

2024 Third Extraordinary Session Recap

TAX SPECIAL SESSION WRAPS

The 2024 Third Extraordinary Session adjourned on November 22, with legislators coming to a revised agreement on Governor Landry's tax plan, Louisiana Forward. As always, 1A worked to amplify the business community's voice, ensuring a regular presence at the State Capitol and swift communication of priority issues to legislators throughout the special session. Read on for highlights of the outcomes.

View 1A's Final Bill Tracker at OneAcadiana.org/Bill-Tracker

MAJOR PROVISIONS

Tax Rates and Repeals

- Reduced personal income tax rate to a flat rate of **3.0%**, and increased the standard deduction for individuals to **\$12,500**
- Reduced corporate income tax rate to a flat rate of **5.5%**, and added a standard business deduction of **\$20,000**
- Eliminated the corporate franchise tax
- Provided option for local governments to eliminate the inventory tax
- Adjusted state sales tax rate to **5%** for 5 years and **4.75%** thereafter, and expanded sales tax base to certain digital goods (e.g., streaming services, online games and apps)



Economic Development Toolkit

- Protected ITEP and the Digital Media Tax Credit
- Reduced annual cap on the motion picture tax credit to **\$125 million**
- Reduced annual cap on the historic rehabilitation tax credit to **\$85 million**
- Added annual cap on Research and Development Tax Credit of **\$12 million**
- Eliminated other LED-administered tax credit and rebate programs

LED explained that the next phase of Louisiana Forward involves legislation to restructure the state's economic development toolkit around three key programs:

1. Site development fund
2. Strategic investment fund
3. High-impact, high-wage job creation program

LED will draft related legislation in preparation for the 2025 Regular Session. The newly formed Louisiana Economic Development Partnership (LEDP), comprised of private sector leaders representing key industries across the state, is in process of developing a strategic plan for LED, expected in February 2025, which will help to inform LED's new incentive structure.

THAT'S A WRAP

The Louisiana Forward plan is tied to a Constitutional Amendment rewriting Article VII of the State Constitution, which will require voter approval on the **March 29, 2025** ballot. 1A will work to provide the regional business community with the information needed to understand this proposed Constitutional Amendment, along with the historic tax reform package as a whole.