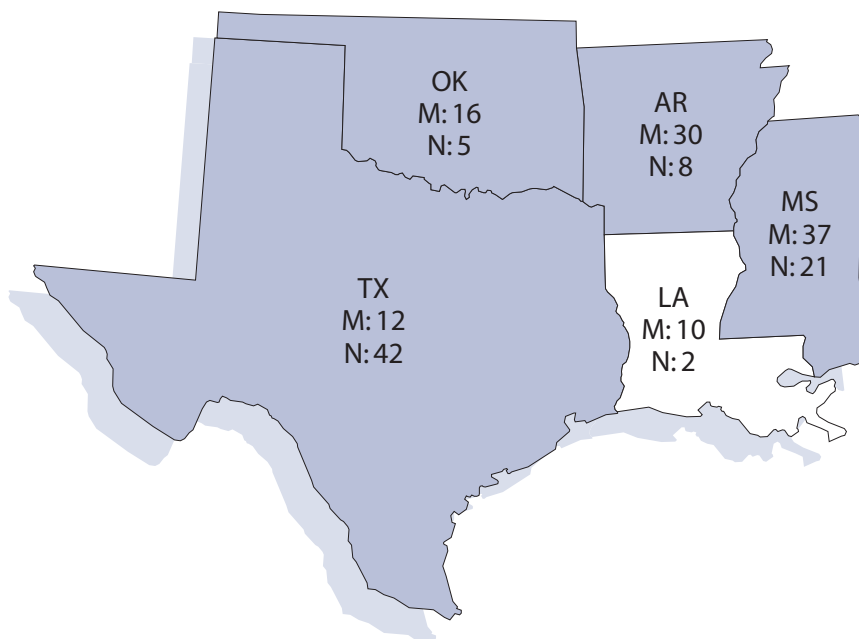


M = Rank for mature firms  
N = Rank for new firms



Louisiana ranks 10th overall for mature operations and second overall for newly established operations. Specifically:

- Louisiana ranks first in four of the 14 categories.
- Two of the first-place rankings are for new capital-intensive manufacturing and new labor-intensive manufacturing firms. Each of these operations has a total effective tax rate (TETR) of 1 percent or below due to a combination of favorable apportionment rules and some of the most generous property tax incentives and withholding tax incentives in the nation.
- The state also ranks first in both new and mature R&D operations. Louisiana offers the third-most generous R&D tax credit, reducing the TETR for the R&D center to -10.5 percent. This means that it receives a substantial tax subsidy.
- For mature operations, Louisiana's first-place rank for mature R&D centers pulls the overall index score much lower than it would otherwise be. This operation has a TETR of 1.7 percent, 87 percent below the national average.
- Louisiana's rankings for mature manufacturing operations are a study in contrasts. Despite the state's 8 percent corporate tax rate, both types of mature manufacturing operations enjoy the lowest income tax burden in their category thanks to the state's favorable apportionment formula. And each enjoys one of the lowest UI tax burdens. However, each firm type also faces one of the highest sales tax burdens and the highest property tax burden, due in large measure to the state's high taxes on equipment.

## Louisiana

### Corporate income tax

Main tax rate	8.000%
Applies to income over	\$200,000
Specific adjustments:	
- s.199 deduction allowed	
- 100% deduction for federal tax paid	

Apportionment	Property	Payroll	Sales
Standard factors*	–	50.0%	50.0%
Mfg. and retail	–	–	100.0%
Throwback applies to tangible property sales			No
Interstate services income apportionment			IPA

\*For service enterprises.

### Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate <sup>a</sup>	Land	Buildings	Equipment	Inventory
Tier 1	New Orleans	8.880%	1.171%	1.757%	1.757%	1.757%
Tier 2	Shreveport	8.930%	1.737%	2.606%	2.606%	2.606%
a. Manufacturing machinery is exempt from sales tax						

### Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
1.68%	\$7,700	0.150%	Tier 1	–	0.100%	0.100%	n/a
			Tier 2	–	0.100%	0.100%	n/a

### Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	n/a							
Job creation	n/a							
Withholdings	Varies from 5-6% of new payroll x 10 years	✓	✓		✓	✓	✓	
R&D	20% of in-state R&D per federal concepts, refundable						✓	
Property tax	Abate 100% x 10 years for mfg. building, machinery Refundable tax credit for property tax on inventory	✓	✓		✓			✓

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

### Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	1.0%	0.4%	34.6%	50.0%	7.0%	-10.5%	35.2%		10.9%	9.1%	21.4%	36.6%	15.4%	1.7%	15.4%			
Index	9.1	3.7	138.9	138.2	43.2	-71.6	108.3	<b>52.8</b>	86.2	78.5	102.2	119.3	98.3	13.2	91.2	<b>84.1</b>		
Rank	1	1	42	43	2	1	32	<b>2</b>	20	16	29	40	26	1	19	<b>10</b>		

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store