

**LT. GOVERNOR LANDRIEU PUSHES CULTURAL ECONOMY TAX INCENTIVES --**  
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CONTACT:

Maria M Tio

225 342 8153

[mtio@crt.state.la.us](mailto:mtio@crt.state.la.us)

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LT. GOVERNOR LANDRIEU PUSHES CULTURAL ECONOMY TAX INCENTIVES

*Includes Tax Incentives for Individual Artists, the Culinary Industry, and Cultural Districts*

Lt. Governor Mitch Landrieu is pushing for passage of his Cultural Economy Tax Initiatives package. Legislation, authored by Representative Taylor Townsend (D-Natchitoches), would provide tax incentives for investing in Cultural Product Districts (HB 359), reduce the tax burden on Artists in order to both attract and retain creative talent in Louisiana (HB 495), and give culinary arts and food science investor tax credits to encourage private investment in the food industry (HB 568).

"Many people do not realize that our culture -- our music, food, film, arts and architecture -- accounts for 144,000 jobs in Louisiana," Landrieu said. "We have a natural tendency to view music and the arts as spectators. We need to recognize culture as an industry, and use smart tax policy to keep our cultural industries strong and healthy."

Angele Davis, Secretary of the Department of Culture, Recreation and Tourism, said the proposed legislation is based on solid research. " We commissioned Mt. Auburn Associates to evaluate Louisiana's cultural economy, and found that we are an international competitor in culture," she said. "We have based this package of tax incentives on 'best practices' being utilized to promote the development of the cultural economy in places throughout the country and overseas."

The three bills were reported favorably out of the House Ways and Means Committee in late May and are expected to be voted on in the House in the coming week.

Here are brief synopses of the bills:

**House Bill No. 359 by Representative Townsend - Cultural Districts**  
with proposed committee amendments

HB 359 provides tax incentives for investing in Cultural Product Districts.

Allows a local government to designate a Cultural Product District for the purpose of revitalizing a community by creating a hub of cultural activity.

Provides income and corporate franchise tax credits for eligible expenses for rehabilitation of owner-occupied or revenue generating historic structures in a Cultural Product District.

Increases cap on owner-occupied historic preservation tax credits from \$1M to \$10M

Provides an exemption from sales and use taxes for proceeds received from the sale of original, one-of-a-kind works of art from locations established within the Cultural Product District.

Requires local governments who designate such districts to report on impact on their community and CRT to collate reports received and submit a single report to the legislature in 2011.

Supported by the Louisiana Partnership for the Arts (194 state partners), the Louisiana Cultural Economy Foundation, St. Tammany Parish Chamber of Commerce, the Louisiana Travel Promotion Association (LTPA), Louisiana Association of Convention and Visitors Bureaus (LACVB), Louisiana Hotel-Motel Association, Director of Contemporary Arts Center and Louisiana Restaurant Association.

Suzanne Parson Stymiest, Director of Culture and Governmental Affairs for the Arts District in St. Tammany Parish testified on behalf of this bill before the House Ways and Means Committee on May 24, 2007.

### **House Bill No. 495 by Representative Townsend-Artist Incentives** with proposed committee amendments

The goal of HB 495 is to improve the financial climate for individual artists by reducing their tax burden and incentivizing greater production. Many cities and states are engaged in a fierce competition for creative talent, including artists. Generally, there are two aspects in this competition: First, retaining the talent you have, and second, recruiting new talent. In Louisiana, there is a third aspect: bringing native talent back home. Why is there a competition for artists?

The arts have an enormous economic impact in terms of both straight dollars as well as quality of life.

Arts in Louisiana have a \$934 million dollar economic impact.

Louisiana's nonprofits arts activities generate \$195 million in tax revenue.

With 81% of U.S. adults including at least one cultural, art, historic, or heritage activity in their travels, the arts play an enormous role in Louisiana's \$9B tourism industry.

Investments in the arts generally trigger follow-up and related economic activity including community revitalization and tourism.

Under HB 495, as amended:

Income derived from the sale of an artistic work is excluded from income tax up to \$50,000. The benefit is reduced at higher incomes. The median salary for cultural workers is \$31,000.

The term "artistic work" is consistent with the established guidelines used by the Louisiana Division of the Arts in awarding arts grants.

The income may only be excluded from state income tax if that income was included in the artist's federal tax return.

The Department of Culture, Recreation, and Tourism would work with the Department of Revenue and the Department of Economic Development to implement the tax benefit and report on the impact of the incentives to the legislature on a regular basis.

Supported by the Louisiana Partnership for the Arts (194 state partners), the Louisiana Cultural Economy Foundation, St. Tammany Parish Chamber of Commerce, Louisiana Crossroads, Lafayette Economic Development Authority, the Louisiana Travel Promotion Association (LTPA), Louisiana Association of Convention and Visitors Bureaus (LACVB), Louisiana Hotel-Motel Association, Director of Contemporary Arts Center, and Louisiana Restaurant Association.

Todd Mouton, Director of Lafayette's Louisiana Crossroads testified on behalf of this bill before the House Ways and Means Committee on May 24, 2007.

### **House Bill No. 568 by Representative Townsend - Food & Culinary Arts** with proposed committee amendments

HB 568 authorizes culinary arts and food science investor tax credits to encourage private investment in the food and culinary arts segment of the cultural economy. These incentives are designed to retain and attract new and expansion projects that transform food-based cultural skills, knowledge and ideas into economically productive goods, services and places.

HB 568 provides tax credits for investments in the food industry related to production, processing, and distribution, as well as food science and culinary arts education and training, including fees paid by small producers to universities and incubator programs to grow their businesses.

Louisiana's culinary "brand" is second-to-none. Every time a food product is distributed out-of-state, a visitor enjoys Louisiana cuisines at a fair or festival, or a Louisiana chef or recipe is featured in the media, this brand is reinforced.

The Louisiana food processing industry is a \$5.6B industry, and with regard to Louisiana's \$9B tourism industry, and food is consistently cited as one of the top five reasons tourists are enticed to visit Louisiana.

HB 568 proposes to authorize a tax credit against state income tax for state-certified investments or state-certified infrastructure projects

The maximum credits certified for all investors during any calendar year would not exceed \$3 million dollars.

Supported by the Louisiana Partnership for the Arts (194 state partners), the Louisiana Cultural Economy Foundation, St. Tammany Parish Chamber of Commerce, Ascension Parish Economic Development, Louisiana Business and Technology Center at LSU's E.J. Ourso College of Business, John Folse & Company, Cajun Kettle Foods, Inc., the Louisiana Travel Promotion Association (LTPA), Louisiana Association of Convention and Visitors Bureaus (LACVB),

Louisiana Hotel-Motel Association, Director of Contemporary Arts Center and Louisiana Restaurant Association.

Chef John Folse testified on behalf of this bill before the House Ways and Means Committee on May 24, 2007.

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