
DIGEST

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HB 49 Original

2016 First Extraordinary Session

Abramson

Abstract: Modifies the amount of the tax credit authorized through the Enterprise Zone Program for employing certain employees.

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.

Present law requires a business to certify that at least 50% of its employees meet at least one of the following qualifications:

- (1) Are residents of any enterprise zone in La., for a business located in an urban enterprise zone or a business not located in either an enterprise zone or an economic development zone.
- (2) Are residents of the same parish as the location of the business, or any enterprise zone in La., for a business located in a rural enterprise zone, an economic development zone, or an enterprise zone in Calcasieu Parish.
- (3) Were receiving some form of public assistance during the six-month period prior to employment.
- (4) Were considered unemployable by traditional standards, or lacking in basic skills.

Present law authorizes an income tax credit of \$2,500 per net new employee as determined by the company's average annual employment reported under the La. Employment Security Law during the taxable year for which credit is claimed.

Proposed law retains present law with respect to all projects for which an advance notification was filed prior to April 1, 2016.

Proposed law changes the amount of the income tax credit depending on the type of new employee for which the credit is claimed for all projects for which an advance notification is filed on or after April 1, 2016.

Proposed law authorizes an income tax credit of \$3,500 per net new employee who was either receiving some form of public assistance during the six-month period prior to employment or was

considered unemployable by traditional standards, or lacking in basic skills. Further authorizes an income tax credit of \$1,000 per net new employee who does not meet either of those qualifications.

Effective upon signature of governor or lapse of gubernatorial action.

(Amends R.S. 51:1787(A)(2)(a))