

Louisiana State Taxes & Fees

Corporate Income Tax

Louisiana employs a progressive scale corporate income tax structure:

1st \$25,000 of taxable income: 4%

Next \$25,000 of taxable income: 5%

Next \$50,000 of taxable income: 6%

Next \$100,000 of taxable income: 7%

Taxable income \$200,000: 8%

Corporate Franchise Tax

Corporate Franchise Tax is levied at the rate of \$1.50 per \$1,000 on the first \$300,000 of capital stock, surplus, undivided profits and borrowed capital employed in Louisiana. The rate is \$3.00 per \$1,000 after the first \$300,000 with a minimum tax of \$10 per year. See Incentives section below for a description of the various ways that qualifying Louisiana companies can offset Corporate Franchise Taxes.

In addition to the above, Louisiana is phasing out the Corporate Franchise Tax on long-term debt by excluding "borrowed capital" from the definition of "taxable capital". As of December 31, 2009, 70% of borrowed capital will be excluded and 100% will be excluded as of December 31, 2010.

Unemployment Insurance

There is an initial 2-year period of eligibility during which the new employer is charged at the average rate of existing employers in the state in the same business classification on the first \$7,000 of each employee's annual wage. Thereafter, the rate is determined by the employer's experience rating based on employer turnover history and the rate can range from 0.1% to 6.2% of the first \$7,000 of each employee's annual wage.

Worker's Compensation Insurance

Like all states, Louisiana's Worker's Compensation insurance rates vary widely depending upon the risk factors of the specific occupations in individual enterprises. The current average rate for all employers in Louisiana is \$3.67 per \$100 in payroll. Louisiana does allow employers to be self-insured under certain conditions.

Sales & Use Taxes

The state sales tax rate in Louisiana is 4%. Sales taxes are levied on the retail sale personal property and certain services. Basic consumer commodities, such as food for home consumption and prescription drugs, are exempt from state sales taxes. With voter approval, political subdivisions in Louisiana may levy a combined additional sales tax of up to 5%.

There are no state sales and use taxes on business utilities. Exemptions include electricity, natural gas, steam and water. In addition, there are no state sales taxes on the purchase, use, lease or rental of manufacturing machinery and equipment.

Property Taxes

There are no state property taxes in Louisiana. See below for a detailed discussion of property taxes in Ascension Parish.

Louisiana Individual Income Taxes

Louisiana utilizes the following progressive scale to calculate individual income taxes:

Filing Status Single, Married Filing Separately or Head of Household, Married Filing Jointly

1st \$25,000 of taxable income: N/A

Next \$25,000 of taxable income: 2%

Next \$50,000 of taxable income: N/A

\$37,500: 4%

\$50,000: 6%