2020 First Extraordinary Session

HOUSE BILL NO. 13

BY REPRESENTATIVE WRIGHT

## TAX CREDITS: Authorizes certain retail businesses to participate in the Enterprise Zone incentive (Item #18)

1	AN ACT			
2	To amend and reenact R.S. 51:1787(B)(3)(c) and (K) and to enact R.S. 51:1787(B)(3)(e),			
3	relative to the Enterprise Zone incentive; to authorize certain businesses to			
4	participate in the Enterprise Zone incentive program; to provide for effectiveness;			
5	and to provide for related matters.			
6	Be it enacted by the Legislature of Louisiana:			
7	Section 1. R.S. 51:1787(B)(3)(c) and (K) are hereby amended and reenacted and			
8	R.S. 51:1787(B)(3)(e) is hereby enacted to read as follows:			
9	§1787. Enterprise zone incentives			
10	* * *			
11	B. The board may enter into the contracts provided in Subsection A of this			
12	Section provided that:			
13	* * *			
14	(3)			
15	* * *			
16	(c)(i) Notwithstanding any other provision of law to the contrary, a business			
17	that is assigned a North American Industry Classification Code of 5613 or 721, and			
18	whose advance notification is not filed before April 1, 2016, shall be ineligible to			
19	receive benefits pursuant to the provisions of this Section.			

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(ii) Notwithstanding the provisions of Item (i) of this Subparagraph, a retail
2	business assigned a North American Industry Classification Code of 721 shall be
3	eligible to receive benefits pursuant to this Section if the retail business files or
4	enters into an advance notification on or after July 1, 2020, and before December 31,
5	2021. However, no retail business shall be eligible to receive benefits pursuant to
6	this Item after June 30, 2025.
7	* * *
8	(e) In addition to the requirements of Subparagraph (a) of this Paragraph, a
9	retail business which is assigned a North American Industry Classification Code of
10	44, 45, or 722 and which files or enters into an advance notification on or after July
11	1, 2020, and before December 31, 2021, shall be eligible to receive benefits pursuant
12	to the provisions of this Section. However, no retail business shall be eligible to
13	receive benefits pursuant to this Subparagraph after June 30, 2025.
14	* * *
15	K. The department shall not accept any advance notification on or after
16	<del>July 1, 2021</del> <u>July 1, 2026</u> .
17	Section 2. This Act shall become effective on July 1, 2020; if vetoed by the governor
18	and subsequently approved by the legislature, this Act shall become effective on July 1,
19	2020, or on the day following such approval by the legislature, whichever is later.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 13 Original	2020 First Extraordinary Session	Wright
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Abstract: Authorizes certain businesses such as retailers, hotels, and restaurants to participate in the Enterprise Zone Program incentive.

<u>Present law</u> establishes the Enterprise Zone Program (hereinafter "program") which authorizes eligible businesses to enter into contracts with the Board of Commerce and Industry to receive refundable income and franchise tax credits or state and local sales and use tax rebate payments in exchange for the creation of a specified number of jobs that involve employees who meet certain residency and other requirements. <u>Present law</u> provides for eligibility and qualifications for participation in the program. <u>Present law</u> excludes certain retail businesses such as professional employment services, hotels, and certain retail stores whose advance notification was not filed before April 1, 2016, from participating in the program.

<u>Proposed law</u> retains <u>present law</u> but expands eligibly for participation in the program to businesses assigned a North American Industry Classification Code (NAICS) of 44, 45, 721, or 722 for retailers, hotels, and restaurants. Further requires those businesses to file or enter into an advance notification between July 1, 2020, and Dec. 31, 2021, in order to be eligible to participate in the program.

<u>Proposed law</u> prohibits businesses added by <u>proposed law</u> from participating in the program after June 30, 2025.

<u>Present law</u> prohibits the Dept. of Economic Development from accepting any advance notification on or after July 1, 2021.

<u>Proposed law</u> changes <u>present law</u> to extend termination of the program <u>from</u> July 1, 2021, <u>to</u> July 1, 2026.

Effective July 1, 2020.

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