RÉSUMÉ DIGEST

ACT 102 (HB 1179) **2026 Regular Session** **Bacala**

Existing 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 through a program known as the Industrial Tax Exemption Program (ITEP).

Existing 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.

Existing 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.

New law extends eligibility for the ITEP exemption to aerospace manufacturing and capital expenditures related to facilities and infrastructure integral to aerospace manufacturing.

New 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 (May 11, 2026).

(Adds R.S. 47:1703.4)