

2026 Regular Session

HOUSE BILL NO. 1088

BY REPRESENTATIVE BACALA

TAX/TAX REBATES: Authorizes a state and local sales and use tax rebate on the purchase of certain items used in aerospace facilities and activities

1 AN ACT

2 To amend and reenact R.S. 47:303.1(B)(5) and to enact R.S. 47:305.82, relative to sales and
3 use tax rebates; to authorize a state and local sales and use tax rebate on purchases
4 of certain equipment, machinery, materials, and other items used in aerospace
5 facilities and aerospace activities; to provide for requirements, limitations, and
6 conditions with respect to the rebate; to provide for duties and functions of Louisiana
7 Economic Development and the Department of Revenue with respect to the rebate;
8 to provide for administration of the rebate; to provide for issuance of direct payment
9 numbers to certain taxpayers; to provide for definitions; to provide for effectiveness;
10 and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:303.1(B)(5) is hereby amended and reenacted and R.S. 47:305.82
13 is hereby enacted to read as follows:

14 §303.1. Direct Payment Numbers

15 * * *

16 B.

17 * * *

18 (5) A DP Number shall be issued to a taxpayer who has entered into an
19 agreement with the state pursuant to the provisions of R.S. 47:305.73 or 305.82 and
20 who obtains the required approvals and meets all of the qualifications provided in

1 this Section except Subparagraphs (1)(a) and (c) of this Subsection. The taxpayer
2 may possess the DP Number for the entire term of the agreement that the taxpayer
3 enters into pursuant to R.S. 47:305.73 or 305.82.

4 * * *

5 §305.82. Rebate; sales and use tax imposed by any taxing authority for purchases
6 of equipment and other items used in aerospace facilities and aerospace
7 activities

8 A. As used in this Section, the following terms shall have the meanings
9 ascribed to them in this Subsection unless the context clearly indicates otherwise:

10 (1)(a) "Aerospace activity" means any act or activity related to the research,
11 development, testing, manufacture, preparation, launch, operation, reentry, descent,
12 landing, or post-landing recovery of a launch vehicle, spacecraft, payload, or related
13 equipment, including but not limited to integration, conditioning, transport, and
14 associated ground support operations, whether conducted on-site or involving
15 overflight.

16 (b) The term "aerospace activity" shall not mean any act or activity related
17 to general administrative, managerial, or support functions, including but not limited
18 to human resources, payroll, bookkeeping, accounting, legal, marketing, sales,
19 information technology support, or other similar office or overhead activities,
20 regardless of whether these functions are performed on-site at a manufacturing
21 facility or elsewhere.

22 (2) "Approved aerospace facility" means an aerospace facility that is located
23 in Louisiana and certified by Louisiana Economic Development in accordance with
24 the provisions of this Section.

25 (3) "Approved aerospace facility contractor" means all of the following:

26 (a) A contractor or subcontractor purchasing, leasing, operating, or
27 maintaining the approved aerospace facility.

1 (b) A contractor or subcontractor providing services for the construction,
2 repair, maintenance, or improvement of the approved aerospace facility or equipment
3 used in aerospace activities at an approved aerospace facility.

4 (4) "Approved aerospace facility owner" means the entity that enters into the
5 agreement with Louisiana Economic Development as provided for in this Section.

6 (5) "Department" means the Department of Revenue.

7 B.(1)(a) Subject to the limitations provided in Subparagraph (b) of this
8 Paragraph, an approved aerospace facility owner or approved aerospace facility
9 contractor shall be eligible for a rebate, to be paid annually, of sales and use taxes
10 of any taxing authority paid for the purchase, lease, rental, or use of machinery,
11 equipment, materials, supplies, or services used directly in aerospace activities at an
12 approved aerospace facility.

13 (b) Only purchases made on or after July 1, 2026, shall be eligible for the
14 rebate authorized in this Subsection.

15 (2) To be certified as an approved aerospace facility by Louisiana Economic
16 Development, the aerospace facility owner shall provide a sworn attestation that the
17 project will create a minimum of two hundred new direct, permanent, full-time jobs
18 in Louisiana and intends to expend at least one billion dollars in new capital
19 investment in Louisiana on or after July 1, 2026, but before July 1, 2031.

20 (3)(a) A facility that has been certified as an approved aerospace facility
21 shall enter into an agreement with Louisiana Economic Development that comports
22 with the requirements of this Paragraph.

23 (b) The agreement shall provide a term of rebate eligibility with an initial
24 term of twenty years, a list of all eligible recipients of the rebate, and language that
25 authorizes the state to terminate the agreement and recapture any rebates if the
26 approved aerospace facility fails to fulfill, or if Louisiana Economic Development
27 determines that the facility will be unable to fulfill its statutory and contractual
28 obligations. Failure to create a minimum of two hundred new direct, permanent,
29 full-time jobs in Louisiana or to expend one billion dollars in new capital investment

1 in Louisiana by July 1, 2031, shall result in the termination of the rebate agreement
2 with Louisiana Economic Development.

3 (c) Upon the expiration of the initial term of the agreement, Louisiana
4 Economic Development may renew the agreement for an additional ten years.

5 (d) Louisiana Economic Development may include in the agreement any
6 additional conditions that it deems appropriate.

7 (4) An approved aerospace facility shall be issued a Direct Payment Number
8 in accordance with the applicable provisions of R.S. 47:303.1.

9 (5) The department may utilize any collection remedy authorized by R.S.
10 47:1561.2 for any rebates subject to recapture based on termination of the agreement
11 with Louisiana Economic Development or a determination that the purchase did not
12 qualify for the rebate. If a rebate is subject to recapture, the approved aerospace
13 facility owner shall reimburse the department or its agent for any costs incurred.
14 Notwithstanding any provision of law to the contrary, recapture of a rebate based on
15 a termination of the agreement may be initiated within the later of a time period set
16 forth in R.S. 47:1561.2 or two years after the date of termination of the agreement.

17 C.(1) Requests for the rebate of sales and use taxes levied by taxing
18 authorities pursuant to the provisions of this Section shall be processed by the
19 department. A taxpayer shall request a rebate of state tax using a form and in the
20 manner prescribed by the department.

21 (2) A taxpayer who requests a rebate pursuant to Subsection B of this
22 Section shall do all of the following:

23 (a) Obtain certification from Louisiana Economic Development that the
24 aerospace facility is an approved aerospace facility eligible to receive a rebate. A
25 copy of the certification shall be submitted to the department with the rebate request.

26 (b) Submit documentation to the department evidencing the purchases
27 eligible for the rebate.

28 D.(1) Requests for the rebate of local sales and use taxes pursuant to the
29 provisions of this Section shall be processed by the appropriate local taxing

1 authority. A taxpayer shall claim a rebate of local tax using a form and in the manner
2 required by the local taxing authority.

3 (2) A taxpayer who requests a rebate pursuant to Subsection B of this
4 Section shall submit documentation to the local taxing authority evidencing the
5 purchases eligible for the rebate.

6 Section 2. This Act shall become effective on July 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1088 Engrossed

2026 Regular Session

Bacala

Abstract: Authorizes a state and local sales and use tax rebate for certain approved entities on purchases of equipment, machinery, materials, and other items used in aerospace facilities and aerospace activities.

Proposed law defines "aerospace activity", "approved aerospace facility", "approved aerospace facility contractor", and "approved aerospace facility owner" for purposes of proposed law.

Proposed law provides that approved aerospace facility owners and approved aerospace facility contractors shall be eligible for a rebate, to be paid annually, of state and local sales and use taxes paid for the purchase, lease, rental, or use of machinery, equipment, materials, supplies, or services used directly in aerospace activities at an approved aerospace facility.

Proposed law stipulates that the rebate shall apply exclusively to qualifying purchases made on or after July 1, 2026.

Proposed law requires certification of approved aerospace facilities by La. Economic Development (LED). Provides that in order to be certified as an approved aerospace facility, the facility owner shall provide a sworn attestation to LED that the project will create a minimum of 200 new direct, permanent, full-time jobs in La. and intends to expend at least \$1B in new capital investment in La. on or after July 1, 2026, but before July 1, 2031.

Proposed law requires parties that have been certified as approved aerospace facilities to enter into an agreement with LED that comports with the following requirements:

- (1) It provides a term of rebate eligibility, with an initial term of 20 years.
- (2) It contains a list of all eligible recipients of the rebate.
- (3) It contains language that authorizes the state to terminate the agreement and recapture any rebates if the aerospace facility fails to fulfill, or if LED determines that the facility will be unable to fulfill, its statutory and contractual obligations.

Proposed law provides that upon the expiration of the initial term of rebate eligibility, LED may renew the agreement for an additional 10 years.

Proposed law authorizes La. Economic Development to include in agreements with approved aerospace facilities any additional conditions it deems appropriate.

Proposed law authorizes the Dept. of Revenue (DOR) to utilize any collection remedy allowed by present law for any rebates subject to recapture based on termination of the agreement with LED or a determination that a purchase did not qualify for a rebate. Requires that if a rebate is subject to recapture, the approved aerospace facility owner shall reimburse DOR or its agent for any costs incurred.

Proposed law requires that each approved aerospace facility be issued a direct payment number in accordance with present law, thereby allowing those businesses to remit sales tax on purchases directly to the state and local taxing authorities.

Effective July 1, 2026.

(Amends R.S. 47:303.1(B)(5); Adds R.S. 47:305.82)