

QUALITY JOBS PROGRAM

THE FACTS

The Quality Jobs (QJ) Program is an incentive to encourage businesses to locate and/or expand existing operations in Louisiana and create quality jobs focusing on **Louisiana Vision 2020** traditional and seed cluster industries.

ELIGIBILITY

A. To qualify a business must be in one of the following six Vision 2020 cluster industries:

1. Biotechnology and Biomedical
2. Micro-manufacturing
3. Software, Internet & Telecommunications
4. Environmental Technology
5. Food Technology
6. Advanced Materials;

OR be a **Manufacturer**, NAICS Codes 113310, 211, 213111, 541360, 311-339, 511-512, or 54171;

OR be an **Oil and Gas Field Service Business**, NAICS Code 213112, and must pay at least \$30,000 annually for each new direct job created and business located in Louisiana is the national or regional headquarters of a multi-state business including Louisiana and the Gulf of Mexico;

OR be a business that must or will have sales of at least **50%** of its total annual sales to out-of-state customers or buyers, and/or to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government.

OR be a business located in an area designated by Louisiana Economic Development (LED) as a distressed region. A distressed region shall be either of the following:

Is a parish that is within the lowest twenty-five percent of parishes based on per capita income.

Is a census tract block group that is below the state median per capita income, based upon the latest federal decennial census.

- B. Create a minimum of 5 (full time) net new jobs, working an average of no less than 30 hours per week.
- C. A **basic health plan** (basic hospital care and basic physician care) must be offered to all new QJ employees within 90 days. The employer must provide a basic health care plan to the individuals it employs in new direct jobs in this state which shall be determined by LED to have a **value of at least one dollar and twenty-five cents per hour.**
- D. There are minimum annual payroll thresholds on net new jobs. Companies with
1. Less than 50 employees at the start of the contract the threshold for net new jobs is at least \$250,000,
 2. 50 or more employees at the start of the contract the threshold for net new jobs is at least \$500,000.

BENEFITS

- A. Payroll Benefit Rate – the rate will be determined by LED
1. For new direct jobs which pay at least \$14.50 per hour in wages and health care benefits upon hiring, the benefit rate shall be **5%**.
 2. For new direct jobs which pay at least \$19.10 per hour in wages and health care benefits upon hiring, the benefit rate shall be **6%**.
- (The **annual** benefit is calculated by multiplying the benefit rate times the gross payroll of the new direct jobs as certified by LED. An employee **must start employment** at the minimum requirements for eligibility; otherwise they are **never** eligible for a rebate)
- B. Sales/Use Tax Rebate or Investment Tax Credit
1. A rebate of State Sales/Use Tax on materials purchased for new infrastructure, machinery, and equipment purchased during the construction period and used exclusively on site. The rebate period cannot exceed 30 months.
 2. A portion of the Local Sales/Use Tax is available for rebate with an Endorsement Resolution from the local governing authority.
 3. In lieu of the 4% sales tax rebate and the local rebate, the contract holders can opt for a 1.5% Investment Tax Credit (ITC). The ITC is a credit equal to 1.5% of capitalized investment (for Federal Income Tax purposes) **minus** cost of land, interest, existing building acquisition costs, and the portion of manufacturing equipment that is exempt under Sales/Use tax laws. The credit is earned the year the project is placed in service. The ITC **may not** be claimed until the Project Completion Report is executed.

To receive the sales and use tax rebate or the ITC,

An employer must meet the hiring requirements as defined in the Enterprise Zone Program: Must create a minimum number of permanent net new jobs at the QJ site and 35% of the net new jobs must meet at least **one** of the four Certification Requirements (Requirements). These jobs must be created from Project/Construction Start Date.

A. Residency

1. If the contract holder is located in an **Urban parish** (2000 population over 75,000), the employee must live in an EZ in the state.

OR

2. If the contract holder is located in a **Rural parish** (2000 population 75,000 or less), **and located in an EZ**, the employee may live anywhere in the parish the company is located.

OR

3. If the contract holder is located in a **Rural parish and not located in an EZ**, the employee must live in an EZ in the state.

OR

4. If the contract holder is located in an **Economic Development Zone (EDZ)**, the employee may live anywhere in the parish the company is located.

B. Receiving some form of public income assistance may include WIC, FTAP, using LWC by listing your jobs and hire a LWC referral, attended a technical 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. Physically challenged.

APPLICATION PROCEDURE

- A. An **Advance Notification** form and \$100 fee **must be received** by Business Incentives Services **prior** to purchasing or the creation of new direct jobs. You may apply on line at <https://fastlane.louisianaforward.com/Login.aspx> .
- B. A **Disclosure Authorization** is required if a consultant or someone other than a company employee is the contact person.
- C. The **Certification of Primary Qualification** and the **Minimum Insurance Requirement**, must be submitted prior to or in conjunction with the application.
- D. The application and fee **must** be filed ninety (90) days prior to the completion of the project or ninety (90) days after you start hiring personnel, whichever is first.
- E. The application will be presented to the Board of Commerce and Industry for approval, if approved a Contract is entered into between the state of Louisiana and the company for up to 5 years. An option to renew the Contract for an additional 5 years is available.
- F. A **Project Completion Report** is due on the prescribed form no later than **ninety (90) days** after the beginning of operations or completion of construction with LED.
- G. An **Affidavit of Annual Certification**, supporting documentation and fee are due within **ninety (90) days** of contract holder tax year with LED.
- H. Participation in the Quality Jobs Program **excludes** the use of the Enterprise Zone Program and the Industry Assistance Program.
- I. The Quality Jobs Program will sunset December 31, 2012.

For additional information contact:

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