

BUSINESS INCENTIVES

at CHENNAULT



FOREIGN TRADE ZONE BENEFITS

Chennault is part of Foreign Trade Zone 87, so it is technically considered to be outside the territory of U.S. Customs. That can lower your cost of doing business by allowing your company to defer, reduce, or eliminate U.S. Customs duties.

Certain types of merchandise may be brought into the Chennault complex without a formal Customs entry, import quotas and most other import restrictions.

ADVANTAGES

FTZ 87 has two zones:

General Purpose Zone.

Established for multiple activities by multiple users.

Subzone.

A special-purpose zone for use by one company for a specific activity.

Merchandise in FTZ 87 may be re-exported without customs duty if:

- Assembled
- Displayed
- Stored
- Tested
- Repaired
- Manufactured
- Salvaged
- Relabeled
- Mixed
- Destroyed
- Repackaged
- Cleaned
- Processed

Source: LED

FTZ 87 users may be eligible for:

- ▶ Delaying payment of U.S. Customs duties and excise taxes until goods leave the zone to enter U.S. markets.
- ▶ Paying duty only on the value of imported components when a company uses a combination of domestic and imported materials to manufacture or process goods within the zone.
- ▶ Reducing U.S. Customs duties on goods manufactured or processed in the zone when imported components have a higher duty rate than the finished goods (inverted tariff).
- ▶ Eliminating U.S. Customs duties and fees on goods that a company re-exports.
- ▶ Holding excess goods in the zone to avoid import quota restrictions, then releasing them during the next quota period.
- ▶ Transferring in-bond merchandise between FTZs for manufacturing purposes and deferring duty until the product enters the U.S. marketplace.
- ▶ Paying reduced or no duties on nonconforming, damaged, scrapped, or obsolete components or goods.
- ▶ Lowering other costs, such as inventory, insurance, and cost of sales, as no duty is paid on labor, overhead, or profit from FTZ production operations.

INCENTIVES CONTINUED

CHENNAULT
INTERNATIONAL AIRPORT

ciaa@chennault.org • 337-491-9961 or 800-272-2422

www.chennault.org



LOUISIANA ECONOMIC DEVELOPMENT

ANGEL INVESTOR TAX CREDIT PROGRAM

Provides a 25 percent tax credit on investments by accredited investors who contribute to businesses certified by LED as Louisiana Entrepreneurial Businesses. Investors can invest \$720,000 per business per year and \$1.44 million per business over the life of the program.

DIGITAL INTERACTIVE MEDIA AND SOFTWARE DEVELOPMENT INCENTIVE

Provides up to a 25 percent refundable tax credit for Louisiana resident labor expenditures and up to a 18 percent refundable tax credit on qualified production expenditures.

ENTERPRISE ZONE

Provides a job tax credit of up to \$3,500 per certified net new permanent, full-time job and either a state sales/use tax rebate on qualifying expenses or an investment tax credit equal to 1.5 percent for qualified capital expenditures, excluding tax-exempted items.

INDUSTRIAL TAX EXEMPTION

With local approval, provides an 80 percent property tax abatement for an initial term of five years and the option to renew for five additional years at 80 percent tax abatement on a manufacturer's qualifying capital investments.

OPPORTUNITY ZONES

This is a federal capital gains tax incentive program designed to drive long-term investments to low-income communities. The law provides a federal tax incentive for investors to re-invest their capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in designated low-income areas.

QUALITY JOBS

Provides a cash rebate of up to 6 percent on annual gross payroll for new, direct jobs for an initial five-year term with an option for a five-year renewal. It can also provide a state sales/use tax rebate on qualifying expenses or a 1.5 percent project facility expense rebate for qualified capital expenditures, excluding tax-exempted items.

RESEARCH AND DEVELOPMENT TAX CREDIT

Provides up to a 30 percent tax credit on qualified research expenditures incurred in Louisiana—with no cap and no minimum spending requirement. Businesses can also receive up to a 30 percent tax credit under the following programs: Small Business Innovation Research Grant (SBIR) and/or Small Business Technology Transfer (STTR).

RESTORATION TAX ABATEMENT

Provides property tax abatement for up to 10 years for the rehabilitation of existing commercial structures and owner-occupied residences based on assessed valuation of property prior to beginning of improvements.

SMALL BUSINESS LOAN AND GUARANTY PROGRAM

Provides guarantees that may equal up to 75 percent of the loan amount, not to exceed a maximum guarantee amount of \$1.5 million.

