

2026 Regular Session

HOUSE BILL NO. 1179

BY REPRESENTATIVE BACALA

TAX/AD VALOREM-MFG/EXEMP: Extends eligibility for the ad valorem tax exemption for certain manufacturing establishments to certain aerospace manufacturing establishments

1 AN ACT

2 To enact R.S. 47:1703.4, relative to ad valorem tax exemptions; to extend eligibility for ad  
3 valorem tax exemptions for certain manufacturing activities and facilities; to provide  
4 for definitions; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:1703.4 is hereby enacted to read as follows:

7 §1703.4. Exemption; aerospace manufacturing activities

8 A. The legislature finds that certain advanced manufacturing activities  
9 associated with aerospace programs are critical to economic development and shall  
10 be eligible for the ad valorem tax exemption pursuant to Article VII, Section 21(F)  
11 of the Constitution of Louisiana.

12 B. For the purposes of this Section, the following terms shall have the  
13 following meanings:

14 (1) "Aerospace manufacturing" means the fabrication, assembly, integration,  
15 testing, preparation, and launch of vehicles and craft as part of aerospace activities.

16 (2) "Aerospace manufacturing establishment" means any facility used in  
17 aerospace activities, including but not limited to pads, structures, propellant systems,  
18 testing infrastructure, and related support systems that are functionally integrated  
19 with the manufacturing process.

1           C. Aerospace manufacturing and capital expenditures related to facilities and  
 2           infrastructure integral to aerospace manufacturing shall be eligible for the ad valorem  
 3           tax exemption pursuant to Article VII, Section 21(F) of the Constitution of  
 4           Louisiana.

5           Section 2. This Act shall become effective upon signature by the governor or, if not  
 6 signed by the governor, upon expiration of the time for bills to become law without signature  
 7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 8 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 9 effective on the day following such approval.

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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)]

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HB 1179 Reengrossed

2026 Regular Session

Bacala

**Abstract:** Extends eligibility for the property tax exemption for a new manufacturing establishment for the Industrial Tax Exemption Program (ITEP) to aerospace manufacturing establishments.

Present constitution authorizes the State Board of Commerce and Industry, with the approval of the governor, to enter into contracts to exempt from property taxes a new manufacturing establishment or an addition to an existing manufacturing establishment commonly known as the ITEP Program.

Present constitution limits the exemption to an initial term of no more than five calendar years, and allows the exemption to be renewed for an additional five years.

Present constitution defines "manufacturing establishment" and "addition" as a new plant or establishment or an addition to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or combinations to matter which already has gone through some artificial process.

Proposed law extends eligibility for the exemption in present constitution to aerospace manufacturing and capital expenditures related to facilities and infrastructure integral to aerospace manufacturing.

Proposed law defines "aerospace manufacturing" as the fabrication, assembly, integration, testing, preparation, and launch of vehicles and craft as part of aerospace activities and defines "aerospace manufacturing establishment" as any facility used in aerospace activities, including pads, structures, propellant systems, testing infrastructure, and related support systems that are functionally integrated with the manufacturing process.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:1703.4)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Make technical changes.