

ENTERPRISE ZONE PROGRAM THE FACTS

The Enterprise Zone (EZ) Program is a JOBS incentive program creating Louisiana Income and/or Franchise Tax job tax credits (JTC) to a business hiring at least 35% of their net new jobs from one of four targeted groups. A business must create permanent **net** new jobs at the EZ site. A business **is not required to be located in an EZ**. Only if the job requirement is met, sales/use tax rebates or a refundable investment tax credit may be available. EZs are areas residents receiving public assistance is high. The Board of Commerce and Industry (Board) approves EZ applications. The Louisiana Economic Development (LED), Business Incentives Services (BIS) administers this Program.

BIS must receive an ADVANCE NOTIFICATION Form and a \$100 fee **PRIOR** to hiring, starting project, receiving purchases, or installing equipment. Any activity prior to the receipt of the Advance Notification by BIS is not eligible. You can file an Advance Notification can be filed on-line at <https://fastlane.louisianaforward.com/Login.aspx>.

ELIGIBILITY

A. Businesses engaged in gaming, churches or residential are **not eligible**.

B. Must create a minimum number of permanent net new jobs at the EZ site and 35% of net new jobs must meet at least **one** of the four Certification Requirements (Requirements). These jobs must be created from Project Start Date. Either:

Increase your current workforce by 10% (minimum of 1) within the first 12 months

OR

Create a minimum of 5 net new jobs within the first 24 months.

The jobs must be filled with:

Louisiana resident, someone living in LA at least 30 consecutive days prior to being hired.

OR

US citizen that becomes domiciled in LA within 60 days after employment

BENEFITS

A. TAX CREDITS

1. A onetime \$2,500 JTC is generated for each certified net new job created. A business with NAICS for aerospace or rubber manufacturer may qualify for a onetime \$5,000 JTC.
2. JTC are used to satisfy LA Income and/or Franchise Tax liabilities. LLC and Subchapter S corporations may pass the JTC to the owners listed on the EZ contract. The credits may be carried forward up to 10 years from the year the JTC were earned.

B. SALES/USE TAX REBATE or INVESTMENT TAX CREDIT

LA Sales/Use Tax paid on materials, furniture, fixtures, machinery and equipment purchased and used exclusively on the EZ site may be rebated. These items must be delivered during the Project Period. The rebate period cannot exceed 30 months. Local sales/use tax is available with an endorsement resolution from the local governing authority.

OR

1.5% Refundable Investment Tax Credit (ITC) can be earned. The ITC is a credit equal to 1.5% of capitalized investment reported on Federal Income Tax **minus** some items and the portion of manufacturing equipment that is

exempt under Sales/Use tax laws. The ITC **may not** be claimed until the Project Completion Report is executed.
Local sales/use tax is not available with the ITC.

APPLICATION PROCEDURES

- A. Advance Notification Form and \$100 fee filed with the BIS PRIOR to Project Start Date.
- B. Application Form and fee must be filed within 90 days after the completion of Project. The Application Fee is a minimum of \$200 and maximum of \$5,000.
- C. Provide a copy Louisiana Department of Revenue Sales/Use Tax Certificate with this project address.
- D. After the Board approval, a 60-month contract is entered into between the Board and the applicant. The Effective Date of your contract is the Begin Date reported on the approved Application.
- E. An Inspection/Audit Affidavit Form must be submitted with a \$100 fee, within six months after completion of project or returned with the signed original contract, whichever is later.
- F. A Project Completion Report (PCR) must be submitted within six months after completion of project or returned with the signed original contract, whichever is later. On the PCR, the company will state if they will seek the Louisiana Sales/Use Tax Rebate, the ITC or neither. No amended or revised PCRs can be filed.

JOB CERTIFICATION - 35% of all jobs generating JTC must meet one of the following:

- A. Residency
 1. If the business is located in an **urban parish**, the employee must live in a LA EZ.

OR

2. If the business is located in a **rural parish and not located in an EZ**, the employee must live in a LA EZ.

OR

3. If the business is located in a **rural parish, and located in an EZ**, the employee may live anywhere in the parish the business is located or in any LA EZ.

OR

4. If the business is located in an **Economic Development Zone (EDZ)**, the employee may live anywhere in the parish the business is located.
- B. Receiving some form of public income assistance may include WIC, FTAP, using Louisiana Workforce Commission (LWC) by listing your jobs and hiring someone registered with LWC, or attended a technical college or community college within the six months prior to being hired.
- C. Lacking basic skills. A person below the 9th grade proficiency in reading, writing, or math.
- 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.

For additional information contact:

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