

ACT No. 18

2016 First Extraordinary Session

HOUSE BILL NO. 71

BY REPRESENTATIVES BARRAS, ABRAMSON, ADAMS, AMEDEE, BISHOP, BROADWATER, COX, DANAHAY, DAVIS, GLOVER, HILFERTY, HOFFMANN, JAMES, MAGEE, GREGORY MILLER, NORTON, PEARSON, PUGH, STOKES, WILLMOTT, AND ZERINGUE AND SENATOR WALSWORTH

1 AN ACT

2 To amend and reenact R.S. 51:1787(A)(2)(a) and (3) and (B)(3)(c) and (5) and to enact R.S.
3 51:1787(A)(1)(c), (B)(3)(d), (6), and (7), and (K), relative to the Enterprise Zone
4 Program; to provide for eligibility; to reduce the amount of certain tax credits; to
5 provide for computation of average annual employment; to provide for applicability;
6 to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:1787(A)(2)(a) and (3) and (B)(3)(c) and (5) are hereby amended
9 and reenacted and R.S. 51:1787(A)(1)(c), (B)(3)(d), (6), and (7), and (K) are hereby enacted
10 to read as follows:

11 §1787. Incentives

12 A. The board, after consultation with the secretaries of the Department of
13 Economic Development and Department of Revenue, and with the approval of the
14 governor, may enter into contracts not to exceed five years to provide:

15 (1) For either:

16 * * *

17 (c)(i) For projects for which the advance notification is filed on or after April
18 1, 2016, the amount of the rebate of sales and use taxes and the investment income
19 tax credit granted pursuant to the provisions of this Paragraph shall not exceed one
20 hundred thousand dollars per net new job created under this Chapter.

21 (ii) A business shall not receive any sales and use tax rebate or refundable
22 investment income tax credit until it has provided all documentation, including filing

1 corporate franchise tax for the succeeding ten taxable years or until the entire credit
2 is used, whichever occurs first. These credits shall also apply to those tax liabilities,
3 but not liabilities for penalty or interest, identified in tax years where existing
4 contracts generate the credit.

5 * * *

6 (3) The tax credit provided in Paragraph (2) of this Subsection shall be
7 applicable as follows:

8 (a) For projects for which an advance notification was filed before April 1,
9 2016, only to a position within the state that did not previously exist in the business
10 enterprise and that is filled by a person who is a citizen of the United States and who
11 is domiciled in Louisiana, or who is a citizen of the United States and becomes
12 domiciled in Louisiana within sixty days after his employment in such position,
13 performing duties in connection with the operation of the business enterprise as a
14 regular, full-time employee.

15 (b) For projects for which an advance notification was filed on or after April
16 1, 2016, only to a position within the state that is in excess of the median statewide
17 number of employees of the business, including affiliates, that did not previously
18 exist in the business enterprise prior to the contract effective date and that is filled
19 by a person who is a citizen of the United States and who is domiciled in Louisiana,
20 or who is a citizen of the United States and becomes domiciled in Louisiana within
21 sixty days after his employment in such position, performing duties in connection
22 with the operation of the business enterprise as a regular, full-time employee.

23 (c) The total number of credits allowed to a business enterprise for
24 employees who are citizens of the United States and who become domiciled in
25 Louisiana within sixty days after employment shall not exceed fifty percent of the
26 total number of credits allowed to the business enterprise under the contract.

27 B. The board may enter into the contracts provided in Subsection A of this
28 Section provided that:

29 * * *

1 (3)

2 * * *

3 (c) Notwithstanding any other provision of law to the contrary, a business
4 that is assigned a North American Industry Classification Code of 5613 or 721, and
5 whose advance notification is not filed before April 1, 2016, shall be ineligible to
6 receive benefits pursuant to the provisions of this Section.

7 (d) The certifications required by Subparagraph (a) of this Paragraph shall
8 be updated annually if the business is to continue receiving the benefits of this
9 Chapter.

10 * * *

11 (5)(a) Except as provided in Subparagraph (b) of this Paragraph, the business
12 creates a either:

13 (i) A minimum of the lesser of five net new permanent jobs to be in place
14 within the first two years of the contract period, as determined by the company's
15 average annual employment reported under the Louisiana Employment Security
16 Law.

17 (ii) The number of net new jobs equal to a minimum of ten percent of the
18 existing employees, minimum of one, within the first year of the contract period, as
19 determined by the company's average annual employment reported under the
20 Louisiana Employment Security Law.

21 (b) For purposes of Subparagraph (a) of this Paragraph, the methodology for
22 determining a company's average annual employment shall be established by
23 department rule.

24 (c) A business which has an estimated construction period for its building
25 greater than two years may, for good cause shown, obtain an extension of not more
26 than two years to comply with the requirements of Subparagraph (a) of this
27 Paragraph.

28 ~~(c)~~(d) Provided the business entering the contract provided in Subsection A
29 of this Section is a nonprofit organization organized to finance the development and
30 construction of buildings and infrastructure to serve a public institution of higher

1 education, the new permanent jobs required in Subparagraph ~~(B)(6)(a)~~ (B)(5)(a) of
2 this Section may be created by the public institution of higher education.

3 ~~(d)~~ (e) The provisions of this Section shall be applicable to all contracts
4 entered into under the provisions of Subsection A after January 1, 2002.

5 (6) For purposes of R.S. 51:2456(B), a business shall be deemed to meet the
6 enterprise zone hiring requirements and all other limitations, procedures, and
7 requirements of this Section if the business meets the requirements of R.S.
8 51:2455(E)(1).

9 (7) For purposes of R.S. 51:3121(C)(4), a business shall be deemed to meet
10 the enterprise zone hiring requirements and all other limitations, procedures, and
11 requirements of this Section if the business creates a minimum of five new jobs in
12 accordance with the program contract.

13 * * *

14 K. The department shall not accept any advance notification on or after July
15 1, 2017.

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____