



# This Week in State Tax (TWIST)

26th February 2024



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## Louisiana: Job Creation No Longer Mandated for ITEP Benefits

Louisiana Governor Jeff Landry recently signed an executive order making changes to the Industrial Tax Exemption Program (ITEP). The program allows certain qualifying manufacturing businesses, either new to Louisiana or already in the state, to receive an 80 percent ad valorem tax abatement for up to 10 years for new investments and capitalized additions. The Governor's executive order makes a couple of important changes to the program. Previously, applications to the program required various levels of state and local approvals; each local body collecting property taxes was required to independently approve an application. Going forward, an ITEP application will no longer need to go through multiple local agencies to be approved. Instead, the application will first be sent to the state Board of Commerce and Industry. If approved, the application will be forwarded to a local ITEP Committee consisting of various local officials and employees. That local committee will have 45 days to consider the application. Decisions of the local ITEP Committee are not dispositive and do not bind the Governor or the state Board of Commerce and Industry. In the event there is a disagreement over the approval of an application between the local committee and the Board of Commerce and Industry, Governor Landry will make the final decision. The other significant change to ITEP is that businesses will no longer be required to create jobs to maintain the property tax abatement. Governor Landry was quoted as saying "This program is about capital investment. It is not about job creation." The changes contained in the executive order apply for prospectively to applications filed on or after February 21, 2024. Please contact [Randy Serpas](#) with questions on Executive Order JML 24-23.

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