
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)