

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 71****2016 First Extraordinary Session****Barras**

TAX CREDITS: Reduces the amount of certain Enterprise Zone tax credits and removes certain hotels from eligibility (Item #27)

Synopsis of Senate Amendments

1. Authorizes a \$3500 income tax credit per net new employee of a participating business located in an enterprise zone.
2. Prohibits the Dept. of Economic Development from accepting new advance notifications on or after July 1, 2017.

Digest of Bill as Finally Passed by Senate

HB 71 Reengrossed

2016 First Extraordinary Session

Present law establishes the enterprise zone program through which businesses may enter into contracts with the Board of Commerce and Industry to receive income tax credits or sales and use tax rebate payments in exchange for the creation of a certain number of jobs that involve employees who meet certain residency and other requirements.

Proposed law limits the amount of the sales and use tax rebate or the investment income tax credit, for projects for which an advance notification is filed on or after April 1, 2016, to \$100,000 per net new employee created.

Proposed law requires that the net new job be counted only once for purposes of the cap on the amount of the benefit.

Proposed law increases the amount of the income tax credit, for projects for which an advance notification form is filed on or after April 1, 2016, from \$2,500 to \$3,500 for either of the following:

- (1) Each net new job created for employees who have been receiving Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), Medicaid, unemployment benefits, or benefits from a similar public assistance program as determined by the Dept. of Economic Development.
- (2) Each net new employee hired by a participating business located in an enterprise zone.

Proposed law decreases the amount of the income tax credit from \$2,500 to \$1,000 for net new jobs created for employees not receiving these benefits.

Proposed law eliminates accommodation businesses with a North American Industry Classification System (NAICS) Code of 5613 and 72 from program eligibility if the business does not file an advance notification form for its project before April 1, 2016.

Proposed law provides exceptions to proposed law for certain businesses participating in the La. Quality Jobs Program and the Competitive Projects Payroll Incentive Program.

Proposed law prohibits the Dept. from accepting new project advance notifications on or after July 1, 2017.

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

(Amends R.S. 51:1787(A)(2)(a) and (3) and (B)(3)(c) and (5); Adds R.S. 51:1787(A)(1)(c), (B)(3)(d), (6), and (7), and (K))