



## 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**, as identified by NAICS Codes 113310, 211, 213111, 541360, 311-339, 511-512, or 54171;

**OR** be an **Oil and Gas Field Service Business**, as identified by 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. Job Requirements

1. Create a minimum of five net new jobs within three years of the contract start date
2. These jobs must be full time, (full-time employees - 30 hours per week)
3. Provide a basic health benefit plan/health insurance coverage
  - a. that which is required to be offered and/or provided shall include coverage for basic hospital care, coverage for physician care, and coverage for health care which shall be the same as that provided to executive, administrative, or professional employees
  - b. must be offered to all new employees within 90 days of their effective hire date
  - c. must have a value of at least one dollar and twenty-five cents per hour. (If you are other than a self insured company the value of the plan is the actual cost for the individual coverage. If you are a self insured company LED will determine the value.) Basic health care benefits do not include dental, vision, life

**C. Minimum wage and health care requirements.**

1. The minimum wage requirement for new direct jobs is \$14.50 per hour in wages and healthcare benefits.

**D. Minimum Annual Gross Payroll Requirements**

If an employer employs:

1. 50 or fewer employees state-wide prior to the start date of the contract, the minimum annual payroll threshold for new direct jobs is \$250,000
2. More than 50 employees statewide prior to the start date of the contract, the minimum annual payroll threshold for new direct jobs is \$500,000

**E. BENEFITS**

1. Payroll Benefit Rate – the rate will be determined by LED
  - a. For new direct jobs that pay at least \$14.50 per hour in wages and health care benefits, the benefit rate shall be **5%**.
  - b. For new direct jobs that pay at least \$19.10 per hour in wages and health care benefits, 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. The health care portion is not eligible for rebates.)

2. Sales/Use Tax Rebate or Investment Tax Credit
  - a. 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.
  - b. A portion of the Local Sales/Use Tax is available for rebate with an Endorsement Resolution from the local governing authority.
  - c. 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,**

In addition to meeting the requirements of the Quality Jobs Program an employer must meet the hiring requirements as defined in the Enterprise Zone Program: 35% of all the net new jobs created during the project period must meet at least **one** of the four Certification Requirements listed below.

- A. Residency; employee domicile i.e. living in an enterprise zone within the state.
- B. Receiving some form of public income assistance which may include WIC, FTAP, or using LWC by listing the jobs and hire a LWC referral, attended a technical college within the six months prior to being hired.
- C. Unemployable by traditional standards: 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.
- G. An **Affidavit of Annual Certification**, supporting documentation and fee are due within ninety (**90**) days of contract holder tax year.
- H. **Employee Certification Report (ECR)** is due on the prescribed forms by May 31<sup>st</sup> after the completion of the project. The ECR's are only necessary if the company is seeking sales and use tax rebates or the investment tax credit.
- I. Participation in the Quality Jobs Program **excludes** the use of the Enterprise Zone Program and the Industry Assistance Program.
- J. The Quality Jobs Program will sunset December 31, 2011.

### For additional information contact:

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