participating company will be eligible for either a rebate of state sales and use taxes on capital expenditures or 1.5 percent project facility expense rebate. Incentive rebates by industry are listed on the website: (7/16)	<a href="#">La Economic Development</a>
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. (7/16)	<a href="#">LA Community and Technical College System</a> 225-308-4420
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. (7/16)	<a href="#">LA Economic Development</a>
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. (7/16)	<a href="#">Louisiana Workforce Commission</a> <a href="http://www.laworks.net/Downloads/Downloads_WFD.asp#APP">http://www.laworks.net/Downloads/Downloads_WFD.asp#APP</a>
Research and Development Tax Credit	Provides up to a 40% tax credit on qualified research expenditures incurred in Louisiana, with no cap and no minimum requirement. Encourages existing businesses with operating facilities in Louisiana to establish or continue research and development activities. (7/16)	<a href="#">LA Economic Development</a>
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. (7/16)	<a href="#">LA Economic Development</a> <a href="#">SBDC</a> located at UL Lafayette
Motion Picture Investor Tax Credit	Productions considering Louisiana can earn a fully transferable tax credit of up to 30% on in-state expenditures and an additional 10% on the payroll of Louisiana residents. Please see minimums and thresholds at LED website. (7/16)	<a href="#">La Economic Development</a>
Digital Interactive Media and Software Development Incentive	The Digital Media Incentive provides a tax credit of 25.2% on qualified payroll for in-state labor and 18% for qualified production expenditures through June 30, 2018, and a 35% tax credit on qualified payroll for in-state labor and 25% for qualified production expenses for qualified production expenses for expenditures on or after July 1, 2018. (7/16)	<a href="#">LA Economic Development</a>
Sound Recording Investor Tax Credit	Created with the entertainment industry in mind. Much like the state's highly successful film program, the credit is 18% 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. Cap of \$2.16 million until June 30, 2018. After July 1, 2018 the cap increases to \$3 million/year. (7/16)	<a href="#">LA Economic Development</a>
Musical and Theatrical Production Tax Incentive	Provides a tax credit of up to 18% of production and infrastructure development (depending on certified expenditures). Additional credits of 7.2% may be available for payroll expenditures to Louisiana residents. (7/16)	<a href="#">LA Economic Development</a>
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. The building must be used for an income-producing purpose, meet the Secretary of the Interior's Standards for Rehabilitation and eligible expenses must exceed \$10,000. (7/16)	<a href="http://www.crt.state.la.us/cultural-development/historic-preservation/tax-incentives/state-commercial-tax-credit/index">http://www.crt.state.la.us/cultural-development/historic-preservation/tax-incentives/state-commercial-tax-credit/index</a>
Angel Investor Tax Credit	Louisiana's Angel Investor Tax Credit (AIRC) encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital. Provides 25.2% tax credit on investments by accredited investors who invest in businesses certified by LED as Louisiana Entrepreneurial Businesses (LEB).	<a href="#">LA Economic Development</a>

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	Sunsets July 1, 2017. (7/16)	
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 \$50,000 and projects must create or retain 10 permanent jobs. (7/16)	<a href="#">LA Economic Development</a>
Technology Commercialization Credit & Jobs Program	The Technology Commercialization Tax Credit provides a 28.8% refundable tax credit for companies that invest in the commercialization of Louisiana technology and a 4.32% payroll rebate for the creation of new, direct jobs. (7/16)	<a href="#">La Economic Development</a>
Small Business Loan and Guaranty Program	Provides loan guarantees and participations to banks to facilitate capital accessibility for small businesses. Guarantees may range up to 75% of the loan amount, starting at \$5,000 and not to exceed a maximum of \$1.5 million. Applicants must have a business plan and a bank that is willing to fund the loan. Must be a small business and be domiciled in Louisiana. (7/16)	<a href="#">LA Economic Development Corporation</a>
Hudson Initiative	Louisiana's Hudson Initiative is a certification program that is designed to help eligible Louisiana small businesses gain greater access to purchasing and contracting opportunities that are available at the State government level. (7/16)	<a href="#">LA Economic Development Corporation</a>
Veteran Initiative – Small Entrepreneurship Program	Louisiana's Veteran Initiative (LAVETBIZ) is a certification program that is designed to help eligible Louisiana Veteran-owned and Service-Connected Disabled-Veteran-owned small businesses gain greater access to purchasing and contracting opportunities that are available at the state government level. (7/16)	<a href="#">LA Economic Development Corporation</a>
Economic Gardening Initiative	Louisiana Economic Development's Economic Gardening Initiative provides Louisiana-based small businesses with the information they need to grow and succeed. Through accelerated technical assistance and research, an experienced economic gardening team will provide customized services tailored to your business needs.(7/16)	<a href="#">LA Economic Development Corporation</a>
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 has worked 180 full days. Credit is \$200/tax year per employee for a maximum of two years. (8/15)	<a href="#">LA Department of Revenue</a> See page 18
Credit for Employment of Certain First Time 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 has worked 180 full days. Credit is \$200/tax year per employee for a max of two years. (8/15)	<a href="#">LA Department of Revenue</a> See page 22
Credit for Employment of Previously Unemployed**	\$750 tax credit allowed encouraging 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. (8/15)	<a href="#">LA Department of Revenue</a> 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. (7/14)	<a href="#">LA Department of Revenue</a> 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. Credits for hiring employees in new jobs are in the amounts of \$100, \$200, or \$225 depending on the eligible employee. Employers receiving tax credits under the Quality Jobs Program cannot qualify for this credit. (8/15)	<a href="#">LA Department of Revenue</a> See page 64

\*\* According to the Louisiana Department of Revenue Information Bulletin No. 015-021 of June 29, 2015 these incentives are subject to an across the board 28% reduction from previous statutes. In some cases the reduction has been rounded to the nearest whole number.

### PLEASE NOTE:

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*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 – October 2011](#)

[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.