

Taxes and Incentives

Local and State Taxes

Sales Tax Rate	State	Local
Louisiana	4.0 %	
Tangipahoa Parish		
Amite		5.5%
Hammond		5.0%
Independence		5.5%
Kentwood		5.0%
Ponchatoula		5.0%
Roseland		5.0%
Tangipahoa		5.0%
Village of Tickfaw		5.0%
Corporate Income	<ul style="list-style-type: none"> • Four percent on the first \$25,000 of net income • Five percent on the next \$25,000 • Six percent on the next \$50,000 • Seven percent on the next \$100,000 • Eight percent on the excess over \$200,000 	None
Franchise	\$1.50 for each \$1,000 or major fraction thereof up to \$300,000 of capital employed in Louisiana, and \$3 for each \$1,000 or major fraction thereof in excess of \$300,000 of capital employed in Louisiana, with a the minimum tax of \$10 per year.	None
Personal Income	2% - 6% with depreciation from \$4,500 to \$12,000, depending on filing status	None
Property	None	<p>For each \$100 of assessed value:</p> <p>Range from 47.23 – 110.23 (Parish)</p> <p>Assessors are required by law to assess on improvements of industrial property at 15% of fair market value. (Land at 10%)</p> <p>Private residences are assessed at 10% of fair market value. There is no property tax on the first \$75,000.</p>
Unemployment Insurance	None	0.10 - 6.20 of \$7,000 wage base
SOURCE: Local Tax Assessor; Louisiana Department of Revenue; Louisiana Department of Labor		

Local Incentives

The cities within Tangipahoa Parish usually provide Louisiana allowed local incentives to companies that qualify based on job and investment levels. Incentives to businesses locating or expanding to the area could include property and sales tax exemptions and/or rebates for up to 10 or more years. Each community in the parish has a set policy for extending business incentives.

Special Hurricane Rebuilding Incentives

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 Tangipahoa 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.

Bridge Loan Program

The state of Louisiana provides much needed access to capital for small businesses still waiting for government assistance, insurance funds or other programs that are expected to provide a source for repayment of these loans.

State Incentives

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.

Workforce Development & Training

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.

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.

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 or 25% of its apportioned share of federal research credit claimed under 26 USCA §41 (alternative incremental tax credit).

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 Credits

Louisiana was the 1st state in the U.S. in 2002 to offer sellable tax incentives to the film industry. Incentive includes: (a) 25% credit of total amount of the project shot in state; (b) 10% credit on payroll of LA residents; (c) 25% credit of total amount on film infrastructure (studios, sound stages, etc.) Sellable credit amount averages between 75% - 80% of credit value.

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.