
DIGEST

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HB 738 Original

2015 Regular Session

James

Abstract: Prohibits certain business industries from being eligible for sales tax rebates and tax credits provided in the enterprise zone program and dedicates certain savings.

Present law establishes the Enterprise Zone Program which provides for tax credits and rebates for eligible businesses, grants benefits under the program based on numbers of jobs, and provides for specific eligibility criteria with respect to employees for jobs that are eligible for program benefits.

Proposed law retains present law but removes the requirement that certain retail businesses employ greater than 100 employees nationwide and prohibits the following business industries which are identified by the following North American Industry Classification Codes (NAICS) from being eligible for incentives:

- (1) Construction, NAICS Codes beginning with 23
- (2) Real Estate and Rental and Leasing, NAICS Codes beginning with 53
- (3) Healthcare and Social Assistance, NAICS Codes beginning with 62
- (4) Accommodation and Food Services, NAICS Codes beginning with 72

Proposed law shall be applicable to contracts executed after the effective date of proposed law.

Proposed law directs the state treasurer to annually transfer the amount of savings recognized by the state by limiting enterprise zone incentives to the Louisiana Education and Workforce Opportunity Fund, established in proposed law. Further requires Dept. of Economic Development to establish a baseline year amount based on state monies expended on enterprise zone incentives in calendar year 2014 and to certify the amount of savings to the state treasurer annually. Proposed law prohibits transfer of an amount greater than \$25M.

Proposed law further provides that when the baseline amount is greater than the calendar year immediately preceding the fiscal year in which the annual transfer is to occur, the difference in the amounts shall be the amount transferred by the state treasurer.

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

(Amends R.S. 51:1787(B)(3)(b) and (c); Adds R.S. 51:1787(B)(3)(d) and (K))