

RESTORATION TAX ABATEMENT

THE FACTS

The Restoration Tax Abatement (RTA) Program is an incentive created for municipalities and local governments to encourage the expansion, restoration, improvement, and development of existing structures in Downtown Development Districts, Economic Development Districts, or Historic Districts.

ELIGIBILITY

Those eligible include commercial property owners and homeowners, who expand, restore, improve, or develop an existing structure in Downtown Development Districts, Economic Development Districts, or Historic Districts; also eligible are applicants whose structure is listed on the National Register of Historic Places.

Note: an Enterprise Zone or Economic Development Zone is not a qualifying district.

BENEFITS

The program grants a 5-year deferred assessment of the ad valorem property taxes assessed on renovations and improvements. RTA contracts may be renewed for a second 5 years if approved by the local governing authority. Commercial property owners and homeowners who expand, restore, improve, or develop an existing structure in a qualifying district, after completion of the work, pay ad valorem taxes based on the assessed valuation of the property just prior to the beginning of the improvements. The tax abatement is not available if property taxes have been paid on the improvements made by the project. If the property is sold, the contract may be transferred, subject to local government and Board approval.

APPLICATION PROCEDURE

- A. An Advance Notification Form and \$100 fee must be filed prior to the beginning of construction, with LED, Business Incentives (BI) Services. Advance Notifications may be filed at www.OpportunityLouisiana.com.
- B. The Application and fee must be submitted to LED as soon as all the documentation is assembled. Owner-occupied-residence applicants should estimate and assure themselves that the total property tax savings, over the five-year period, will exceed the total program fees, which are a minimum of \$400.
- C. After the receipt of the Application and all the required documentation, the Application is reviewed for accuracy and sent by LED to the local governing authority(s) (LGA) for approval.
- D. If the LGA approves the Application, a resolution or ordinance is sent to LED. The Application will then be presented to the Board of Commerce and Industry (Board) at the next meeting for approval.

- E. After the Board approves the Application, a contract is mailed to the applicant (Contractee) for signature. When the contract is returned to LED, the contract will be executed by the Board and the Governor.
- F. Copies of the executed contract are sent to the Contractee, parish assessor, mayor or LGA, and any other necessary agency.
- G. After completion of the project, the Project Completion Report, Affidavit of Final Cost, and a \$100 fee shall be submitted to LED BI in accordance with the Rules. Copies of these documents are sent to the parish assessor, mayor, or LGA.
- H. The Contractee is responsible for filing or reporting annually to the assessor.

FEES

Advance Notification - \$100

Application

Project amount (i.e., improvements to the existing structure)

X 10% residential or 15% commercial

X total local millage rate

X 5 years

(the resulting amount is the total estimated taxes deferred over the 5-year contract period)

X .2% (or .002) = Fee

(the fee is a minimum of \$200 and a maximum of \$5,000)

Affidavit of Final Cost - \$100

For additional information contact:

Sajni Patel
Louisiana Economic Development
Business Incentives Services
P.O. Box 94185; Baton Rouge, LA 70804
1051 North Third Street; Baton Rouge, LA 70802
Phone: 225.342.5340
Fax: 225.342.0142
E-mail: Sajni.Patel@la.gov
On-line www.OpportunityLouisiana.com

Frank Favalaro
Louisiana Economic Development
Business Incentives Services
P.O. Box 94185; Baton Rouge, LA 70804
1051 North Third Street; Baton Rouge, LA 70802
Phone: 225.342.5402
Fax: 225.342.0142
E-mail: Frank.Favaloro@la.gov
On-line www.OpportunityLouisiana.com