
DIGEST

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HB 589 Original

2015 Regular Session

Burrell

Abstract: Changes eligibility requirements for enterprise zone contracts to receive tax credits and rebate payments.

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

Present law authorizes that jobs for full-time work may satisfy the job requirements of an enterprise zone contract with present law specifying that the employee must work at least 6 months during the taxable year.

Present law provides for conditions under which the board may enter into enterprise zone contracts. These include certifications by the business regarding the employees it is claiming to satisfy the requirements for new jobs under an enterprise zone contract.

Present law requires a business certify that at least 50% of its employees meet any of the following requirements:

- (1) Reside in an enterprise zone, an urban enterprise zone, an economic development zone, or the parish in which the business is located.
- (2) Were receiving some form of public assistance prior to employment.
- (3) Were considered unemployable by traditional standards, or lacking in basic skills.

Proposed law changes present law by limiting the criteria for employees which qualify for satisfaction of contract requirements. If the business is located within an enterprise zone, economic development zone, or federal HUBZone, the business must certify that any combination of certain criteria are met with respect to at least 35% of its employees.

Proposed law provides that if the business is located outside an enterprise zone, economic development zone, or federal HUBZone, the business must certify that any combination of certain criteria are met with respect to at least 50% of its employees.

Proposed law shall only be applicable to contracts and renewals of contracts executed after the

effective date of this Act.

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

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