

BUSINESS INCENTIVES

at CHENNAULT

FOREIGN TRADE ZONE BENEFITS

Chennault is part of Foreign Trade Zone 87, so it is technically considered to be outside the territory of U.S. Customs. That can lower your cost of doing business by allowing your company to defer, reduce, or eliminate U.S. Customs duties.

Certain types of merchandise may be brought into the Chennault complex without a formal Customs entry, import quotas and most other import restrictions.

ADVANTAGES

FTZ 87 has two zones:

General Purpose Zone.

Established for multiple activities by multiple users.

Subzone.

A special-purpose zone for use by one company for a specific activity.

Merchandise in FTZ 87 may be re-exported without customs duty if:

- Assembled
- Displayed
- Stored
- Tested
- Repaired
- Manufactured
- Salvaged
- Relabeled
- Mixed
- Destroyed
- Repackaged
- Cleaned
- Processed

Source: LED

FTZ 87 users may be eligible for:

- ▶ Delaying payment of U.S. Customs duties and excise taxes until goods leave the zone to enter U.S. markets.
- ▶ Paying duty only on the value of imported components when a company uses a combination of domestic and imported materials to manufacture or process goods within the zone.
- ▶ Reducing U.S. Customs duties on goods manufactured or processed in the zone when imported components have a higher duty rate than the finished goods (inverted tariff).
- ▶ Eliminating U.S. Customs duties and fees on goods that a company re-exports.
- ▶ Holding excess goods in the zone to avoid import quota restrictions, then releasing them during the next quota period.
- ▶ Transferring in-bond merchandise between FTZs for manufacturing purposes and deferring duty until the product enters the U.S. marketplace.
- ▶ Paying reduced or no duties on nonconforming, damaged, scrapped, or obsolete components or goods.
- ▶ Lowering other costs, such as inventory, insurance, and cost of sales, as no duty is paid on labor, overhead, or profit from FTZ production operations.



INCENTIVES CONTINUED

INCENTIVE OPPORTUNITIES

LOUISIANA ECONOMIC DEVELOPMENT

DIGITAL INTERACTIVE MEDIA AND SOFTWARE PROGRAM

Provides a 25% tax credit for Louisiana resident W2 labor expenditures and an 18% tax credit on qualified production expenditures for companies producing digital interactive media products or platforms in Louisiana.

HIGH IMPACT JOBS PROGRAM

Provides reimbursable grants of up to 22% on wages for newly-created jobs that pay a certain percentage above the parish (county) average wage, for up to five years.

INDUSTRIAL TAX EXEMPTION PROGRAM

Provides an 80% property tax abatement on a manufacturer's qualifying capital investment for up to 10 years.

LED FASTSTART

Award-winning state workforce development program, LED FastStart creates customized employee recruiting, screening, and training solutions at no cost to eligible companies.

RESEARCH AND DEVELOPMENT TAX CREDIT

Provides an up to 30% tax credit on qualified research expenditures incurred in Louisiana with no minimum spending requirement.

RESTORATION TAX ABATEMENT

Provides up to a 10-year property tax abatement for the rehabilitation of existing commercial structures and owner-occupied residences located within economic development districts, downtown development districts, historic districts, and Opportunity Zones.

TAX COMPETITIVENESS

Complementing a powerhouse suite of incentives, Louisiana recently transformed its tax code into the most competitive tax environment for business in the state's history.



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