

ENTERPRISE ZONE PROGRAM EMPLOYEE CERTIFICATION REPORT (ECR) INSTRUCTIONS

Net new jobs for the Enterprise Zone (EZ) Program are calculated **from the “Contract Start Date”** found in Article VI of the EZ Contract. To generate a Jobs Tax Credit (JTC), a minimum of 5 net new jobs must be created within the first 24 months, or the current workforce must be increased by 10% (a minimum of 1) within the first 12 months at the EZ site. The qualifying employee must be a **Louisiana resident**, a person living in LA at least 30 consecutive days prior to being hired or a US citizen that is hired and becomes domiciled within 60 days of hire. A copy of the employee’s LA Drivers License may be requested or other proof showing LA residency. 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 for the length of the contract, maximum of 60 months.

Per the 2000 Census date 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

A. Residency – Effective 7/6/2007 an employee can live in any LA EZ. If the applicant is located in a/an:

- **Urban parish, located in an EZ or not**-the employee must reside in any LA EZ. The Census Tract/Block Group (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. The CT/BG number must be provided on the “New Employee List” if living in a different parish.
- **Rural parish, not in an EZ**-the employee must reside in any LA EZ. 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. The CT/BG number must be provided on the “New Employee List” if living in a different parish.

CT/BG numbers may be obtained at

http://factfinder.census.gov/servlet/AGSGeoAddressServlet?_lang=en&_programYear=50&_treeId=420

For the listing of eligible Enterprise Zones for every parish’s:

http://www.ledlouisiana.com/downloads/EZ_Rural_Parish_Data.pdf

B. Public Assistance - must be received within 6 months of being hired

- Louisiana Workforce Commission (LWC)-must list the jobs and fill the jobs with someone registered with LWC. Do not hire the employee, and then send them to LWC.
- Technical 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.

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.

No Certification

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

Full-Time Employees are hired to work at least 35 hours per week and receives company benefits. 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. Do not include part-time employees in the average calculation. Part-time positions are tracked individually. A schedule providing the **weekly** hours worked for each employee for 26 consecutive weeks must be provided. If the weekly hours worked drops below the required 20 hours, the 26-week period starts over. You cannot average hours.

Each part-time position must be tracked separately. If a part-time employee is hired to replace a position that has already created a JTC or was filled when you started your project, you are not required to report the replacement employee hours because the replacement employee not be a net new position.

LWC Quarterly Report of Wages Paid Form (ES-4) requirements

The following information **must** be reported monthly on an the Average Calculation page using the data from the ES-4, ADP Tax Filing Service, or SUI Summary - Louisiana Sheets for **each month of each quarter** of the contract period:

- 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 the listed information for each EZ site:
Your ECR will be returned if this information is not provided.

Include a copy of your ES4 for each reporting period. The ES4 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 ES-4.

ES-4s are required to be filed with the ECR if new jobs were created or not.

Please complete the EMPLOYEE CERTIFICATION REPORT - AVERAGE CALCULATION form for every period.

Base Number of Employees

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 first five digits can be masked) of your Base Number of Employees the day before the “Contract Start Date”.

ECR Due Date

The first ECR is due after you have an executed Contract if you have more than 7 months to average. Each remaining ECR shall be due by **March 1** of the next year. You must file an ECR annually with ES-4s if new jobs were created or not.

Calculating full-time net new jobs

You must use more than 7 months to calculate an average number of jobs.

If a Contract Start Date is prior to July 1

Period 1 (may be less than 12 months, but more than 8 months): The first reporting period on the ECR will be from the “Contract Start Date” to December 31 of the same year.

Using the Averaging Calculation page, calculate the average monthly number of full-time employees at the EZ site from “Contract Start Date” to December. The result will be the *average* number of full-time jobs for Period 1.

Example: Contract Start Date is 4/1/2005, total the number of full-time employees from 4/2005 to 12/ 2005. Divide the sum by 9 months.

Subtract the full-time Base Number from the calculated average for Period 1. The result is the number of net new full-time jobs created for Period 1. This is the number reported on “Total New Employees” row on the ECR Summary for Period 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.

Example: If the company reported 10 “Base Number of Employees” on the ECR Summary and the calculated average number of jobs for Period 1 is 15, and then there were five net new jobs created.

Year 2 is the next calendar year. Using the Average Calculation page for that year, calculate average number of full-time employees and subtracted from the calculated average number of employees for Period 1.

Year 3 is the next calendar year. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 2.

Year 4 is the next calendar year. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 3.

Period 5 is the next calendar year + January, February and March for a total of 60 months. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 4.

If a Contract Start Date is on or after to July 1

Period 1 (will be more than 12 months): The first reporting period on the ECR will be from the “Contract Start Date” to December 31 of the next year.

Using the Average Calculation page for that period, calculate the average number of full-time employees and subtracted from the calculated average number of employees Base Number of Employees. The result is the *average* number of full-time jobs for Period 1.

Example: Contract Start Date is 9/1/2005, total the number of full-time employees from 9/2005 to 12/2006. Divide the sum by 16 months.

This is the number reported on the “Total New Employees” row on the ECR Summary for Period 1 and the number of full-time employees reported on the “New Employee List”. Complete the “New Employee List” for every JTC being requested.

Example: If the company reported 0, “Base Number of Employees” on the ECR Summary, the calculated average number of jobs for the reporting period was 7, and then there were 7 net new jobs created. Information is provided for only 7 employees hired in the period.

Year 2 will be the next calendar year. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 1.

Year 3 will be the next calendar year. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 2.

Year 4 will be the next calendar year. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 3.

Period 5 will be January through August for a total of 60 months. Using the Average Calculation page for that year, calculate the average number of full-time employees and subtracted from the calculated average number of employees for Period 4.

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

Enter the first period calculations on an original ECR Summary and make a copy for your records. Using the copy, sign and date and mail the “original” signed copy with the ES-4 Reports, the Average Calculation pages and the New Employee List. Each following year, use the original ECR Summary to calculate the current year JTC and make a copy. Sign and date the copy and mail the signed copy with the current ES-4 Reports, the Average Calculation page and the New Employee List for that period.

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.

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.**

Decrease in Jobs

After certifying the minimum number JTC, if the calculated average number of jobs decreases, the JTC earned are retained. You will not lose any JTC. When submitting your next ECR, a zero should be entered in the “Total New Employees” row for any year a decrease occurs. Additional JTC can only be generated by exceeding the highest year’s average employment previously certified under this Contract. **Beginning with year 2004, ES4s are required to be filed if new jobs were created or not.**

If you have an active EZ Contract and 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 contracts. You need to complete an ECR for the first contract through the retirement date. The calculated average number of jobs for the first contract will be the “Base Number of Employees” on the new 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: www.ledlouisiana.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: www.ledlouisiana.com