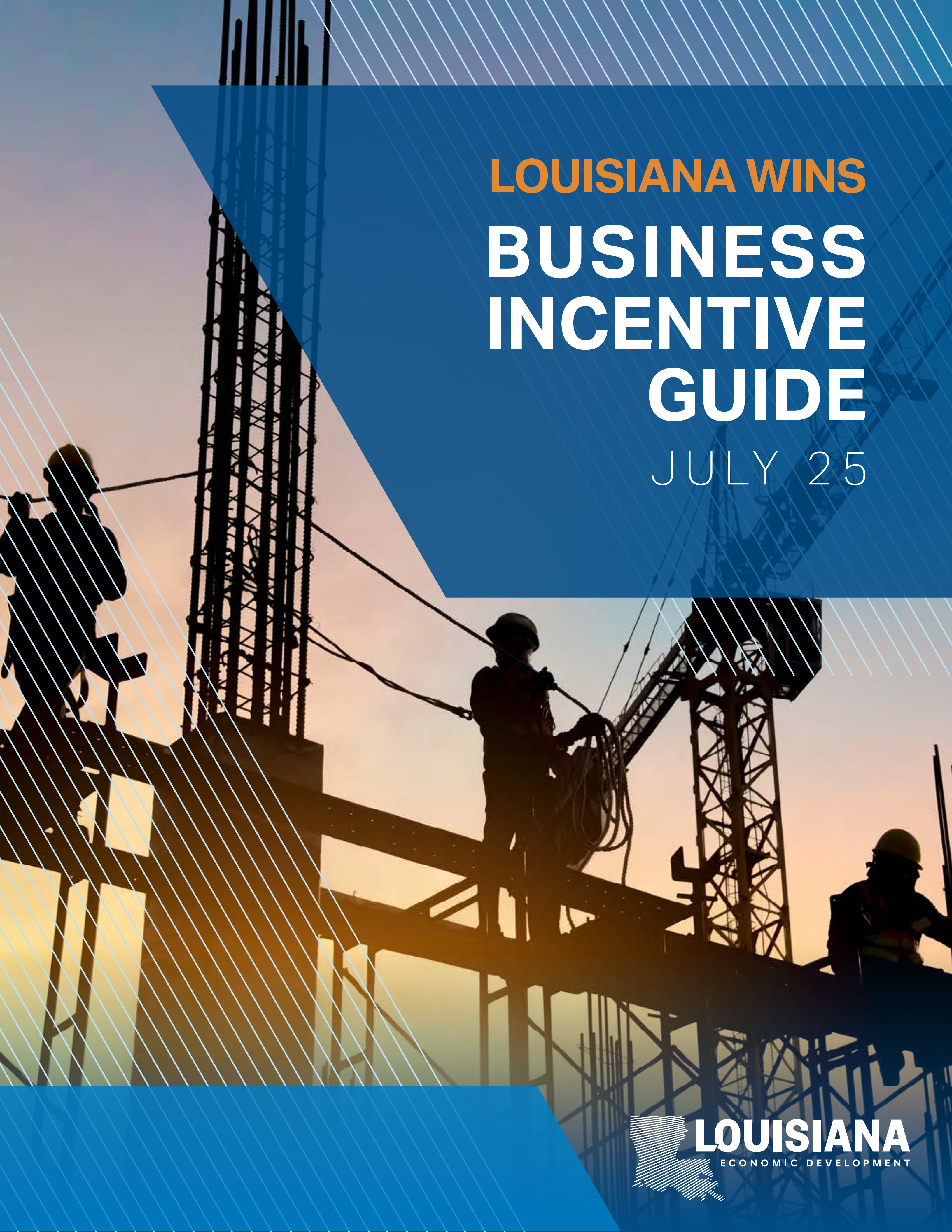

LOUISIANA WINS

BUSINESS INCENTIVE GUIDE

JULY 25

LOUISIANA
ECONOMIC DEVELOPMENT

> The Bayou State is staging a revival that could see it emerge as the more dynamic and influential Gulf Coast hub over the coming decades, thanks to a development blueprint that could be described as being all things to all people.
>
> —*Reuters, April 2025*

Whether you're expanding, relocating, or starting up, Louisiana will position your business to win.

Welcome to the **Louisiana Wins Business Incentive Guide**, an overview of the incentive programs Louisiana Economic Development (LED) offers that will give your company a competitive edge. In addition to the programs included, companies may also be eligible for performance-based grants that are awarded based on job creation, investment, and/or expansion goals.

Louisiana is also taking site readiness to the next level. In June 2025, the Governor and the state Legislature established the **Site Investment and Infrastructure Improvement Initiative**, anchored by a $150 million appropriation. This influx of new investment in Louisiana's site readiness provides a game-changing tool to remove some of the risks and costs associated with site development, enhancing the speed to market.

Louisiana Economic Development

INCENTIVE PROGRAMS

ANGEL INVESTOR TAX CREDIT

Louisiana's Angel Investor Tax Credit (AITC) Program is designed to stimulate private investment in innovative, early-stage companies poised for high growth. The program offers tax credits to accredited investors that invest startup and expansion capital in businesses certified by Louisiana Economic Development (LED) as Louisiana Entrepreneurial Businesses (LEB). By lowering risk for investors, the AITC makes Louisiana an attractive place to launch and grow cutting-edge ventures.

BENEFIT STRUCTURE

Accredited investors can earn:

25% tax credit

on investments in LEBs

35% tax credit

on investments in LEBs located in Louisiana Opportunity Zones or parishes (counties) with a population of less than 50,000

Investment Limit: Investors can invest up to $720,000 per business per year and $1.44 million per business in total.

ELIGIBILITY

***For applications received by LED on or after July 1, 2025, and prior to June 30, 2026:**

BUSINESS ELIGIBILITY

To qualify for the AITC, a business must:

- Be certified by LED as a "Louisiana Entrepreneurial Business"
- Have its principal business operations in Louisiana
- Demonstrate that it will be a high-growth wealth-creating business for Louisiana by demonstrating in its business plan that it will derive more than 50% of its sales from outside Louisiana
- Be primarily engaged in one of the following sectors:
  - Energy and process industries
  - Logistics
  - Aerospace and defense
  - Agribusiness
  - Professional services
  - Life sciences
  - Technology
- Employ 50 or fewer full-time employees
- Have either gross annual sales of less than $10 million or a business net worth of less than $2 million

INVESTOR ELIGIBILITY

To qualify for the AITC, investors must:

- Qualify as an "accredited investor" under SEC regulations
- Not be a principal owner of the LEB (someone who owns 50% or more of the LEB and manages the business), their spouse, or a close family member
- Make an investment that is "at risk" (not guaranteed to be repaid)

MORE INFORMATION/TO APPLY

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**This information is provided for informational purposes only, subject to further requirements as may be provided by R.S. 47:6020, administrative rules promulgated by LED or policy documents provided by the Louisiana Department of Revenue.*

DIGITAL INTERACTIVE MEDIA AND SOFTWARE PROGRAM

Louisiana's Digital Interactive Media and Software Program (DM)—one of the strongest of its kind in the nation—helps innovative digital media and software development companies of all sizes gain a competitive edge. DM provides a 25% tax credit on qualified payroll for resident labor and 18% for qualified production expenditures. If the amount of tax credits exceeds the business' state income tax liabilities, the business receives the balance as a refund or applicants can opt for 85% of the value earned as a rebate any time during the year.

ELIGIBILITY

Open to all companies producing digital interactive media products or platforms in Louisiana. Certain exclusions apply, such as static internet websites or software primarily designed for internal use. Only work physically performed in Louisiana and direct development equipment purchased through Louisiana businesses qualifies for the incentive.

QUALIFYING DEVELOPMENT PRODUCTS

- Digital media and games
- Web-based and mobile applications
- Consumer software
- Entertainment software
- Business and enterprise software
- Interactive devices and consoles
- Embedded systems

> Louisiana's Digital Media & Software Development program has dramatically lowered the cost of building software for our company. That kind of leverage is rare—and powerful. By offsetting key development expenses, we've been able to bring more developers onto our Louisiana team, build products faster, and get them to market at a lower cost. It's not just a tax credit—it's a multiplier. Add to that the speed and professionalism of the LED team, and you've got a government partnership that genuinely drives innovation.
>
> *—Susco, June 2025*

ELIGIBLE LABOR EXPENSES

- Project managers
- Quality assurance
- Engineers
- Programmers
- Game designers
- Industrial designers
- Composers
- Artists

ELIGIBLE PRODUCTION EXPENSES

- Production equipment directly related to development (hardware/software)
- Allocated rent for where direct development occurs
- Office supplies (related to development)
- Licenses/permits for development

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Digital Interactive Media and Software Tax Credit Program, R.S. 47:6022

HIGH-IMPACT JOBS PROGRAM

Louisiana's High-Impact Jobs Program (HIP) offers qualifying companies up to five years of reimbursable grants for the creation of new jobs that pay above the parish (county) average wage, based on the parish where the project is located. Companies can benefit from grants administered directly from Louisiana Economic Development, with higher wages yielding higher grants. HIP is designed to benefit businesses of all sizes—qualifying companies creating at least one new job can apply. Sole proprietorships are ineligible.

BENEFIT TIERS

Grants are awarded as a percentage of wages paid, with an initial contract term of three years and the option to renew for an additional two years:

18% grant
for new jobs paying at least
125%
of the parish average wage

22% grant
for new jobs paying at least
150%
of the parish average wage

Jobs created in **distressed areas** are eligible at a lower wage threshold:

8% grant
for new jobs paying at least
110%
of the parish average wage or the regional average wage, whichever is lower

Distressed areas are defined as:

- 25% of parishes with lowest average annual wage (per Bureau of Labor Statistics)

OR

- Areas identified as "deeply distressed" by the federal New Markets Tax Credit Program

ELIGIBILITY

Eligibility is largely defined by wages paid above the parish average, except in industries that are ineligible.

INELIGIBILITY

Companies primarily engaged in the following sectors are statutorily ineligible:

Gaming	Automotive rental and leasing
Retail sales	Local solid waste disposal
Professional sports teams	Local sewage systems
State/political subdivision enterprises	Local water systems

Certain industry sectors, such as professional services, may be subject to additional limitations or exclusions. Visit LED's **High-Impact Jobs Program** *page for more information.*

JOB REQUIREMENTS

Qualifying jobs must not have existed in the state for an employer prior to the effective date of the contract. Jobs must also meet the following requirements:

- Full-time, at-will employees (does not include seasonal or temporary positions)
- Employed by the company or a named subsidiary
- Filled onsite or remotely by Louisiana residents
- Include a basic health benefits plan

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High-Impact Jobs Program, R.S. 51:2771

INDUSTRIAL TAX EXEMPTION PROGRAM

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) offers an 80% property tax abatement for up to 10 years on a manufacturer's new investment. The program is open to manufacturers new to Louisiana and to existing manufacturers in Louisiana making new investments to existing facilities.

BENEFIT STRUCTURE

An 80% ad valorem tax exemption is the base rate under an initial contract term of five years, with the option to renew for an additional five year renewal term. Expansion or additions at a manufacturing establishment with a minimum of $500 million in capital expenditures may be considered a "mega-project," and may be eligible for an increased exemption rate of 93-100%.

ELIGIBILITY

Businesses must be a manufacturer or be related to the manufacturing at the project site in order to receive ITEP benefits. Manufacturers must have a North American Industry Classification System (NAICS) code that begins with 31, 32 or 33. The NAICS code is used as a preliminary qualification criterion. A detailed, planned project description of manufacturing activities must be provided by the company.

Only assets directly related to the manufacturing process at the site are eligible. Land is not eligible.

An executive order streamlined ITEP by eliminating job requirements and simplifying local approval procedures. ... These modifications reflect the state's efforts to make ITEP more accessible and efficient for manufacturers investing in Louisiana and more closely align the application rules for prospective ITEP projects.

—Deloitte Tax Alert, May 2025

2025 PROGRAM UPDATES

In 2025, LED issued new rules that streamline the ITEP Project Application Process. Project Applications are first reviewed by LED, then by the Local ITEP Committee, the Louisiana Department of Revenue (LDR), and the Louisiana Workforce Commission (LWC) simultaneously. Project Applications are then presented to the Louisiana Board of Commerce and Industry (BC&I) for consideration followed by ITEP contract submission to the Governor for approval. Additionally, there are no longer job creation nor payroll requirements to receive ITEP benefits.

WHAT IS THE LOCAL ITEP COMMITTEE?

Parishes may choose to establish a Local ITEP Committee—composed of one voting member representative from each of the following local governmental entities: the parish council or police jury, as applicable; the school board; the sheriff; and the mayor, if applicable—for the purpose of providing recommendations on ITEP Project Applications. Local ITEP Committee recommendations are non-binding. Ultimately, the Board of Commerce and Industry, with the approval of the Governor may enter into ITEP contracts.

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Industrial Tax Exemption Program, Art. VII, Part. 2, Sec.21(F) LA CONST. 1974

LED FASTSTART

LED FastStart raises the bar on workforce development. Based on a company's immediate and long-term workforce needs, the FastStart team crafts unique programs that ensure high-quality, flexible workers are prepared on day one and beyond. FastStart provides customized talent attraction and employer brand building, training development and delivery, and long-term workforce sustainability solutions for eligible new or expanding companies—all at no cost.

ELIGIBILITY

LED FastStart's innovative, customized programs are available to companies that meet eligibility requirements and are aligned with Louisiana's economic development targets, consistent with LED's 2025 Comprehensive Statewide Strategic Plan, Positioning Louisiana to Win 2025.

15 new, permanent jobs

for manufacturing or distribution centers

50 new, permanent jobs

for digital media, headquarters, R&D, or inbound call center operations

Each request is evaluated to ensure eligibility requirements are met prior to project commencement.

THE LED FASTSTART APPROACH

TALENT ATTRACTION & RECRUITMENT

Custom recruitment plan to drive awareness, engagement, and applications based on employer's needs, goals, culture, and workforce availability.

Overarching talent attraction and retention strategy focused on LA expats and in-state talent.

TRAINING & DEVELOPMENT

Custom-tailored to specific company requirements.

Developed and delivered by industry experts via instructor-led, virtual, computer-based training, on-the-job, and others.

WORKFORCE SOLUTIONS & PARTNERSHIPS

Forging connections with colleges and universities, K-12 schools, workforce boards, economic developers, nonprofits to enhance the workforce pipeline and build lasting community partnerships.

MORE INFORMATION

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RESEARCH AND DEVELOPMENT TAX CREDIT

Louisiana's Research and Development (R&D) Tax Credit encourages existing businesses with operating facilities in Louisiana to establish or continue research and development activities within the state by providing up to a 30% tax credit on qualified research expenditures incurred in Louisiana, with no minimum spending requirement.

ELIGIBILITY

The R&D Tax Credit is open to companies who have incurred research and development expenditures in Louisiana and who meet certain requirements. Only research and development conducted in Louisiana qualifies.

QUALIFICATIONS

Research activity qualifies if it meets all of the following requirements:

- Qualifies as a business deduction under Internal Revenue Code §174
- Be undertaken to discover information that is technological in nature
- Be undertaken to discover information intended to be useful to develop a new or improved business component of the taxpayer
- Substantially all activities involve a process of experimentation—"substantially all" means 80% or more of research activities involve a process of experimentation

QUALIFIED RESEARCH EXPENSES

Qualified research expenses (QRE) includes wages, supplies and contract research costs:

- **Wages**: For qualified services that directly relate to the research activities and are paid or incurred by the taxpayer.
- **Supplies**: Tangible property consumed directly by the research activity or utilized in the development of a prototype—must be used in the conduct of qualified research.
- **Contract research**: Amounts paid to outside consultants to perform qualified research. For research conducted within and outside of Louisiana, only Louisiana expenditures qualify. Only 65% of the Louisiana expense qualifies for the credit.

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Research and Development Tax Credit Program, R.S. 47:6015

RESTORATION TAX ABATEMENT

Louisiana's Restoration Tax Abatement (RTA) program revitalizes communities by providing an up to 10-year property tax abatement 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.

BENEFIT STRUCTURE

Offers an initial five-year abatement term, with the option to renew for five years with approval from the local governing authority, the Louisiana Board of Commerce and Industry (BC&I), and the Governor.

ELIGIBILITY

RTA is available to all Louisiana businesses and homeowners with existing structures to be expanded, restored, improved, or developed in qualifying locations, and as approved by the local governing authority. However, if property taxes have been paid on improvements, a business or homeowner is not eligible to apply for the exemption.

QUALIFYING LOCATIONS

- Downtown development districts
- Economic development districts (different from Economic Development Zones)
- Historic districts (including properties listed on the National Register of Historic Places)
- Opportunity Zones

ELIGIBLE EXPENSES

- Building and materials
- Machinery and equipment (only that which becomes an integral part of the structure)
- Labor and engineering

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Restoration Tax Abatement, Art. VII, Part. 2, Sec.21(H) LA CONST. 1974, R.S. 47:4311

TAX COMPETITIVENESS

> Louisiana did something difficult this year, defying the expectations of many: through the work of Gov. Jeff Landry (R) and legislative leaders, it adopted a significant pro-growth tax reform package.
>
> —*Tax Foundation, December 2024*

Businesses operating in Louisiana benefit from the most competitive tax code in the state's history. As of January 2025, Louisiana's personal and corporate income tax are among the lowest in the country.

Louisiana now offers a single-rate income tax structure, reducing administrative and compliance costs and encouraging expansion and investment:

Flat personal income tax rate of 3%,

with a standard deduction of $12,500 for single filers and $25,000 for taxpayers who are married filing jointly

Flat corporate income tax rate of 5.5%,

with a standard deduction of $20,000

Louisiana also **eliminated the corporation franchise tax**, effective January 1, 2026.

PERMANENT FULL EXPENSING

Louisiana is now one of three states where businesses can benefit from permanent full expensing, a policy that allows deduction of the entire cost of certain capital investments in the year they are placed in service. Full expensing reduces up-front costs of new investment, helps businesses avoid complicated depreciation schedules and frees up capital to reinvest in the workforce and/or scaling and modernization efforts, proving especially beneficial in years of expansion or relocation.

WHAT QUALIFIES FOR FULL EXPENSING?

- **Qualified Property**: Most business equipment and machinery (e.g., manufacturing machinery, computers, vehicles, and office furniture)
- **Qualified Improvement Property**: Most upgrades to the inside of commercial buildings (e.g., new HVAC systems, electrical work, plumbing, or interior renovations)
- **Research and Experimental Expenditures**: Money spent developing new products, technology, or software

MORE INFORMATION

OpportunityLouisiana.com

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Louisiana Department of Revenue, 2024 Third Extraordinary Session Legislative Summaries