

# MENTOR-PROTÉGÉ TAX CREDIT PROGRAM



Louisiana Economic Development supports established construction companies that choose to mentor the development of protégé firms as competitive contractors, subcontractors and joint venture partners. With the Mentor-Protégé Tax Credit Program Act of 2007, mentor firms can receive Louisiana income or franchise tax credits of up to \$50,000 per year by making technical assistance available to a protégé firm. Through the Mentor-Protégé Tax Credit Program, LED enhances Louisiana's business environment for new construction companies, expands the economy and generates quality jobs for our state.

## MENTOR FIRM REQUIREMENTS

- Mentor firm must be committed and able to provide professional guidance and support to its protégés to facilitate their development and growth, particularly in the critical areas of private and public procurements in construction.
- Mentor firm must demonstrate favorable financial health, including profitability for at least the last two years.
- Mentor firm must demonstrate the capability to provide managerial or technical skills transfer or capacity building.
- Mentor firm must be capable of contracting with private and public entities.
- Mentor firm must be in "good standing" with the Secretary of State and not in violation of any state statutes, rules or governing policies.

## PROTÉGÉ FIRM REQUIREMENTS

- Protégé firm may not be an affiliate or related party of the mentor.
- Protégé firm is certified active in Louisiana Economic Development's Small and Emerging Business Development Program or is registered in the state's Small Entrepreneurship/Hudson Initiative Program.
- Protégé firm must be in "good standing" with the Secretary of State and not in violation of any state statutes, rules or governing policies.

## MENTOR-PROTÉGÉ TAX CREDIT

The mentor may earn and apply for and, if qualified, be granted a refundable credit on any income or corporation franchise tax liability owed to the state by the mentor. The amount of the refundable credit shall be contained in the Mentor-Protégé Agreement. The mentor-protégé tax credit shall be deemed earned on the date of the investment and may be claimed in the same tax year.

Information contained in this document is a synopsis of the Mentor-Protégé Tax Credit Program. Statutory and rule requirements must be followed in all applications.

For more information about this program, visit [OpportunityLouisiana.com](http://OpportunityLouisiana.com) or call LED at 225.342.4320.