

2015 Regular Session

HOUSE BILL NO. 589

BY REPRESENTATIVE BURRELL

TAX CREDITS: Establishes criteria for participation in the enterprise zone program for the receipt of tax credits and rebate payments

1 AN ACT

2 To amend and reenact R.S. 51:1787(A)(3) and (B)(3), relative to incentives for businesses;
3 to provide with respect to the enterprise zone program; to provide for requirements
4 for contracts to receive tax credits and rebate payments; to provide for applicability;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1787(A)(3) and (B)(3) are hereby amended and reenacted to read
8 as follows:

9 §1787. Incentives

10 A. The board, after consultation with the secretaries of the Department of
11 Economic Development and Department of Revenue, and with the approval of the
12 governor, may enter into contracts not to exceed five years to provide:

13 * * *

14 (3) The tax credit provided in Paragraph (2) of this Subsection shall be
15 applicable only to a position within the state that did not previously exist in the
16 business enterprise and that is filled by a person who is a citizen of the United States
17 and who is domiciled in Louisiana, or who is a citizen of the United States and
18 becomes domiciled in Louisiana within sixty days after his employment in such
19 position, performing duties in connection with the operation of the business
20 enterprise as a regular, full-time employee for at least six months during the taxable
21 year. The total number of credits allowed to a business enterprise for employees

1 who are citizens of the United States and who become domiciled in Louisiana within
2 sixty days after employment shall not exceed fifty percent of the total number of
3 credits allowed to the business enterprise under the contract.

4 B. The board may enter into the contracts provided in Subsection A of this
5 Section provided that:

6 * * *

7 ~~(3)(a) The business certifies that at least fifty percent of its employees meet~~
8 ~~at least one of the following qualifications:~~

9 ~~(i) Are residents of either:~~

10 ~~(aa) Any enterprise zone in Louisiana, for a business located in an urban~~
11 ~~enterprise zone or a business not located in either an enterprise zone or an economic~~
12 ~~development zone.~~

13 ~~(bb) The same parish as the location of the business, or any enterprise zone~~
14 ~~in Louisiana, for a business located in a rural enterprise zone, an economic~~
15 ~~development zone, or an enterprise zone in Calcasieu Parish.~~

16 ~~(ii) Were receiving some form of public assistance during the six-month~~
17 ~~period prior to employment.~~

18 ~~(iii) Were considered unemployable by traditional standards, or lacking in~~
19 ~~basic skills.~~

20 If the business is located within an enterprise zone, economic development
21 zone, or federal HUBZone, the business certifies that any combination of the
22 following criteria are met with respect to at least thirty-five percent of its employees:

23 (i) Are residents of an enterprise zone.

24 (ii) Prior to employment they were receiving some form of public assistance.

25 (iii) Prior to employment they were considered unemployable by traditional
26 standards, or were lacking basic skills necessary to gain employment.

27 (iv) have a felony conviction.

28 (b) If the business is located outside of an enterprise zone, economic
29 development zone, or federal HUBZone, the business certifies that any combination

Present law authorizes that jobs for full-time work may satisfy the job requirements of an enterprise zone contract with present law specifying that the employee must work at least 6 months during the taxable year.

Present law provides for conditions under which the board may enter into enterprise zone contracts. These include certifications by the business regarding the employees it is claiming to satisfy the requirements for new jobs under an enterprise zone contract.

Present law requires a business certify that at least 50% of its employees meet any of the following requirements:

- (1) Reside in an enterprise zone, an urban enterprise zone, an economic development zone, or the parish in which the business is located.
- (2) Were receiving some form of public assistance prior to employment.
- (3) Were considered unemployable by traditional standards, or lacking in basic skills.

Proposed law changes present law by limiting the criteria for employees which qualify for satisfaction of contract requirements. If the business is located within an enterprise zone, economic development zone, or federal HUBZone, the business must certify that any combination of certain criteria are met with respect to at least 35% of its employees.

Proposed law provides that if the business is located outside an enterprise zone, economic development zone, or federal HUBZone, the business must certify that any combination of certain criteria are met with respect to at least 50% of its employees.

Proposed law shall only be applicable to contracts and renewals of contracts executed after the effective date of this Act.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 51:1787(A)(3) and (B)(3))