

Existing law provides for creation of the Atchafalaya Trace Heritage Area Development Zone which encompasses 13 named parishes and provides for tax credits and exemptions for heritage-based cottage industries located in the zone. Defines a heritage-based cottage industry, in part, as a small business with no more than 20 full-time or part-time employees or an individual who is sustainably harnessing the Atchafalaya Trace Heritage Area's cultural heritage and natural heritage resources for purposes which include interpreting, accessing, developing, promoting, or reinforcing the unique character and characteristics of the heritage area.

Existing law authorizes the State Board of Commerce and Industry, with the approval of the governor, to enter into five-year contracts with heritage-based cottage industries for tax exemptions and credits. Such contracts must directly relate to a concern located in the development zone and to taxes on operations and activities in the zone. The amount of the tax credit related to the operations of the cottage industry within the development zone shall not exceed \$1,500. In addition, a tax credit equal to \$1,500 per new employee hired during the taxable year may be claimed by a taxpayer.

Existing law provides that on and after Jan. 1, 2012, no new applications for tax benefits shall be approved by the State Board of Commerce and Industry, nor shall the Atchafalaya Trace Commission engage in any of the activities provided for in existing law. However, tax benefits approved prior to Jan. 1, 2012, shall continue according to the terms of the agreement with the state as long as the business retains its eligibility.

New law extends the period in which new applications for tax benefits can be received from Jan. 1, 2012, to Jan. 1, 2014.

Effective August 15, 2011.

(Amends R.S. 25:1226.6(A))