

2016 First Extraordinary Session

HOUSE BILL NO. 71

BY REPRESENTATIVES BARRAS, ABRAMSON, BISHOP, BROADWATER,
DANAHAY, DAVIS, HILFERTY, PUGH, STOKES, AND WILLMOTT

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

1 AN ACT

2 To amend and reenact R.S. 51:1787(A)(2)(a) and (B)(3)(b), relative to the Enterprise Zone
3 Program; to provide for eligibility; to reduce the amount of certain tax credits; to
4 provide for applicability; to provide for effectiveness; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1787(A)(2)(a) and (B)(3)(b) are hereby amended and reenacted
8 to read 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 (2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a two
15 thousand five hundred dollar tax credit per net new employee as determined by the
16 company's average annual employment reported under the Louisiana Employment
17 Security Law during the taxable year for which credit is claimed. For projects for
18 which the advance notification form is filed on or after April 1, 2016, the amount of
19 the credit provided for in this Subparagraph shall be two thousand dollars per net

1 If the related advance notification form was filed before July 1, 2015, benefits are
 2 available provided the related claim for benefits is filed on or after July 1, 2016.
 3 Notwithstanding any other provision of law to the contrary, an accommodation
 4 business that is assigned a North American Industry Classification Systems (NAICS)
 5 Code beginning with 72, and for which a contract has not been entered into before
 6 April 1, 2016, shall be ineligible to receive benefits pursuant to the provisions of this
 7 Section, unless the related advance notification form for the project was filed before
 8 April 1, 2016.

* * *

10 Section 2. This Act shall become effective upon signature by the governor or, if not
 11 signed by the governor, upon expiration of the time for bills to become law without signature
 12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 14 effective on the day following such approval.

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 71 Original 2016 First Extraordinary Session Barras

Abstract: Reduces the amount of the credit per new net job created for certain projects and eliminates eligibility for certain accommodation business.

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 reduces the amount of the income tax credit for net new jobs created from \$2,500 to \$2,000 per net new employee for projects for which the advance notification form is filed on or after April 1, 2016.

Proposed law eliminates accommodation businesses with an North American Industry Classification System (NAICS) Code of 72 from program eligibility if no advance notification form for the businesses' project has been filed before April 1, 2016.

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

(Amends R.S. 51:1787(A)(2)(a) and (B)(3)(b))