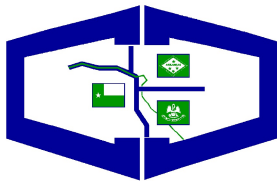


# Greenwood, Louisiana Business Resource Guide



**Greenwood  
Chamber of  
Commerce**



**THE COORDINATING &  
DEVELOPMENT  
CORPORATION**



**2014**

## BUSINESS TAXES

---

### **Occupational License Taxes**

Occupational Licenses are essentially taxes on the gross receipts of various classes of businesses and professions. There are virtually no exemptions, except that there is a minimum and maximum tax which may be paid by an individual or firm. Occupational license taxes are payable on a sliding scale, depending upon the gross receipts of the business or profession. Some representative tax ranges are shown below:

Retailers:	\$10 - \$6,200 (generally about .1% of sales)
Wholesalers:	\$50 - \$7,500 (generally less than 0.05% of sales)
Professionals:	1/10 of 1% (.001) of gross

Manufacturers are not required to pay occupational license taxes (except on retail sales). The statute governing occupational license taxes is rather complicated. For more information about the amount of occupational license tax owed by your business, please contact Town of Greenwood, 9381 Greenwood Rd, Greenwood, (318) 938-7261, [www.greenwoodla.org](http://www.greenwoodla.org)

### **Property Taxes**

**Property taxes are levied on land, improvements, business furniture and fixtures, and inventories.**

The assessed valuation for tax purposes is generally 15% of market value (10% for land and residential improvements) and is set by the Parishes Tax Assessor, subject to appeal to the Louisiana Tax Commission. Questions about the assessed value of a particular parcel should be addressed to the Caddo Parish Tax Assessor, Caddo Parish Courthouse, 501 Texas St., Room 102, 318-226-6711, [www.caddoassessor.org](http://www.caddoassessor.org)

### **Sales & Use Taxes**

**Local** – Each parish has a Sales and Use Tax Commission that collects sales taxes for the municipalities and the Parish. Any business required to collect sales taxes must register with their appropriate Commission and submit tax receipts according to the schedule established by the Commission for your business and parish. You may register to collect your parish's sale/use tax at [www.laota.com/index.php?option=com\\_content&view=article&id=88&Itemid=94](http://www.laota.com/index.php?option=com_content&view=article&id=88&Itemid=94). For the amount of sales tax that should be collected within your parish, go to [www.laota.com/index.php?option=com\\_content&view=article&id=93&Itemid=101](http://www.laota.com/index.php?option=com_content&view=article&id=93&Itemid=101), and then click on your parish's name for tax rates.

**State** – In addition to local sales taxes, the state collects a 4% sales tax on most retail items and certain services. You are required to register with the State of Louisiana's Department of Revenue and Taxation to receive your Sales Tax Account number, and submit your sales tax liability as required by the Department. Contact: Department of Revenue, Shreveport Office, (318) 676-7505; for application, go to [www.revenue.louisiana.gov/sections/business/intro.aspx](http://www.revenue.louisiana.gov/sections/business/intro.aspx)

### **State Corporate Income Tax**

The corporate income tax ranges from 4% to 8% of net taxable income. The effective rate of taxation is somewhat less because federal income taxes are deductible in computing Louisiana net taxable income. A partial waiver of corporate income taxes is allowable under incentive programs. Current tax rates are:

- 4% on the first \$25,000
- 5% on the second \$25,000
- 6% on the next \$50,000
- 7% on the next \$100,000 and
- 8% on the next income over \$200,000

Contact: Department of Revenue, Shreveport Office, (318) 676-7505, [www.revenue.louisiana.gov/sections/business/corp.aspx#inc](http://www.revenue.louisiana.gov/sections/business/corp.aspx#inc)

### **Corporate Franchise Tax**

The rate is \$1.50 per \$1,000 on first \$300,000 of capital employed in Louisiana; \$3 per \$1,000 after first \$300,000. Credits and exemptions available through various state tax incentive programs. Louisiana

## BUSINESS TAXES

---

Department of Revenue and Taxation, Shreveport Office, (318) 676-7505,  
<http://revenue.louisiana.gov/SECTIONS/business/corp.aspx#franchise>

### **Employee Taxes**

All companies with employees are required to participate in the following employee tax programs:

#### **Federal and State Income Tax Withholding**

All employers are required to withhold income taxes from their employees' wages for both the Federal and State government. To know how much Federal income tax to withhold from employees' wages, you should have all new employees complete the appropriate forms: a Form W-4, Employee's Withholding Allowance Certificate for Federal withholding, [www.irs.gov/pub/irs-pdf/fw4.pdf](http://www.irs.gov/pub/irs-pdf/fw4.pdf). For information regarding Louisiana withholding income taxes, go to [www.revenue.louisiana.gov/sections/business/withholding.aspx](http://www.revenue.louisiana.gov/sections/business/withholding.aspx).

#### **Social Security and Medicare Taxes**

By Federal law, all employers must withhold Social Security and Medicare taxes from an employee's gross wages (6.2% for Social Security and 1.45% for Medicare. Rates are higher for higher salaried employees.) The employer also pays an equal amount for this tax. Depositing procedures vary depending upon the total amount an employer withholds from all employees. Current information on amounts to withhold as well as up-to-date employee income tax withholding taxes may be found in the IRS publication entitled Circular E, Employer's Tax Guide, [www.irs.gov/publications/p15/index.html](http://www.irs.gov/publications/p15/index.html).

#### **Unemployment Insurance**

With a few exceptions, all businesses with employees must pay federal and state unemployment taxes. The tax is the business owner's responsibility; it is illegal to deduct this tax from an employee's wages. For information on Louisiana Unemployment Compensation matters, Contact: Louisiana Workforce Commission, Employer Status Unit, (866) 783-5567, [www.laworks.net/UnemploymentInsurance/UI\\_Employers.asp](http://www.laworks.net/UnemploymentInsurance/UI_Employers.asp). To register for an Unemployment Insurance account, go to <https://laors.laworks.net/LaLogin/Login/>. For Federal information, the IRS publication, *Circular E, Employer's Tax Guide*, provides information on filing with the Federal government, [www.irs.gov/publications/p15/index.html](http://www.irs.gov/publications/p15/index.html).

#### **Federal Unemployment (FUTA) Tax**

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a Federal and a state unemployment tax. A list of state unemployment tax agencies, including addresses and phone numbers, is available in Pub. 926, Household Employer's Tax Guide. Only the employer pays FUTA tax; it is not deducted from the employee's wages. For more information, see the Instructions for Form 940, [www.irs.gov/pub/irs-pdf/i940.pdf](http://www.irs.gov/pub/irs-pdf/i940.pdf)

#### **Workers' Compensation**

Louisiana State law mandates that all employers must provide Workers' Compensation insurance for their employees. Rates vary depending upon employee classifications. Contact: Louisiana Workforce Commission, Office of Workers' Compensation Administration, (225) 342-7555, [www.laworks.net/WorkersComp/OWC\\_EmployerMenu.asp](http://www.laworks.net/WorkersComp/OWC_EmployerMenu.asp). *Note: An Employer Handbook outlining requirements for the state Unemployment and Worker's Compensation programs may be accessed through the Louisiana Workforce Commission's website at [www.laworks.net/Downloads/Employment/EmployerHandbook.pdf](http://www.laworks.net/Downloads/Employment/EmployerHandbook.pdf)*