

# 2021 ANNUAL PROGRAM & INCENTIVES PERFORMANCE REPORT



617 N 3RD ST, BATON ROUGE LA 70802 | 800.450.8115  
[OPPORTUNITYLOUISIANA.COM](https://www.opportunitylouisiana.com)

## **Introduction**

Included below is an annual overview of each business incentive and assistance program administered by LED. The programs cover a wide range of important economic development objectives, for example:

1. Strategically improve state economic competitiveness
2. Engage with local partners to enhance community competitiveness
3. Forge partnerships to enhance regional economic development assets
4. Expand and retain in-state businesses
5. Execute a strong business recruitment program
6. Cultivate small business, innovation, and entrepreneurship
7. Enhance workforce development solutions
8. Promote Louisiana's robust business advantages
9. Attract foreign direct investment and grow international trade

For each business incentive and assistance program, a brief description of the program's objective and calendar year 2021 performance information are included. The performance information highlights 2021 activity levels and illustrates the impact delivered through the various programs.

The total number of jobs included in this annual overview is higher than the number of jobs included in the 2021 LED Annual Report due primarily to:

- the annual report only includes selected major economic development projects,
- projects with substitution effects are excluded from the annual report, but included in the annual incentives overview,
- some announced projects have not yet completed the incentive application process,
- job totals for a single company may be counted twice (or more) if multiple incentive programs are utilized for the same project

## **Small Business Development Centers**

The Louisiana Small Business Development Centers (LSBDC Network) provide low or no-cost guidance and training for small business owners and potential owners. Part of a statewide network supported by the U.S. Small Business Administration (SBA), Louisiana Economic Development and the host universities; the LSBDC serves Louisiana businesses through free confidential assessment and counseling, nominally priced training, no-cost business strategy, marketing, loan packaging, and other business information resources and services. The program serves traditionally underserved populations such as minorities, women, and veterans. (Businesses receiving counseling by SBDCs will differ from cumulative quarterly total because

the number is pulled for the time period reflected in the report and duplicate businesses are removed if they were counseled in multiple quarters)

Businesses Receiving Counseling by SBDCs:	4655
Individuals Trained by SBDCs:	9,759
Business Starts by SBDC Clients:	156
Anticipated Jobs Created by SBDC Clients:	705
Loans Received by Small Businesses Assisted at SBDCs (\$million):	68.6

### **State Trade Expansion Program – CY2021**

The State Trade Expansion Program (STEP) is a U.S. Small Business Administration (SBA) program that provides financial awards to state and territory governments to assist small businesses with export development. The objective of STEP is to increase the number of small businesses that export, the dollar value of exports, and the number of small businesses exploring significant new trade opportunities.

The Louisiana STEP grant program provides reimbursements to eligible small businesses for expenses associated with participation in trade shows, trade missions, export trainings, U.S. Department of Commerce fee services, and other export-related activities. The maximum benefit per company varies per program year. Additionally, the Louisiana STEP program partners with organizations statewide to provide co-exhibiting opportunities and export education sessions to Louisiana small businesses.

Total Grant Funds Utilized:	\$370,956
Number of New to Export Companies Supported:	39
Number of Export Expansion Companies Supported:	36

### **Small and Emerging Business Development Program**

LED's Small and Emerging Business Development (SEBD) program provides the managerial and technical assistance training needed to grow and sustain a small business. A business must be certified through the SEBD program to obtain these services, offered by SBDCs, universities and consultants in Louisiana's rural and urban areas. Technical Assistance (TA) is provided as developmental assistance including entrepreneurial training, marketing, computer skills, accounting, business planning, and legal and industry-specific assistance. SEBDs provide a free needs assessment and assistance with accessing other program benefits. Certification also determines eligibility for additional guaranty support under the Louisiana Economic Development Corporation Loan Guaranty program, and consideration for bidding on selective

service or product purchases by state agencies. Certification is effective for up to 10 years or until the company no longer meets the eligibility requirements.

Small Businesses Certified:	798
TAs Provided to Certified Businesses:	802

### **Small Business Bonding Assistance Program**

The Bonding Assistance program is available for certified small and emerging businesses access to quality bid, payment, and performance bonds at reasonable rates from surety companies when bonding capacity is needed on public or private jobs. In the program, sureties perform all underwriting and offer competitive rates. It offers 25% of contract price or \$100,000 (whichever is less) in bond guarantee to the surety. In this way, the bond guarantee mitigates some risk to the surety company, leading to a positive underwriting decision.

New Projects:	5
Total Bond Guarantees Provided (\$million):	0.29
Value of Projects Guaranteed (\$million):	1.68

### **Small Entrepreneurship Program and Veteran’s Initiative**

The Small Entrepreneurship program, the Hudson Initiative, provides Louisiana small businesses meeting the criteria of small entrepreneurships with greater potential for access to state procurement and public contract opportunities. The Veteran’s Initiative does the same thing for businesses that are at least 51% owned by veterans and/or service-connected disabled veterans.

- The business and contact information are accessible to state procurement officials and prime contractors looking for subcontractors.
- State agencies are encouraged to get quotes from and use qualified, certified companies whenever possible.
- For small purchases of less than \$30,000, state agencies can waive the requirement of getting additional quotes if a certified company submits a reasonable quote.
- Ten percent of the total evaluation points can be added to a bid on a Request for Proposal (RFP).
- Prime contractors who use certified businesses as subcontractors on a bid for an RFP are also eligible to receive additional percentage points on their bid.

Small Entrepreneurships Certified:	2698
Veteran-Owned Businesses Certified:	564
Service-Connected Disabled Veteran Owned Businesses Certified:	207

### **Small Business Loan and Guaranty Program**

The Small Business Loan program facilitates capital accessibility for small businesses by providing loan guarantees to banks and other small business lenders in association with the federal State Small Business Credit Initiative (SSBCI). The program's purpose is to provide financial assistance, which will help with the development, expansion, and retention of Louisiana's small businesses. The program is administered by LED through the Louisiana Economic Development Corporation (LEDC). Guarantees may range up to 75% of the loan amount from \$5,000 not to exceed a maximum of \$1.5 million. Guarantee fees may be waived based on risk.

New Projects:	0
Total Bank Loans to Businesses (\$million):	0.57
Anticipated New Direct Jobs:	38
Anticipated Retained Jobs:	2

### **CEO Roundtables Program**

CEO Roundtables are peer groups that give executives the opportunity to discuss business practices and management strategies with peers who deal with similar growth challenges. CEO Roundtables bring together groups of 15 to 18 key decision makers from Louisiana-based small businesses 10 times over the course of a year for collaborative, growth-oriented roundtable sessions that support a trusting environment in which CEOs can safely explore business and personal issues with the guidance of experienced facilitators. Participation in the roundtables provides access to numerous benefits, including:

- Peer-to-peer learning through discussion, interaction and the sharing of experiences that allow participants to learn from each other's achievements and mistakes.
- Support through highly qualified facilitators, expert guest speakers and connection to various small business resources.

Eligible companies include Louisiana-based businesses that are past the start-up phase, have not yet reached maturity, but are poised for growth. These are typically second-stage growth companies with annual revenues of \$600,000 to \$50,000,000 that have between five and 99 employees, and have demonstrated the desire, capacity and ability to grow.

Number of Graduate Companies:

64

### **Strategic Research: System for Integrated Growth**

The System for Integrated Growth (SIG) ® program provides Louisiana-based small businesses with the information they need to grow and succeed. Through accelerated technical assistance and customized research, the SIG program addresses issues that impact business growth, whether they are internal problems or outside the walls of the company. For example, SIG can help companies:

- Get a handle on financial management and understand what the books are telling saying
- Learn how to recruit, retain and develop talented employees.
- Explore new markets, create prospect lists for those markets and analyze competitors.
- Prepare to export – from documentation to identifying global markets and setting up distribution channels.
- Bring in best practices on supply chain and operations to complement managers' working knowledge.
- Enhance online efforts and increase visibility to potential customers.

Eligible companies include Louisiana-based businesses that are past the start-up phase, have not yet reached maturity, but are poised for growth. These are typically second-stage growth companies with annual revenues of \$600,000 to \$50,000,000 that have between five and 99 employees, and have demonstrated the desire, capacity and ability to grow.

Strategic Research Engagements:

57

### **Louisiana Contractors Accreditation Institute**

The Louisiana Contractors Accreditation Institute, a partnership between Louisiana Economic Development, Louisiana Community & Technical College System and the Louisiana State Licensing Board for Contractors offers small and emerging construction businesses critical information about construction management and assist in building a solid foundation of knowledge within the construction industry. In 2021, seminars included the Business and Law Seminar, the General Contractors Seminar and the Residential Contractors Seminar.

The Institute is open to all who have the intent to start or currently have an established construction-based Louisiana business.

Number of LCAI Courses Offered:	3
Number of Graduates:	178

### **Quality Jobs Program**

The Quality Jobs (QJ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in Louisiana, and to create a minimum of five full-time jobs with salaries and medical benefits that meet established levels. The 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 annual gross payroll for new, direct jobs for an initial five-year term with an option for a five-year renewal, and either a state sales/use tax rebate on capital expenditures or a 1.5% project facility expense rebate on qualified capital investment, excluding tax exempted items.

Act 386 of the 2017 Regular Session included provisions for projects with advances received on/ or after July 1, 2017; increased the minimum number of net new jobs from five to a minimum of 15 for companies with more than 50 employees. The minimum wage rate increased to \$18/hour and companies are required to offer healthcare that, at a minimum, meets federally mandated healthcare requirements (ACA compliant). More industries that are eligible were added, which include: corporate headquarters of a multi-state business, clean energy, business spending 50% or more of its time performing services for their out-of-state parent company, and aircraft MROs. Limited eligibility: professional services firms are ineligible except in the case in which at least 50% of their services are provided for out-of-state customers, or for a multi-state (parent) company. Construction companies are ineligible except in the case in which it is the corporate headquarters of a multi-state business or can demonstrate that at least 50% of their sales are to out-of-state customers. Medical professionals are ineligible except for those engaged in biomedical or biotechnology, servicing rural hospitals, or those in which at least 50% of their patient base is from out-of-state. Staffing companies are ineligible and the qualifier for companies located within a Census Tract Block Group has been eliminated. The qualifier for a company that locates in one of the lowest 25% of parishes based upon per capita income remains. Act 29 of the 2020 First Extraordinary Session allows a COVID-19 impacted retail business, hotel, or restaurant, with no more than 50 employees nationwide filing an advance notification on/or after July 1, 2020, and on/or before December 31, 2021, shall be eligible for benefits. This includes affiliates on the date of the filing of the advance notification assigned a NAICS Code of 44, 45, 721, or 722. However, these COVID-19 impacted businesses shall not be eligible to earn benefits after June 30, 2023.

New Projects:	14
Anticipated New Direct Jobs:	1,021
Anticipated Construction Jobs:	5,389
Anticipated Associated Capital Investment (\$million):	\$9,123

### **Enterprise Zone Program**

The Enterprise Zone (EZ) program is designed to encourage businesses to locate and/or expand existing operations in economically distressed areas, and to create a minimum of five full-time jobs filled by residents living in/or near economically distressed areas. The program rules were changed effective April 1, 2016, in order to bring the rules in compliance with program statute and procedures. The program provides Louisiana income and franchise tax credits to a business hiring at least 50% of net new jobs from one of four targeted groups. EZs are areas with high unemployment, low income or a high percentage of residents receiving some form of public assistance. A business must create permanent net new jobs at the EZ site. The program provides either a \$3,500 or a \$1,000 tax credit for each certified net new job created, and either a state sales/use tax rebate on capital expenditures, or income and franchise tax credits up to 1.5% of investment. The capital expenditure credit or rebate is capped at \$100,000 per new job. Act 423 of the 2014 Regular Legislative Session excluded part-time employees and limited retail establishment participation to only establishments with less than 100 employees statewide, and all grocery stores and pharmacies within enterprise zones. Acts 114 & 126 of the 2015 Regular Legislative Session disallowed businesses with a NAICS code of 44, 45, or 722 from participating in the program unless it filed an advance notification prior to July 1, 2015. However, if such an eligible business did not enter into an EZ contract prior to July 1, 2015, it cannot claim EZ incentives until July 1, 2016. Legislation in 2016 disallowed businesses with NAICS codes of 5613 or 721 from participating in the program unless their advance notification was filed prior to April 1, 2016. Act 28 of the 2020 First Extraordinary Session allows businesses with a NAICS code of 44, 45, 721, and 722, with no more than 50 employees nationwide including affiliates, to participate in the program from July 1, 2020 through December 31, 2021. No retail business shall be eligible to earn benefits after June 30, 2023.

New Projects:	57
Anticipated New Direct Jobs:	1,519
Anticipated Construction Jobs:	5,136
Anticipated Associated Capital Investment (\$million):	\$3,047.0

## **Restoration Tax Abatement Program**

The Restoration Tax Abatement (RTA) program is designed for municipalities and local governments to encourage business and homeowners to make improvements on their properties located in specified areas. The program provides a five-year 100% local property tax abatement, with an option for a five-year renewal, for the expansion, restoration, improvement and development of existing commercial structures and owner-occupied residences in Downtown Development Districts, Economic Development Districts, Historic Districts, or properties listed on the National Register of Historic Places. Added in the 2017 legislation (Act 251) are structures located in Opportunity Zones.

New Projects:	24
Anticipated New Direct Jobs:	182
Anticipated Construction Jobs:	1,082
Anticipated Associated Capital Investment (\$million):	136.4

## **Industrial Tax Exemption Program**

The Industrial Tax Exemption (ITE) program was created under Article 7; Section 21(F) of the Louisiana Constitution in the 1940's to encourage capital investment at new or existing manufacturing facilities. The program historically provided for a 100% local property tax abatement for up to 10 years on a manufacturer's new investment and annual capitalized additions. Pursuant to Executive Order JBE2016-26, effective June 24, 2016, and amended by JBE2016-73, substantive changes were made to the program, including a reduction in the maximum abatement amount to 80%, requiring job creation or a compelling reason for job retention, and requiring approval by local governmental entities for any abatement. The new rules further memorialize the changes and are a pre-requisite for gubernatorial approval, including the following:

- All exemption contracts for projects must be accompanied by an agreement between the Department and the applicant ("Exhibit A") outlining the job creation or job retention commitment and other terms by which the manufacturing applicant must abide in order to retain the property tax exemption for a project for the initial period of five years at 80% abatement and a potential renewal period of five years at 80% abatement.

- Upon initial approval by the Board of Commerce and Industry, all projects must then be approved by certain local governmental entities (parish governing boards, municipal governing boards, school boards and sheriffs)

New Projects:	86
Anticipated New Direct Jobs:	1,387
Anticipated Construction Jobs:	13,116
Anticipated ITE Investment (\$million):	17,485.0

### **Retention & Modernization Tax Credit Program**

The Retention & Modernization Tax Credit program provides a refundable state tax credit for manufacturers making capital investments to modernize or upgrade existing facilities in Louisiana. The program provides a one-time refundable state tax credit on capital expenditures taken over a five-year period for manufacturers making qualified capital investments of at least \$5 million. To qualify for the program, a company must meet one of the following criteria: (1) Modernization helps improve entire efficiency of the entire facility, or specific unit by greater than 10%, or (2) The facility is in competition for capital expenditures within a company's established, competitive capital expenditure budget plan. There is \$7.2 million annual statewide cap on the program in credits awarded to projects. Any unused credits can be rolled into the next calendar year. Projects determined to have the highest economic impact by Louisiana Economic Development are awarded pre-certification credits on a rolling basis. Pre-certification is required prior to final award of credits, which are awarded only when the project has been placed in service. Only projects placed in operation on or after July 1, 2011, can qualify for the program. Act 400 of the 2017 Regular Legislative Session enacted the following:

- For projects approved on/or after 7/1/15, the credit is up to 3.6% on qualified spending; the cap on all credits is \$7.2 million per year.
- For projects approved on/or after 7/1/17, the R&M credit is up to 4% on qualified spending and the aggregate annual cap on all credits is \$7.2 million per calendar year.

New Projects:	3
Amount of Tax Incentives Awarded (\$million):	2.8
Anticipated New Direct Jobs:	558
Anticipated Retained Jobs:	626
Anticipated Associated Capital Investment (\$million):	232.2
Anticipated New Payroll (\$million):	0.7
Anticipated Retained Payroll (\$million):	84.1

### **Motion Picture Production Tax Credit Program**

The Motion Picture Production Tax Credit program provides up to a 40% non-transferable credit that may be redeemed with the state at 90% of the face value of the credits. Payroll expenditures for Louisiana residents may qualify for an additional 15% tax credit. The annual cap for all claims is at \$180 million per fiscal year, and there is an issuance cap of \$150 million per fiscal year. The per-project cap is \$20 million and \$25 million for scripted episodic content<sup>1</sup>.

Under the Qualified Entertainment Company (QEC) program, a business engaged in the development or distribution of audio, visual, or both audio and visual entertainment productions for public consumption, directly or indirectly, as approved by LED may be eligible for up to a 20% credit (maximum of \$1 million in credits per company, per year) on their annual W-2Wages upon the creation of five net new jobs employing Louisiana residents full-time<sup>2</sup>.

Number of Applications Received:	65 film production/QEC 3
Number of Applications Receiving Final Certification <sup>3</sup> :	35/1
Certified Spending in the State (\$million):	290.7/1.09
Amount of Tax Credits Certified (\$million):	91.0/0.21

### **Digital Interactive Media and Software Tax Credit Program**

The Digital Interactive Media and Software Tax Credit program is designed to encourage the development of digital interactive and software products in the state and to support a highly skilled, creative, technology-driven workforce. The program targets video games, simulation training, web applications and software development.

<sup>1</sup> Acts 223 & 309 of the 2017 Regular Session of the Louisiana Legislature

<sup>2</sup> As of the date of this report, no expenditures have been certified or credits issued under EJC

<sup>3</sup> \*May include applications received in other reporting periods and may not include some applications received in 2018

The credit rates have varied over the years, with applications received on/or after 7/1/2009, but prior to 07/1/15, eligible for up to a 35% tax credit for payroll expenditures for Louisiana residents and up to 25% tax credit for qualified production expenditures for state-certified digital interactive productions in Louisiana. For applications received on/or after 07/1/15, but before 07/1/17, the credit rate was reduced from 25% to 18% of base investment; the payroll credit was reduced from an additional 10% to 7.2% of Louisiana payroll. For applications received on/or after 07/1/17, the base investment credit is 18% and the Digital Interactive Media and Software Tax Credit payroll credit is an additional 7%<sup>4</sup>.

Number of Applications Received:	35
Number of Applications Receiving Final Certification <sup>5</sup> :	44
Certified Spending in the State (\$million):	70.2
Amount of Tax Credits Certified (\$million):	17.2

### **Sound Recording Investor Tax Credit Program**

The Sound Recording Investor Tax Credit program encourages investment in the recording of music in the state. The program provides an 18% rebatable tax credit for qualified Louisiana production expenditures. The program is subject to a cap of \$2.16 million in tax credits each calendar year. Projects qualifying for the tax credits after the annual cap has been reached are automatically placed in the queue to receive tax credits in the next calendar year.

Under the Music Jobs Creation program (MJC)<sup>6</sup>, a business engaged directly or indirectly in the production, distribution and promotion of music as approved by LED may be eligible for credits (which may only offset up to 50% of the company's income tax liability) on their annual W-2 wages upon the creation of three net new jobs employing Louisiana residents at the following rates<sup>7</sup>:

- 10% for each new job whose wages are equal to or greater than \$35,000 per year, up to \$66,000 per year.
- 15% for each new job whose wages are equal to or greater than \$66,000 per year, but no greater than \$200,000 per year.

---

<sup>4</sup> In 2018, projects under different statutory schemes were certified at different rates

<sup>5</sup> \*May include applications received in other reporting periods and may not include some applications received in 2018

<sup>6</sup> Statutorily known as Qualified Music Company (QMC)

<sup>7</sup> As of the date of this report, no expenditures have been certified or credits issued under MJC

Number of Applications Received:	6 SR/0 QMC
Number of Applications Receiving Final Certification <sup>8</sup> :	3/0
Certified Spending in the State (\$million):	0.27/0
Amount of Tax Credits Certified (\$million):	0.05/0

### **Musical and Theatrical Production Tax Credit Program**

The Musical and Theatrical Production Tax Credit program encourages the growth and expansion of production in the concert and theatrical industries. The program offers a one-time transferable tax credit that can be sold or applied against Louisiana tax liability with a refund of any overage. The tax credit value increases with higher levels of Louisiana expenditures and jobs. The total amount of credits that may be granted by LED shall not exceed \$10 million per fiscal year (50% of the cap or \$5 million being reserved for eligible not-for-profit organizations). Program parameters:

- seven percent tax credit for certified Louisiana expenditures between \$100,000 and \$300,000
- fourteen percent tax credit for certified Louisiana expenditures between \$300,000 and \$1 million
- eighteen percent tax credit for certified Louisiana expenditures over \$1 million
- an additional 7% tax credit for payroll expenditures to Louisiana residents
- projects are subject to a \$1 million cap, per year.

Number of Applications Received:	10
Number of Applications Receiving Final Certification <sup>9</sup> :	4
Certified Spending in the State (\$million):	5.3
Amount of Tax Credits Certified (\$million):	1.2

### **Research & Development Tax Credit Program**

The Research and Development Tax Credit program encourages businesses with operating facilities in Louisiana to establish or continue research and development activities within the state. Companies claiming the federal income tax credit for research activities can claim against state income and corporation franchise taxes. The purpose of the research and development tax credit is to encourage new and continuing research and development activities within

<sup>8</sup> \*May include applications received in other reporting periods and may not include some applications received in 2018

<sup>9</sup> \*May include applications received in other reporting periods and may not include some applications received in 2018

Louisiana. The current R&D credit is structured as a tiered system where companies of any size can receive a refundable tax credit for Louisiana qualified research expenditures. Act 133 of the 2015 Regular Legislative Session made any credits claimed under this program non-refundable.

Credits allowed for expenditures made through tax years 6/30/17:

- Eight percent of the state’s apportioned share of the taxpayer’s expenditures for increasing research activities, if the taxpayer is an entity that employs 100 or more Louisiana residents.
- Twenty percent of the state’s apportioned share of the taxpayer’s expenditures for increasing research activities, if the taxpayer is an entity that employs 50 to 99 Louisiana residents.
- Forty percent of the state’s apportioned share of the taxpayer’s expenditures for research activities, if the taxpayer is an entity that employs less than 50 Louisiana residents.

For tax years beginning 7/1/17, the R&D credit rates are as follows:

- SBIR and STTR: 30%
- Companies with 0-49 employees: 30% with a 50% base calculation
- Companies with 50-99 employees: 10% with an 80% base calculation
- Companies with 100 or more employees: 5% with an 80% base calculation

For tax years beginning 7/1/18, the R&D credit is transferable ONLY for the SBIR and STTR participants.

Number of Applications Approved:	71
Certified R&D Spending in the State (\$million):	562.3
Total Credits Certified (\$million):	13.5

### **Angel Investor Program**

The Angel Investor Tax Credit (AITC) program encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek start-up and expansion capital. It provides for a 25% tax credit on investments by accredited investors who invest up to \$720K per business per year and \$1.44 million per business over the life of the program, in businesses certified by Louisiana Economic Development as Louisiana Entrepreneurial Businesses (LEB). An enhanced tax credit of 35% is provided to accredited investors who invest in a LEB located within a Louisiana Opportunity Zone. The program has an annual cap of \$7.2 million that is divided evenly between the Opportunity Zone allotment and the original allotment.

Louisiana Businesses Receiving Angel Funding:	9
Amount of Angel Funding (\$million):	7.2
Amount of Tax Credits Approved (\$million):	3.3
Amount of Credits Available for Claiming (\$million): *	22.3
Anticipated Retained Jobs:	41
Anticipated New Jobs:	45
Anticipated Payroll (\$million):	4.9
Anticipated Annual Gross Revenues (\$million):	14.9

\* Includes a rollover amount from previous years and opportunity zone allotment.  
Please note: due to the nature of the program, calendar year 2021 will not close all reservations until April 27, 2022. The numbers above do not reflect the outstanding reservations that remain open. Employment, payroll, and revenue figures are purely estimates, as annual reports are not requested until all reservations are closed.

### **LED FastStart® Program**

LED FastStart provides customized recruitment, screening, and training to new and expanding, eligible companies. Recognized for its innovation, effectiveness, and efficiency since its launch in 2008, LED FastStart quickly established a presence among workforce solutions programs nationwide and has been named the number one workforce solution in the country every year since 2010. Based on a company's immediate and long-term workforce needs, the LED FastStart team crafts unique programs that ensure workers are prepared on day one and beyond. LED FastStart's innovative, customized programs are available to companies that meet eligibility requirements and are aligned with Louisiana's economic development targets, including digital media, headquarters and business operations, service industries, advanced and traditional manufacturing, warehouse and distribution, and research and development. Service industries, headquarters and business operations, and warehouse and distribution companies must also have a majority of sales out of state. To qualify, a company must first commit to creating a net of at least 15 new, permanent manufacturing jobs, or a net of at least 50 new, permanent service-related jobs. Each request is evaluated prior to project commencement to ensure all eligibility requirements are met.

New Projects:	26
Employees Trained: * (Unduplicated/1875 - Duplicated/6000.5 total training hours)	600
Anticipated New Direct Jobs:	6065
Anticipated Retained Jobs:	6843

Anticipated Associated Capital Investment (\$million): 2,863.9

### **Economic Development Award Program**

The purpose of the Economic Development Award Program (EDAP) program is to assist in the financing or funding of Sponsored Projects and/or Unsponsored Projects for which financial assistance is requested in order to promote economic development in the state and provide an incentive to influence a company's decision to locate, relocate, maintain, rebuild and/or expand its business operations in Louisiana, and/or to increase its capital investment in Louisiana. A sponsored project would include the financing or funding of an expansion, improvements and/or provision of publicly owned infrastructure for a public entity for the benefit of industrial or business development projects that promote targeted industry economic development and that require state assistance for basic infrastructure development, with a public entity recommending the award, serving as a sponsor of and participating in the award application and the award agreement. An unsponsored project would include the financing or funding of an expansion, improvements and/or provision of privately-owned infrastructure for the benefit of industrial or business development projects that promote targeted industry economic development and require state assistance, but without the requirement of a public entity sponsor. The program is managed such that projects utilizing the program generate a positive return on investment (ROI) as measured by projected tax revenues. Prior to utilizing the programs, LED performs an ROI assessment based on industry standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections.

New Projects:	5
Award Amount (\$million):	4.5
Anticipated Retained Jobs:	636
Anticipated New Direct Jobs:	380
Anticipated Total Capital Investment (\$million):	211.6
Anticipated Payroll Associated (\$million):*	81.7

\*This payroll is for both new and retained jobs

### **Rapid Response Fund**

The Rapid Response Fund is used for immediate funding of all or a portion of economic development projects to secure the creation or retention of jobs. The Fund can be utilized for both small and large projects whereas; the Mega-Project Development Fund is focused on large projects. The Rapid Response Fund helps position Louisiana to win business development projects where multiple states are competing. LED manages its use of the Rapid Response Fund such that projects utilizing the Fund generate a positive return on investment (ROI) as

measured by projected tax revenues. Prior to utilizing the Fund, LED performs an ROI assessment based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections.

New Projects:	4
Award Amount (\$million):	18.75
Anticipated Retained Jobs:	0
Anticipated New Direct Jobs:	2746
Anticipated New Indirect Jobs:	3120
Anticipated New Total Jobs (Direct and Indirect):	5866
Anticipated Associated Capital Investment (\$million):	457.0
Anticipated New Annual State Tax Revenues Generated (\$million/yr.):	13.6

#### **EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2021**

The following existing programs had no new activity in 2021, only renewals or continuations of commitments from prior years.

#### **Industry Assistance (Exemptions for Manufacturers) Program**

To induce industrial development, the State seeks to encourage the retention and/or expansion of existing businesses. This program encourages the retention and modernization of existing manufacturing businesses in Louisiana by reducing/exempting taxes imposed by the State to encourage the continued operations of such businesses at existing levels and, if possible, expand those operations. This incentive is reserved for situations in which a substantial threat exists resulting in significant job losses due to closure, consolidation, or relocation.

The “invitation only” program from the Secretary of LED includes mandatory requirements the company must meet pertaining to jobs, payroll, and investment. The business must demonstrate a need for the exemption to maintain operations at current employment levels, stay competitive, and exhibit a willingness to commit a significant investment sufficient to grow and prosper in Louisiana. The manufacturing facility is urged to use Louisiana manufacturers, suppliers, and contractors, and be committed to designate and set-aside an award to economically disadvantaged the corporation franchise tax, state sales and use tax on goods necessary for production, state sales and use tax on machinery and equipment, the corporation income tax, and all other state-imposed taxes on the applicant.

## **Louisiana Seed Capital Program**

The Louisiana Economic Development Corporation (LEDC) Louisiana Seed Capital program was established to promote economic development and encourage the formation of Louisiana-based venture capital funds. The state of Louisiana received an allocation of \$13.1 million from the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) to invest in Louisiana businesses through LEDC's Seed Capital and Small Business Loan and Guaranty programs. Specifically, the Seed Capital program received \$5.1 million in funding. Investments made were based on the availability of funds. LEDC does not make direct investments into any small business. LEDC follows an indirect, fund of funds, investment policy whereby it invests in venture capital firms that subsequently make direct investments into Louisiana-based small businesses. The general partners of the venture capital firms, or fund managers, are private sector investors who pool funds from a number of investors known as limited partners. These firms also identify and invest in promising businesses, managing the investment until an exit from the investment is achieved. In this manner, LEDC is able to leverage public funds with private capital to spur economic growth through the creation and cultivation of Louisiana-based businesses. The funds are matched on one state dollar for each one and a half private capital dollars, not to exceed a state investment of \$2 million.

## **Competitive Projects Payroll Incentive Program**

Created in 2012, the Competitive Projects Payroll Incentive program enables Louisiana Economic Development to offer an incentive up to 15% of payroll to secure new jobs in target sectors for highly competitive projects. Additionally, the program provides either a state sales/use tax rebate on capital expenditures or a project facility expense rebate equal to 1.5% of qualified capital expenditures. This program is only offered for projects that yield a positive return on investment for the state, and the level of the rebate is determined by this return. Act 126 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The payroll credit was reduced to 12% and project facility rebate was reduced to 1.2% of qualified capital expenditure. Act 126 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018, and original rates restored.

## **Competitive Projects Tax Exemption Program**

This program enables Louisiana Economic Development to provide a 10-year property tax abatement in selected parishes on qualifying capital investments of at least \$25 million in targeted non-manufacturing industry sectors. The abatement is for the ad valorem taxes in excess of \$10 million or 10% of the fair market value of the property, whichever is greater.

## **Industrial Tax Equalization Program**

The Industrial Tax Equalization Program equalizes the overall taxes between a Louisiana site and a competing site in another state to encourage businesses to locate or expand in Louisiana. Eligibility includes new and expanding manufacturing establishments, headquarters, warehousing, and distribution facilities. Contracts are for an initial five-year period and can be renewed for up to five-year increments, at the discretion of the Commerce & Industry Board.

## **Mega-Project Development Fund**

The Mega-Project Development Fund is used for immediate funding of all or a portion of economic development mega-projects to secure the creation or retention of jobs. The Fund can be used for projects that provide either 500 new direct jobs to the state or a minimum initial investment of \$500 million and that generate a substantial return on the investment (ROI) by the state as measured by projected tax revenues. The ROI assessment is performed based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections. The Fund can also be used for a military or federal installation project, that is important to the Louisiana economy, and that may be subject to base realignment and closure.

## **Micro Loan Program**

The Micro Loan Program provides loan guarantees and participations to banks that fund loans ranging from \$5,000 to \$50,000 to Louisiana small businesses.

## **Ports of Louisiana – Import Export Cargo Credit**

The purpose of the cargo credit policy is to encourage the utilization of public port facilities for the import and export of cargo by offering up to a \$5.00 per-ton credit for any containerized or break bulk cargo that passes through a Louisiana public port, and which originates from, or is destined to, a Louisiana distribution, manufacturing, fabrication, assembly, processing, or warehousing sites, provided the Commissioner of Administration can certify the project will result in a “significant positive economic benefit” to the State. The per-project cap is \$1.8 million per tax year, and the program cap is \$4.5 million per fiscal year. To date, there have been no applications submitted for this program.

## **Ports of Louisiana – Investor Tax Credit**

The purpose of the investor tax credit policy is to encourage private investment in the use of state port facilities in Louisiana as a means to assist the State in financing improvements to state ports and port infrastructure facilities. The investor incentive provides up to a 100% tax

credit against Louisiana tax liabilities for private investments made at public port facilities to be taken at 5% per tax year, provided the Commissioner of Administration can certify the project will result in a “significant positive economic benefit” to the State. On behalf of the Division, LED measures the state government’s return on investment (i.e., economic impact) as the best estimate to determine sufficient revenue. Because of the sufficient revenue requirement, a project’s economic impact becomes the actual value of the credit, which may not necessarily equal 100% of the size of the investment. The per-project cap is \$1.8 million per tax year, and the program cap is \$4.5 million per fiscal year.

### **Venture Capital Match & Co-Investment Program**

The Venture Capital Match program provides for a match investment for qualified Louisiana venture capital funds. The venture capital fund must have at least \$5 million of private investment. The funds are matched on one state dollar for each two private capital dollars, not to exceed a state investment of \$5 million. The Co-Investment program provides for a co-investment in a Louisiana business of up to ¼ of the round of investment, not to exceed \$500,000, with any qualified venture capital fund with at least \$7.5 million in private capital. The venture capital fund may be from outside Louisiana.