



## MULTISTATE INDIRECT TAX

# Louisiana modifies industrial ad valorem tax exemption Tax Alert

## Overview

On March 20, 2025, Louisiana Governor Jeff Landry signed Executive Order Number [JML 25-033](#) ("EO 25-033") to revise the Louisiana Industrial Tax Exemption Program ("ITEP") by allowing businesses with ITEP contracts existing under the 2017 and 2018 ITEP Rules to prospectively "opt out" of the jobs, payroll, and compliance components regardless of whether the contract is up for renewal.

This Tax Alert summarizes the key provisions of EO 25-033.

## Summary of EO 25-033

- The Louisiana Industrial Tax Exemption Program has evolved over time. It was initially designed to offer a property tax abatement to eligible manufacturers investing in the state. Changes were implemented in 2016 that included reducing the abatement percentage from 100% to 80%, introducing job creation requirements for companies, and requiring local approval. Later updates in 2024 included clawing back the job requirement for future ITEP applications.
- An executive order issued on February 21, 2024 streamlined ITEP by eliminating job requirements and simplifying local approval procedures. However, the program does still require an application process with a filing fee calculated based off the estimated benefit to the applicant.
- Under EO 25-033, ITEP contracts existing under the 2017 and 2018 ITEP Rules may "opt out" of the jobs, payroll, and compliance components regardless of whether the contract is up for renewal.
  - To exercise this option, companies with ITEP contracts existing under the 2017 and 2018 rules (advance notification filed prior to February 21, 2024) must amend Exhibit A to reflect zero jobs and payroll.
  - The "Opt-Out" Amendment form must be filed via LED's Fastlane NextGen portal system.
  - The amendment requires approval at the Board of Commerce and Industry ("BCI") and is prospective and effective from the year of the BCI approval of the amendment.

- Upon BCI approval, the application amendment is reviewed by the Louisiana Department of Revenue and the Louisiana Workforce Commission who either approve or submit a letter of objection.
- Applicants must also obtain governor approval.
- EO 25-033 is effective for project applications filed on or after March 20, 2025.

## Conclusion

These modifications reflect the state's efforts to make ITEP more accessible and efficient for manufacturers investing in Louisiana and more closely align the application rules for prospective ITEP projects.

## Get in touch

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