

ENTERPRISE ZONE PROGRAM EMPLOYEE CERTIFICATION REPORT (ECR) INSTRUCTIONS

Permanent net new jobs for the Enterprise Zone (EZ) Program are calculated **from the “Contract Effective Date”** found in Article VI of the EZ Contract. To generate a Jobs Tax Credit (JTC), a minimum of 5 permanent net new full-time jobs must be created within the first 24 months, or the current full-time nationwide workforce including affiliates must be increased by 10% (a minimum of 1) within the first 12 months with permanent net new job at the EZ site. The contract holder does not have to locate in an Enterprise Zone.

The qualifying employee must be a US citizen and becomes domiciled in Louisiana within 60 days of hire. A copy of the employee’s LA Drivers License may be requested or other proof showing LA residency. Annually a **minimum of 35%** of the net new jobs creating a JTC must meet **one of the four Certification Requirements** (Requirements) listed. This 35% minimum must be maintained annually for the length of the contract, maximum of 60 months. An authorized official of the Contract holder company **MUST** sign the Employee Certification Report form.

Per the 2000 Census data the urban parishes are Ascension, Bossier, Caddo, East Baton Rouge, Jefferson, Lafayette, Lafourche, Livingston, Orleans, Ouachita, Rapides, St. Landry, St. Tammany, Tangipahoa, and Terrebonne.

Certification Requirements

Thirty-five per cent of the permanent net new jobs must meet one of the four following Certification Requirement annually:

A. Residency - Provide CT/BG only if the employee lives in an EZ

- **Urban parish**-the employee must reside in any LA EZ. **If the employee lives in an EZ**, the Census Tract/Block Group (CT/BG) number **must** be provided on the “New Employee List”.
- **Rural parish, not in an EZ**-the employee must reside in any LA EZ. **If the employee lives in an EZ**, the CT/BG number **must** be provided on the “New Employee List”.
- **Rural parish, in an EZ**-the employee must reside in the parish the company is located or in any LA EZ. **If the employee lives in an EZ** in a different parish, the CT/BG number **must** be provided on the “New Employee List”.
- **Economic Development Zone (EDZ)**-the employee must reside in the parish the company is located or in any LA EZ. **If the employee lives in an EZ** in a different parish, the CT/BG number **must** be provided on the “New Employee List”.

To find 2000 CT/BG number go to:

<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?ref=addr&refresh=t#none>

Type in the address info

The CT/BG number **MUST** be provided if you are claiming Residency as the Certification Requirement.

After obtaining the CT/BG number go to http://www.ledlouisiana.com/downloads/EZ_Rural_Parish_Data.pdf for the listing of eligible Enterprise Zones for every parish.

B. Public Assistance - must be received within 6 months of hire date.

- Louisiana Workforce Commission (LWC) - The contract holder must list the jobs and fill the jobs with someone registered with LWC. Do not hire the employee, and then send them to LWC. You must provide documentation as to the type of Public Assistance received by the employee within six months of hire date and type must be noted on the New Employee List.
- Work release participants
- Technical College
- Community College
- Food Stamps
- Welfare Payments
- Receiving Unemployment Benefits is **not** public assistance

C. Lacking Basic Skills

Below a 9th grade proficiency in reading, writing, or math. Contact the Adult Education department of a parish school board. You must provide documentation as to how you determined the employee met this Certification Requirement.

D. Unemployable by Traditional Standards

Having no prior work history or job training, having a criminal record, excluding misdemeanors, having a history of being unable to retain employment after gaining it, or being physically challenged. You must provide documentation as to how you determined the employee met this Certification Requirement.

No Certification

A net new job created, but does not meet a Certification Requirement, can be claimed **if** the annual 35% minimum is maintained.

Full-Time Employees are hired to work at least 35 hours per week. Only full-time employees are included in the calculation of average employees. Anyone hired to work less than 35 weekly **must** be considered part-time.

Part-Time Employees **must** work 20 hours for 26 consecutive weeks. A Part-time Employees Schedule of Hours Worked form must be provided showing the **weekly** hours worked for 26 consecutive weeks. If the weekly hours worked drops below the required 20 hours, the 26-week period starts over. You cannot average hours.

Part-time positions **cannot** help you meet the required number of jobs, but once the minimum number of jobs are met part-time employees can generate Job Tax Credits.

LWC Quarterly Report of Wages Paid Form (ES4/SUTA) requirements

The following information **must** be reported monthly on the Average Calculation Worksheet using the data from the ES4/SUTA **each month of each quarter** of the contract period:

- Multi-Work Site page if the business has more than one site in Louisiana
- Number of full-time employees at the EZ contract site
- Number of part-time employees at the EZ contract site

If the business has more than one location in Louisiana, you MUST provide a LWC Multi-Work Site form listing information for each site: Your ECR will be returned if this information is not provided.

Include a copy of the ES4/SUTA for each reporting period. The ES4/SUTA must contain the “Number of covered workers... for the payroll period which includes the 12th of each month.” The number of full-time employees will be used to calculate the average number of full-time employees for the reporting period. **DO NOT send pages listing the employee names and wages on the ES4/SUTA.**

ES4/SUTAs are required to be filed with the ECR if new jobs were created or not.

The EMPLOYEE CERTIFICATION REPORT - AVERAGE CALCULATION WORKSHEET form MUST be submitted for every period, if jobs were created or not.

Baseline Employment

For Advance Notifications received prior 8/20/11:

The number of Full-time employees and the number of Part-time employees the day prior to the “Contract Start Date”. You MUST provide a list showing the name and social security number (the last four digits) of your Baseline Employment.

For Advance Notification received on or after 8/20/11:

The median number of Full-time employees and Part-time employees of the Business (including employees of Affiliates, and Unrelated Affiliates who have also been employed by the Business within the 12 months prior to the Contract Effective Date) at the Project Site, during the payroll periods including the twelfth day of the month, in the last four months completed prior to the Contract Effective Date (the median is calculated by discarding the months with the highest and lowest number of employees, and averaging the number in the remaining two months);

OR

The highest average number of Full-time employees and Part-time employees certified under an Enterprise Zone contract for the Business that was in effect on the day prior to the Contract Effective Date.

OR

If the Contract was Terminated within six months of the next Contract Effective Date, highest average number of Full-time employees and Part-time employees certified under an Enterprise Zone contract for the Business.

ECR Due Date

The first ECR is due six months after the EZ Contract has been executed. Each remaining ECR shall be due by **May 31** of the next year for the length of the EZ Contract, up to 60 months. You must file an ECR annually, with ES4/SUTAs, if new jobs were created or not. You may file with an EZ contract fiscal year.

Calculating permanent full-time net new jobs

Complete the Average Calculation Sheet starting with the Contract Effective Date for 12 months.

Subtract the full-time Baseline Employment number from the calculated average for Year 1. The result is the number of permanent net new full-time jobs created for Year 1. This is the number reported on “Total Net New Employees” row on the ECR Summary for Year 1 and the number of Full-time employees reported on the “New Employee List”. Complete the “New Employee List”, including the name, physical address (no PO Box), parish of residency, masked social security number, if a LA resident or a US citizen domiciled in LA, full-time or part-time, hire date, and certification requirement for every JTC being requested. If using A-Residency, you **must** provide Census Tract/Block Group number if you are located in an Urban parish or in a Rural parish and **not** in an EZ. Your ECR will not be processed if the CT/BG numbers are missing for A Residency requirement.

Example: If the company reported 10 “Baseline Employment” on the ECR Summary and the calculated average number of permanent jobs for Year 1 is 15; then there were five permanent net new jobs created. There should be only 5 names on the “New Employee List” and 35% must meet one of the four hiring requirements.

Year 2 is the next Contract fiscal year, label with column with an applicable timeframe. Using the current Average Calculation page, calculate average number of permanent full-time employees and subtracted from the calculated average number of permanent employees for the Period 1 or the highest average or Baseline Employment whichever is the highest.

Year 3 is the next Contract fiscal year, label with column with the applicable timeframe. Using the current Average Calculation, calculate the average number of permanent full-time employees and subtracted from the highest average or Baseline Employment full-time.

Year 4 is the next Contract fiscal year, label with column with the applicable timeframe. Using the current Average Calculation page, calculate the average number of permanent full-time employees and subtracted from the highest average or Baseline Employment full-time.

Period 5 is the next Contract fiscal year, label with column with the applicable timeframe, for a total of 60 months. Using the current Average Calculation page, calculate the average number of permanent full-time employees and subtracted from the calculated permanent average number of employees from the highest average or Baseline Employment full-time.

Complete the “New Employee List” annually (for the period or year), for every JTC being requested.

Calculating part-time net new jobs

Part-time employees **must** work a minimum of 20 hours for 26 consecutive weeks, with **NO** averaging of hours worked. Part-time positions are **tracked individually** (separately from full-time employees). A schedule of the **weekly** hours worked for each part-time employee creating a JTC must be provided. If the weekly number of hours worked drops below the required 20 hours, the 26-week period starts over.

A replacement employee is **not** a new position.

Example:

Year 1

A company completes the Part-time Employees Schedule of Hours Worked.

The data is verified and Job Tax Credit (JTC) is given for the appropriate of jobs meeting the requirements.

(Let's say 4 part-time employees.)

The 4 individual's data is give on the Part-time Accumulative List (PTAL)

Year 2

One of the four terminates.

The terminate date is entered on the PTAL.

The company submits another Part-time Employees Schedule of Hours Worked requesting another P/T JTC.

The new eligible P/T person is listed on the PTAL, but JTC will not be earned because the company has already received JTC for 4 P/T.

Year 3

If all four P/T employees are still employed and another P/T meets the 20 hours for 26 weeks, then another P/T JTC will be earned and the new P/T will be added to the PTAL list.

The Part-time Accumulative List should have the data for each Part-time employee creating a JTC.

When an employee in a new part-time position meets the 20-hours every week for 26-consecutive weeks, add and label the part-time position on the ECR Summary in the year the 26-week requirement is met. You must provide a schedule of the hours worked by this employee in this new position.

List the part-time employees on the ECR “New Employee List” for every JTC requested.

Notification of JTC

After the ECR is processed, you will receive a Certification Letter showing the number and amount of JTC earned for each period. A copy of the Certification Letter and the dollar amount of the JTC used must be included with your tax returns. **Do not use the JTC until you have received the Certification Letter.** Any JTCs not used within eleven years of their creation will expire. You do not have to amend tax returns already filed.

Decrease in Jobs

After certifying the minimum number JTC, if the calculated average number of jobs decreases, the JTC earned is retained. You will not lose any JTC. When submitting your next ECR, a zero should be entered in the “Total Permanent Net New Employees” row for any year a decrease occurs. Additional JTC can only be generated by exceeding the highest year's permanent full-time average employment.

No additional JTC will be requested

If no additional JTC will be earned, you may request Termination of the EZ Contract. There will be no loss of benefits if a Contract is terminated. Once a Contract is terminated, it cannot be reactivated.

If you have an active EZ Contract and are now submitting another Advance Notification

Your current active EZ Contract will retire the day prior to the “Contract Start Date” of your new EZ Contract. A company **cannot** have two active EZ contracts. You need to complete an ECR for the first contract through the retirement date. The highest calculated average number of jobs for the first contract will be the “Baseline Employment” on the new contract.

Contract Termination

If the contract holder has met the hiring requirements and will not be requesting any more JTC, the contract may be terminated by completing the EZ Contract Termination Addendum. This form does not need to be completed if Contract is expiring or there will be another EZ contract without any lapse in time. If a contract is terminated any benefits already received does **not** have to be repaid as with a contract cancellation. A Contract Termination Contract Addendum is processed the EZ contract **CANNOT** be reactivated. The Contract Termination Date cannot be prior to the project completion date reported on the Project Completion Report.

When a contract is terminated and another Advance Notification is submitted having a Start Date of less than six months after the contract termination date, the highest number of employees on the terminated contract will be the starting number of employees for the next contract.

Roshonda Hanible
LED – Business Incentive Services
P. O. Box 94185, Baton Rouge, LA 70804-9185
1051 North Third Street, Baton Rouge, LA 70802
Phone: 225.342.5382 Fax: 225.342.0142
Email: Roshonda.Hanible@la.gov
Online: LouisianaEconomicDevelopment.com

Marylyn Friedkin
LED – Business Incentive Services
P. O. Box 94185, Baton Rouge, LA 70804-9185
1051 North Third Street, Baton Rouge, LA 70802
Phone: 225.342.9228 Fax: 225.342.0142
Email: Marylyn.Friedkin@la.gov
Online: LouisianaEconomicDevelopment.com