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Louisiana Legislature Exempts Main Street Recovery Grants From State Taxes

BATON ROUGE, LA. – State Treasurer John M. Schroder announced today that Main Street Recovery Program grants are not subject to state taxes under legislation that recently became state law.

Senate Bill 11 by state Sen. Kirk Talbot created the state tax exemption for COVID-19 disaster relief that businesses report in federal gross income. The exemption will be applied retroactively.

The new law only applies to state tax obligations. For federal income tax purposes, the grants still will be taxed.

“The Main Street Recovery Program was an expense reimbursement program. It never made sense that the state would force businesses to pay state taxes on these grants,” said Treasurer Schroder. **“Sen. Talbot’s bill makes it abundantly clear that the grants are not subject to state taxes.”**

“This law is about fairness,” said Sen. Talbot. **“Grants went to small businesses who absorbed added costs to keep their doors open during the pandemic. Businesses shouldn’t be given a state tax bill for grants that reimbursed them for pandemic-related expenses.”**

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