

# 2026 TAX CHANGES FOR BUSINESSES

## Sales and Use Tax

- Beginning January 1, 2026, a new Combined State and Local Sales Tax Return became available for online filing through Parish E-File. This return is to be used to file your January 2026 returns and remit associated taxes, which are due in February 2026. Please note, there are other filing options if you do not wish to use Parish E-File.
- Beginning January 1, 2026, the Louisiana Department of Revenue now mandates electronic filing for the following:
  - All sales & use tax returns except the Louisiana Consumer Use Tax Return, the Fairs, Festivals, and Other Special Events Sales Tax Return, and the Watercraft Sales Tax Payment Certifications
  - All withholding tax returns
  - Submission of Federal Forms 1099-NEC required by La. R.S. 47:114.1
  - Oilfield Site Restoration Fees
  - Annual informational and composite income tax returns filed by S corporations
- Beginning January 1, 2026, an accommodation intermediary remitting sales and use tax to the Remote Sellers Commission is now required to remit hotel and motel occupancy taxes to the Remote Sellers Commission.

## Income Tax

- Beginning, January 1, 2026, S corporations are now treated as pass-through entities for state income tax purposes. S corporations must now file annual informational returns electronically, which includes the income attributable to this state as well as the income not attributable to this state of each shareholder. If a shareholder fails to timely pay its taxes due with respect to its share of income of the S corporation, the Louisiana Department of Revenue can collect payment directly from the S corporation. In addition, the legislature has eliminated the option for a qualified Subchapter S subsidiary to be taxed as a separate entity and now requires it to be treated and taxed as a disregarded entity.

## Corporate Franchise Tax

- The Louisiana corporate franchise tax has been repealed for franchise tax periods beginning on or after January 1, 2026.

## Credits and Incentives

- For ad valorem taxes paid on or after July 1, 2026, C-corporations, trusts, and estates are prohibited from earning the inventory tax credit. Prohibited entities with a corporate fiscal year beginning between January 1, 2026 and June 30, 2026 will no longer be eligible to claim the credit for 2026 inventory taxes. Any entity subject to the prohibition is granted an additional ten years of carryforward for any credit that did not expire prior to January 1, 2025.
- Louisiana enacted a Work-Based Learning Tax Credit, effective for taxable periods beginning January 1, 2026. This is a nonrefundable income tax credit for employers who hire certain Louisiana residents in approved work-based learning positions. The credit equals \$2.50 per hour worked up to \$2,500 per eligible worker per taxable period. Any portion of the credit that exceeds the taxpayer's liability may be carried forward for up to five years.
- Louisiana established a new child care tax incentive, the Workforce Child Care Tax Credit, for businesses beginning 2026. This program expands existing business child care tax credits by: doubling the maximum allowable expenses businesses can claim for supporting child care, including construction, renovation, and operations of child care facilities from \$50,000 to \$100,000 per tax year; doubling the cap on payments businesses can make to eligible child care facilities on behalf of employees, raising the limit from \$5,000 to \$10,000 per child per year; and allows companies to claim up to \$100,000 per year (up from \$50,000) for purchasing or reserving child care slots for their employees' children at eligible facilities.
- Beginning January 1, 2026, no residual, unused Angel Investor Tax Credit can be carried forward, and the credit is no longer required to be divided into equal portions over two years.