



# Building Louisiana's Future: The Impact of 4% Construction Labor Growth on Tax Revenue and Industries

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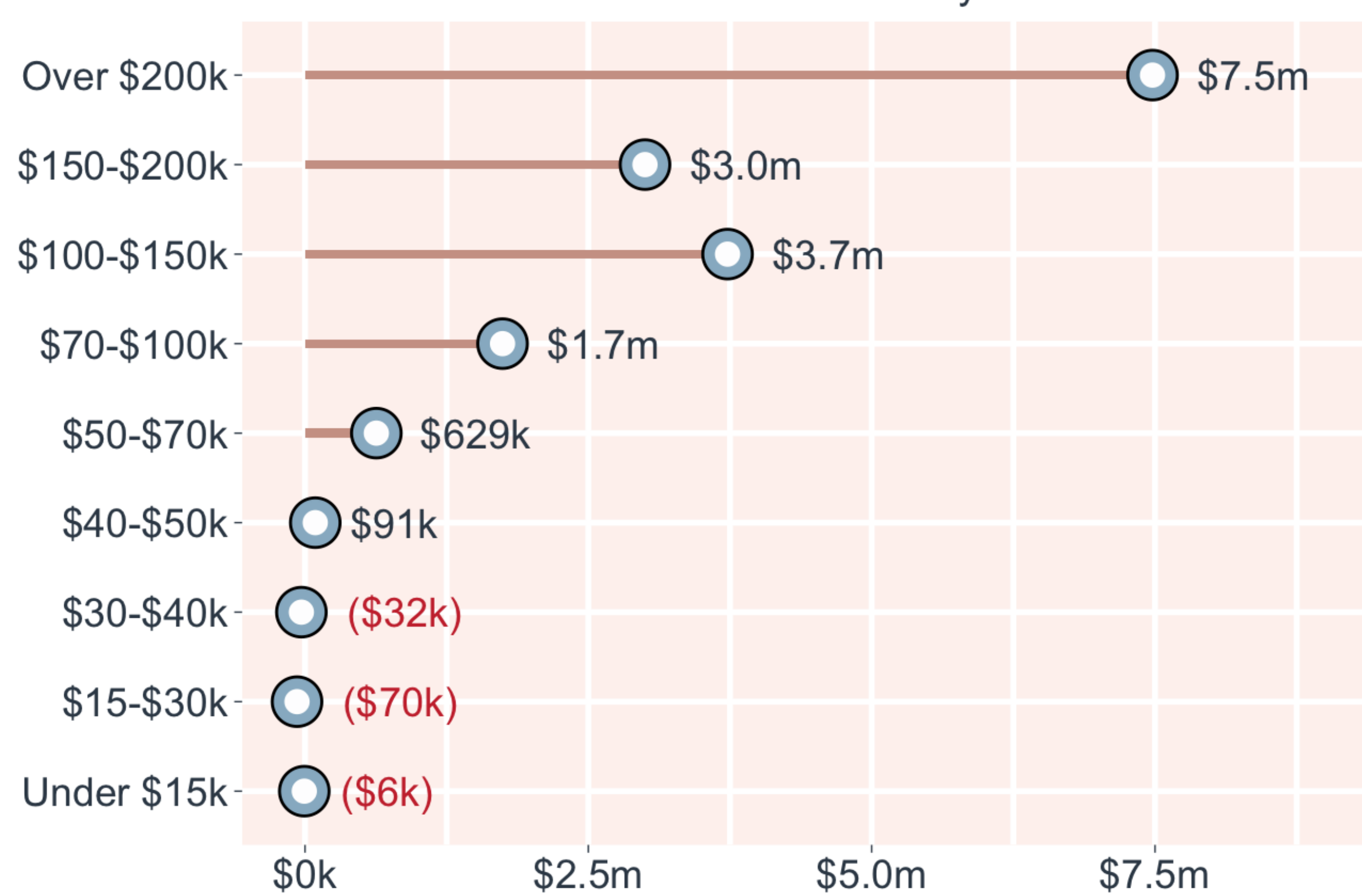
## Introduction

- Construction laborers make up 7% of Louisiana's total workforce <sup>2</sup>
- The U.S. Bureau of Labor Statistics (BLS) projects a 4% **annual growth** in the number of Construction Laborers and Helpers in the United States **from 2022 to 2032** <sup>3</sup>
- This analysis examines the potential impact of this growth on Louisiana's:
  - Personal income taxes
  - Production and import taxes
  - Indirect economic impacts across various industries

## Federal & State Income Tax

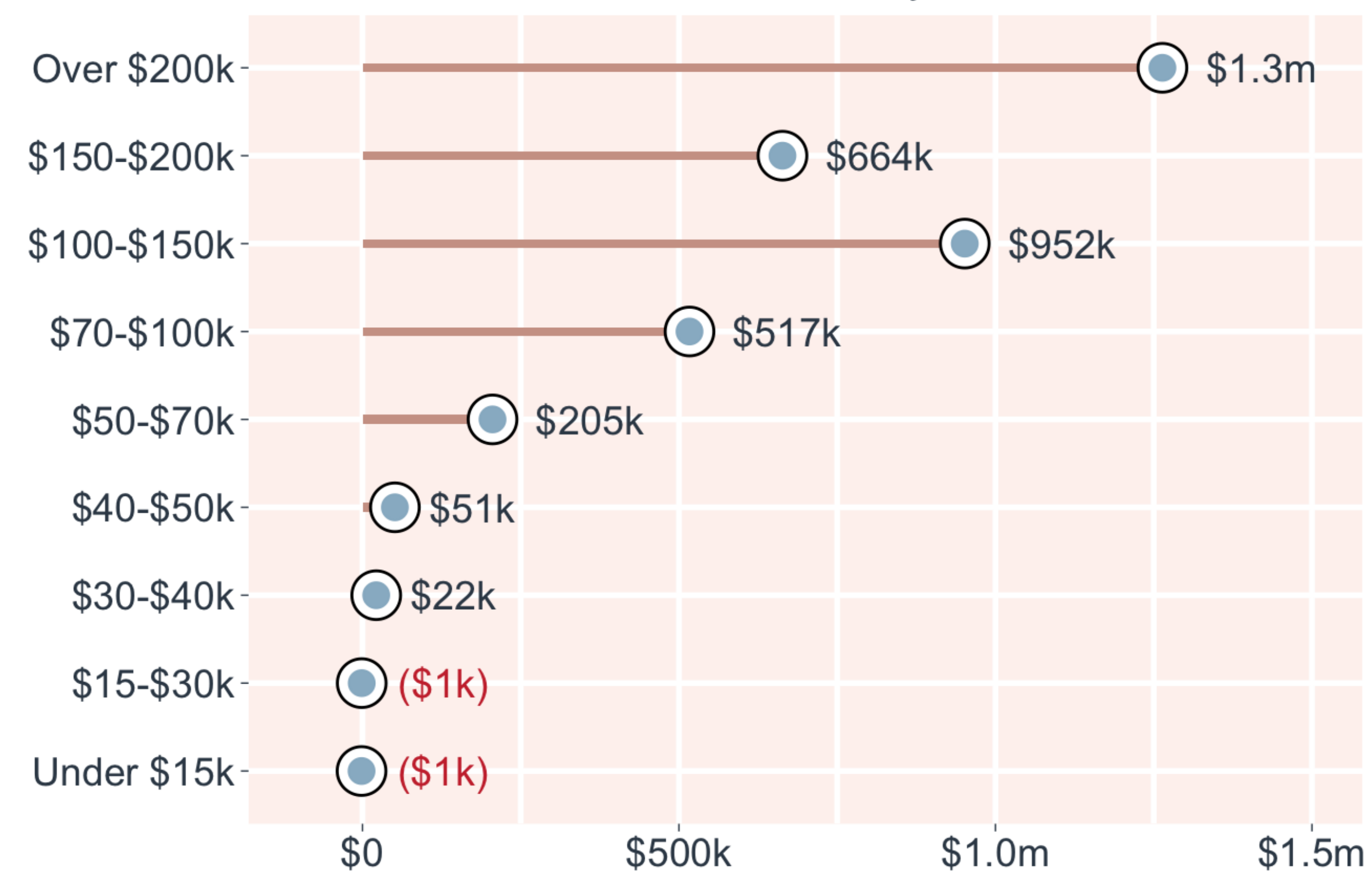
- Personal income taxes, levied at both the federal and state levels, will be affected by the forecasted growth in construction labor
- Notably, households with higher annual incomes will contribute the most substantial increase in tax revenue
- **Personal income taxes are not charged at the parish level**

Federal Personal Income Tax Growth by Household Income



- Tax growth varies across income brackets, with households under \$50k potentially experiencing **minimal growth** or a **decrease** in income tax revenue
- Households with incomes exceeding \$200k are projected to contribute the most to federal tax growth, **over double** the forecast of the \$150k-\$200k bracket

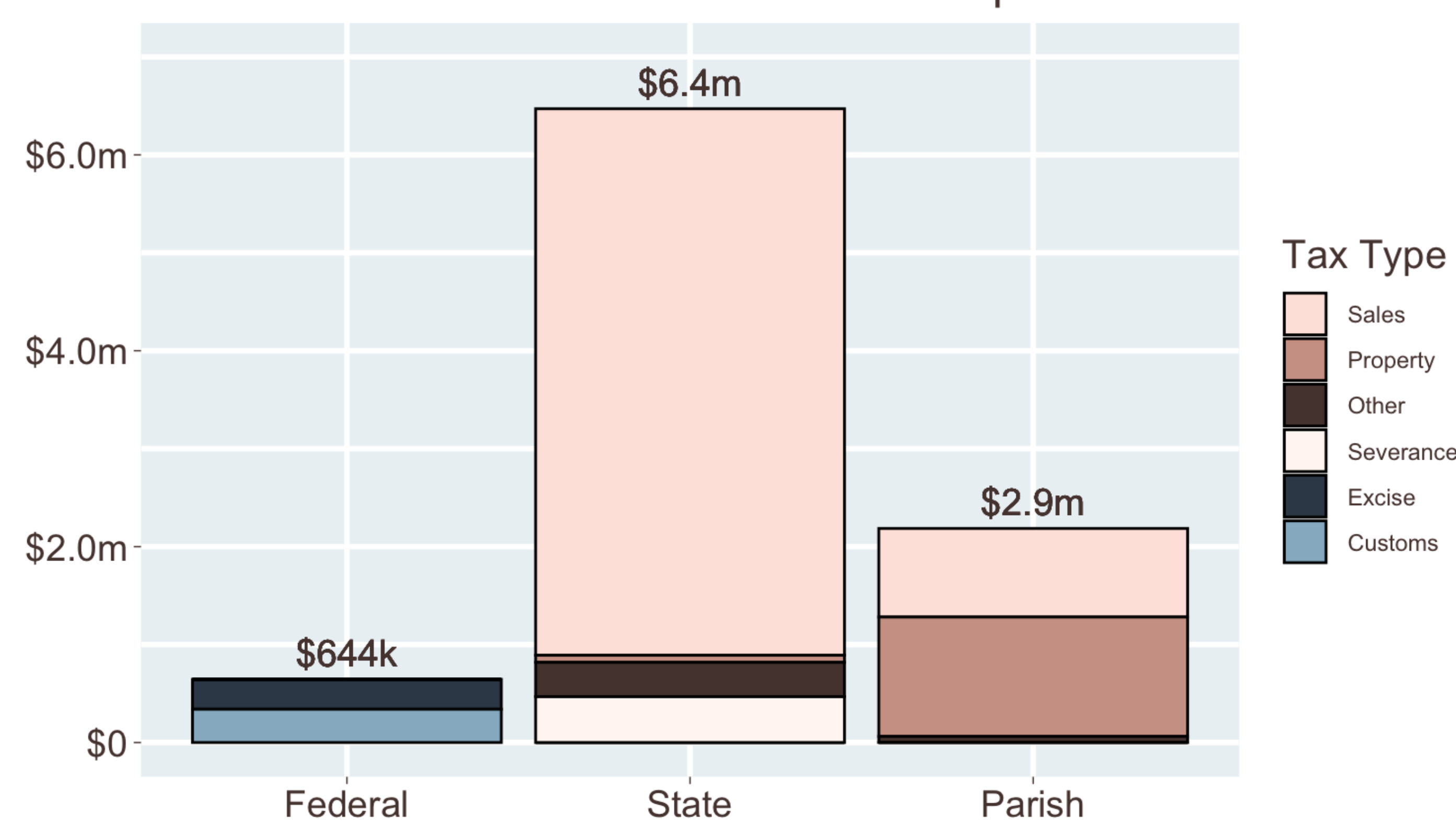
State Personal Income Tax Growth by Household Income



- State personal income tax growth trends *similar* to federal, **though with less magnitude**
- According to the BLS, if the laborer is married to a spouse of equal salary, their household income would fall in the \$70k-\$100k bracket <sup>3</sup>
  - *However*, these brackets provide some of the **least** amount of estimated growth

## Production & Import Taxes

Forecasted Growth in Production and Import Taxes

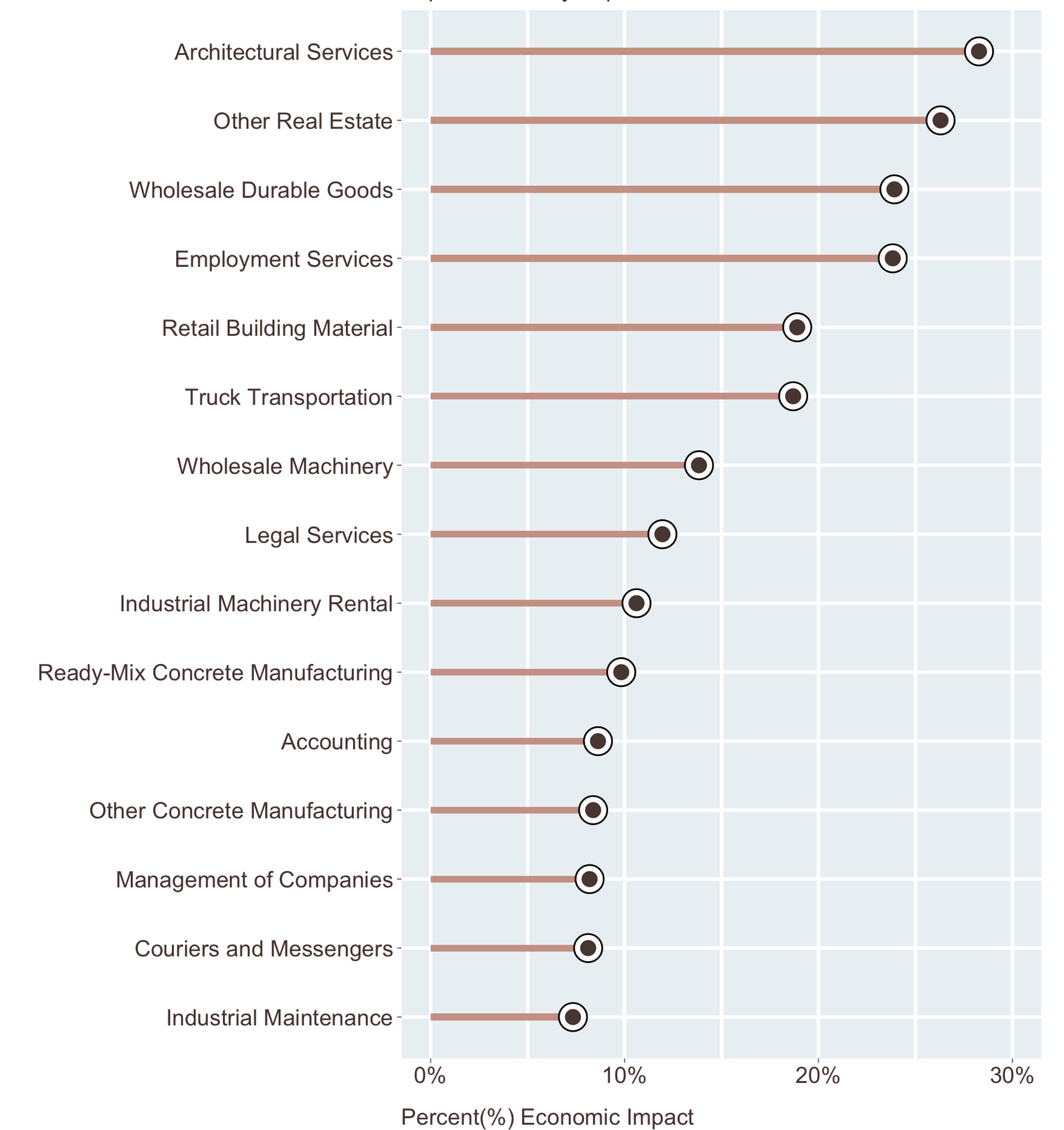


- Federal production taxes project a modest increase of **\$644,000**, while state-level taxes anticipate the most growth at approximately **\$6.47 million**, driven primarily by sales and severance taxes; parish-level taxes are expected to increase by **\$2.18 million**, with property and sales taxes being significant contributors

## Impacted Industries

- A projected 4% annual growth in construction labor in Louisiana will have **indirect effects** on various state industries, *particularly* those heavily involved in construction projects
- The top 15 industries are ranked by the percent of economic impact

Top 15 Indirectly Impacted Industries



- Among these industries, architectural, engineering, and related services are expected to be the primary beneficiaries, followed by real estate, durable goods wholesalers, and employment services
- *Both* product and service-related industries will grow experience a near-equal effect

## References

- <sup>2</sup>Daily Report Staff. (2023, August 14). Nearly 7% of Louisiana jobs are in the construction industry, topping US average. Baton Rouge Business Report. Retrieved from [Baton Rouge Business Report](#)
- <sup>3</sup>U.S. Bureau of Labor Statistics. (2023, November 17). Construction Laborers and Helpers. Retrieved from [U.S. Bureau of Labor Statistics](#)