

Louisiana

Enterprise Zone Program

Offers business tax credits and rebates

The Louisiana Enterprise Zone (EZ) Program is a package of tax credits and sales tax rebates available to businesses and expansions to existing businesses that will create new, permanent jobs and employ individuals from targeted groups.

On August 6, 1999, state Enterprise Zone legislation was enacted removing the requirement that the business be located in an Enterprise Zone and adding residency in an Enterprise Zone as a Job Certification Requirement. Therefore, any new business or expansion project can participate in the state program regardless of location if it meets the job certification criteria. The Louisiana Board of Commerce and Industry is the authority that approves Enterprise Zone benefits. The City of Baton Rouge -Parish of East Baton Rouge Planning Commission processes local EZ applications and administers the local EZ program on behalf of the State Department of Economic Development and the Board of Commerce and Industry. The City-Parish adopted procedure and policy guidelines governing the local Enterprise Zone Program in 1995 with amendments in 1996.

Project Benefits

Benefits of the EZ Program include a \$2,500 state tax credit for each new job created during the first five years of business, a rebate of state sales/use taxes on construction materials and equipment, and a rebate of local sales taxes on construction materials and equipment for those taxes not dedicated to the School Board, or Road and Sewer Improvements. Currently, the tax rebates are 4 % from state and 1.9% from East Baton Rouge Parish.

Eligibility

Any business except residential, gaming or church projects can now participate in the state Enterprise Zone Program if an Advance Notification is received prior to the beginning of the project and the current workforce is increased by 10% (minimum of one) within the first 12 months OR the business creates five net new jobs within the first 24 months of the project's start date. Projects located outside of designated Enterprise Zones are not eligible for City-Parish tax rebates.

If the business is retail, it will not qualify for local tax rebates unless it is located in a Census Tract and Block Group with a minimum of 55% of lower income residents. A preliminary review of project eligibility is completed by the City-Parish at the time of application. Even if it does not meet the eligibility criteria for local tax rebates, it may still qualify for state benefits.

Job Certification

According to state regulations the jobs must be filled with Louisiana residents. A minimum of 35% of the net new jobs must meet one of the Certification Requirements described below:



Residency For an East Baton Rouge Parish business not located in an Enterprise Zone, the employee being certified must live in an Enterprise Zone in East Baton Rouge Parish.

Public Assistance Receiving some form of public income assistance (WIC, FITAP, etc.) or employment assistant within the six months immediately prior to being hired.

Lacking Skills Proficiency in reading, writing, for math is below 9th grade.

Physically Challenged Physical impairments which have made gaining employment difficult.

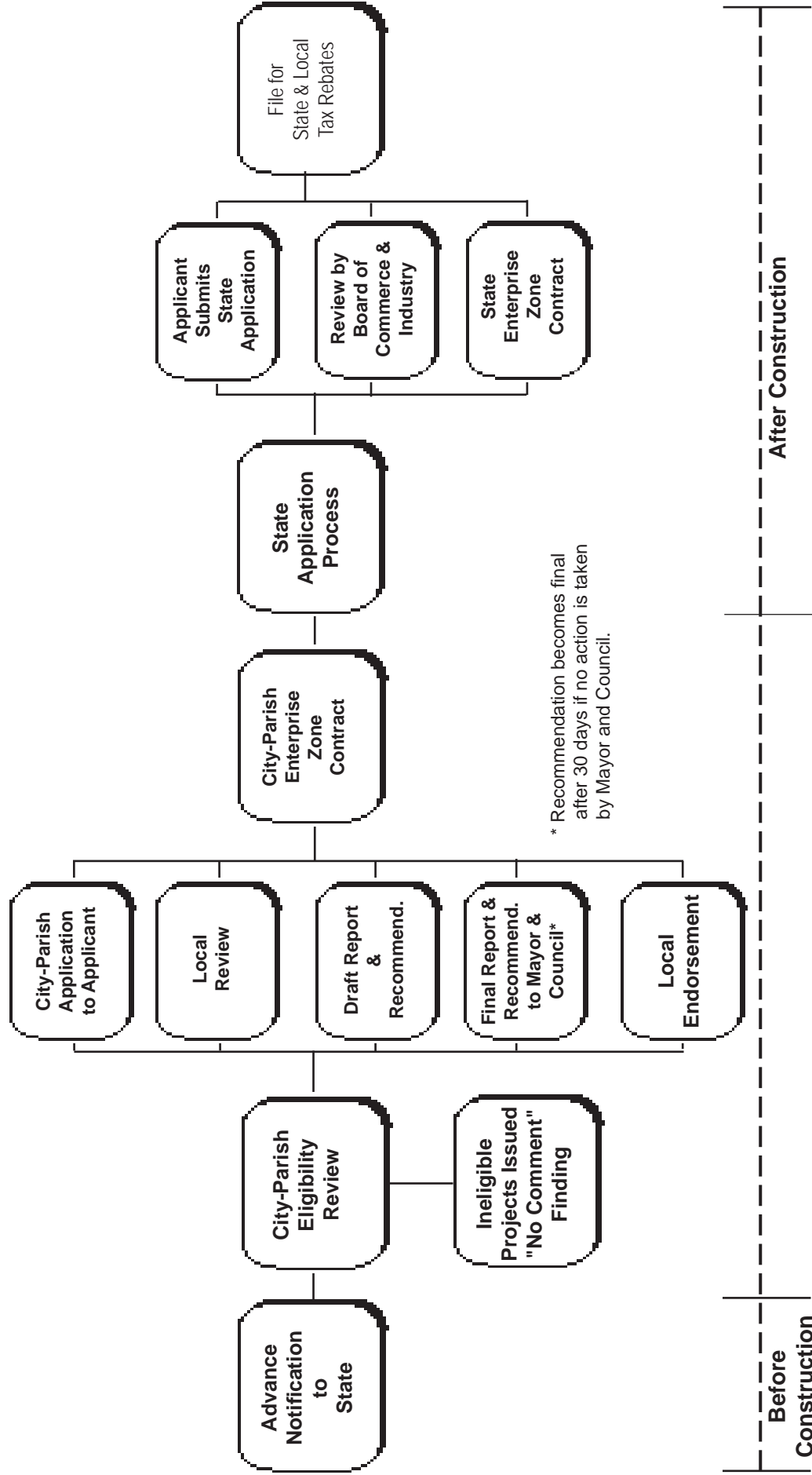
Job certification is handled by the State Department of Economic Development and Department of Revenue once construction is completed.

Application Process



Advance Notification to the Business Incentives Division of the Louisiana Department of intent to apply for the EZ program is required prior to starting construction, or purchasing or installing equipment. The Advance Notification is submitted to the State accompanied by a \$100 filing fee. The State then forwards the Notification to the City-Parish Planning Commission, who sends an application packet. Upon receipt of the application and a \$100 application fee, the City-Parish then initiates a review and recommendation process. An "Approval" allows the project to receive tax rebates from the City-Parish if the State concurs. "Denial" and "No Comment" recommendations disqualify the project for local tax rebates, but under a "No Comment" finding, the project may be approved for State Enterprise Zone benefits.

Enterprise Zone Application Process



For more information contact:

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