

Regular Session, 2013

SENATE BILL NO. 245

BY SENATORS RISER, ERDEY, KOSTELKA AND GARY SMITH

TAX/TAXATION. Provides for eligibility of tax credits and other benefits under the enterprise zone program. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 51:1787(A)(3), relative to eligibility of applicants for tax credits
3 and other benefits under the enterprise zone program; to provide for applicability of
4 certain incentives; to provide for eligibility requirements; to provide for an effective
5 date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1787(A)(3) is hereby amended and reenacted to read as follows:

8 §1787. Incentives

9 A. The board, after consultation with the secretaries of the Department of
10 Economic Development and Department of Revenue, and with the approval of the
11 governor, may enter into contracts not to exceed five years to provide:

12 * * *

13 (3) The tax credit provided in Paragraph (2) of this Subsection shall be
14 applicable only to a position within the state that did not previously exist in the
15 business enterprise and that is filled by a person who is a citizen of the United States
16 and who is domiciled in Louisiana, or who is a citizen of the United States and
17 becomes domiciled in Louisiana within sixty days after his employment in such

1 position, performing duties in connection with the operation of the business
 2 enterprise ~~either~~ as a regular, full-time employee ~~or as a part-time employee~~
 3 ~~employed for at least twenty hours per week for at least six months during the~~
 4 ~~taxable year.~~ The total number of credits allowed to a business enterprise for
 5 employees who are citizens of the United States and who become domiciled in
 6 Louisiana within sixty days after employment shall not exceed fifty percent of the
 7 total number of credits allowed to the business enterprise under the contract.

8 * * *

9 Section 2. This Act shall become effective upon signature by the governor or, if not
 10 signed by the governor, upon expiration of the time for bills to become law without signature
 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 13 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Danielle Doiron.

DIGEST

Present law provides for the La. Enterprise Zone Act.

Present law authorized contracts for businesses located in enterprise zones for a period not to exceed five years, which may provide for a \$2,500 credit against income and franchise tax per net new employee during the taxable year for which credit is claimed, carried forward for 10 years, or until the credit is used, whichever occurs first.

Present law authorizes that such contracts may be entered into subject to certification by the business concerning its employees. One of the certifications which make a business eligible for the \$2,500 credit, is the position must be within the state and did not previously exist in the business enterprise and be filled by a U.S. citizen who is domiciled or becomes domiciled in the state within 60 days after employment and who is a full-time or part-time employee employed for at least 20 hours per week for at least six months during the taxable year.

Proposed law retains present law but removes a part-time employee from such eligibility.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 51:1787(A)(3))