



# Economic INCENTIVES

## FEDERAL HISTORIC REHABILITATION TAX CREDIT

*The program provides a 20% tax credit for rehabilitation expenditures to a certified historic structure.*

- **The building must be depreciable property—rental or commercial.**
- **Restoration must be substantial—exceeding the adjusted basis of the property (purchase price less value of the land) or a minimum expenditure of \$5,000 (if the property has been depreciated.)**
- **Rehabilitation expenditures that qualify include items directly related to the repair of the structure (architectural fees, engineering fees, paint, wiring, plumbing, roof repair, etc.)**
- **Tax credit can be carried back one year and forward 20 years.**
- **If a building is not located within an historic district and was constructed prior to 1936, it may qualify for a 10% tax credit if restoration is substantial—exceeding the adjusted basis of the property (purchase price less the value of the land.)**

*For additional information on rules and regulations contact Alison Saunders at 225.342.8160.*

## STATE COMMERCIAL HISTORIC TAX CREDITS

*For historic buildings and residences located in a DDD and classified as historically significant by Louisiana Division of Historical Preservation, the state offers a 25% tax credit based on eligible costs or rehabilitation. This includes labor, materials, and related expenses.*

- **Eligible property includes:**
- **Residential rental property or nonresidential depreciable property in a DDD**
- **Listed on the National Register of Historic Places**
- **Classified as historically significant by the state Department of Culture, Recreation and Tourism**
- **A credit Cap of five million dollars per taxpayer (or related entity) within any one DDD**
- **Credits may be carried forward for up to five years and may be sold**
- **A nominal application fee of \$250 is paid to the State Division of Historic Preservation**

*For additional information on rules and regulations contact Alison Saunders at 225.342.8160.*

## STATE HISTORIC REHABILITATION TAX CREDITS-RESIDENTIAL

- *For residences located in a DDD and classified as historically significant by Louisiana Division of Historical Preservation, the state offers a tax credit up to \$25,000 per structure based on eligible costs or rehabilitation.*
- **Eligible property includes:**
- **Owner occupied residential or owner occupied mixed use structure**
- **Listed on the National Register of Historic Places Classified as historically significant by the state Department of Culture, Recreation and Tourism**
- **Rehabilitation costs must exceed \$20,000.**
- **Credits are calculated using a formula based on a percentage of adjusted gross income of the owner-occupant.**

*For additional information on rules and regulations contact Alison Saunders at 225.342.8160.*



# Economic INCENTIVES

## DOWNTOWN CULTURAL DISTRICT

*Exemptions of State and local sales tax on the sale of original, one-of-a-kind pieces of artwork.*

- The local sales tax exemption applies to businesses with an established location within the Cultural Product District.
- This does not apply to businesses with no fixed locations within the district, such as businesses that would sell at festivals, fairs or other events held in the district.
- “Works of art” shall mean visual arts and crafts including but not limited to paintings, photographs, sculpture, pottery, and traditional or fine crafts. (The Department of Culture, Recreation and Tourism may determine whether or not an item meets this definition as well as whether the item is “original, one-of-a-kind”)
- The seller must complete a sales tax exemption form (R-1384)

*For additional information contact the Downtown Development District at 225.389.5520*

## 5 YEAR PROPERTY TAX ABATEMENT ON IMPROVEMENTS TO STRUCTURES

- When renovation has not yet begun, five-year property tax abatement to improvements to structures is available, with a five-year option for renewal.
- Existing structures in downtown, historic, or economic development district are eligible. Spanish Town and Beauregard Town are included
- Approval must be obtained from the State Board of Commerce and Industry and the East Baton Rouge Metropolitan Council

*For additional information on rules and regulations contact Becky Lambert at 225.342.6070. Email: [Becky.Lambert@la.gov](mailto:Becky.Lambert@la.gov)*

## ECONOMIC DEVELOPMENT ZONE STATUS

To be eligible for the program, prior notification to the Department of Economic Development is required. An applicant must file an advance notification, with the required \$100 processing fee, on the prescribed form prior to starting construction purchasing or installing equipment. In December of 1995, the DDD received designation as an Economic Development Zone (EDZ). The benefits of an Economic Development Zone are as follows:

A \$2,500 tax credit for each certified new job. A minimum of five new certified jobs (filled with Louisiana residents) must be created by the project within two years from the effective date of the contract. If a certified employee has been receiving payments under the Aid to Families with Dependent Children Program, an additional \$2,500 tax credit may be generated if certain criteria are met.

The tax credits can be used to satisfy state income tax and state franchise tax obligations. The tax credits may be used in the year that they are generated or rolled over for up to 10 years if a business does not have enough Louisiana state tax liability to use all the credits generated in any one year. A rebate of state sales tax on material used to construct or expand a business as well as machinery and equipment used exclusively on the site is also available.

*For additional information on rules and regulations contact Jared Smith, Baton Rouge Area Chamber 225.381.7136 Email: [jsmith@brac.org](mailto:jsmith@brac.org)*

## DIGITAL MEDIA & SOFTWARE INCENTIVE

The Digital Media and Software 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. This Incentive is available to businesses in the digital media and software industry that develop products including video games, simulation/training software and social media applications.

Benefits include:

- 25% tax credit for digital interactive media expenditures made in Louisiana
- A 35% tax credit on payroll expenditures for Louisiana residents
- No annual cap on tax credits
- The tax credit can be sold or applies against Louisiana tax liability

*For additional information on rules and regulations contact Jared Smith, Baton Rouge Area Chamber 225.381.7136 Email: [jsmith@brac.org](mailto:jsmith@brac.org)*



# Economic INCENTIVES

## **NEW MARKET TAX CREDITS (NMTC)**

The New Markets Tax Credit (NMTC) program provides investors with federal tax credits for making investments in a wide range of redevelopment projects located in low-income communities.

*For additional information contact the Downtown Development District at 225.389.5520*

## **TAX INCREMENT FINANCING (TIF)**

TIF is a method to use future gains in taxes to finance current improvements, ultimately increasing the value of surrounding real estate, and new investment. Tax Increment Financing has been used as a subsidy for redevelopment on several Downtown projects. The application of Tax Increment Financing for Downtown development is very project specific.

*For additional information contact the Downtown Development District at 225.389.5520*

## **DEVELOPMENT IMPACT FEE WAIVERS**

Traffic and sewer impact fees can be waived for eligible downtown development projects. Some restrictions apply.

*For additional information contact the Downtown Development District at 225.389.5520*

## **STATE BUSINESS INCENTIVES - BUSINESSES OF ALL SIZES**

Enterprise Zone  
Quality Jobs  
Industrial Tax Exemption  
Research & Development Tax Credit  
Sound Recording Investor Tax Credit  
Digital Interactive Tax Credit  
Motion Picture Industry Development Tax Credit  
Live Performance Tax Credit  
Workforce Development and Training Program  
Workforce development: provides pre-employment and on-the-job training.  
Economic Development Award Program  
Technology Commercialization Credit and Jobs Program

*For additional information contact Louisiana Economic Development 225.342.3000*

## **STATE SMALL BUSINESS INCENTIVES**

Small Business Loan Program  
Micro Loan Program  
Contract Loan Program  
Bonding Assistance Program  
Angel Investor Tax Credits  
Mentor-Protégé Tax Credit

*For additional information contact Louisiana Economic Development 225.342.3000*