



## **Louisiana Enterprise Zone Program**

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### **A Legal and Practical Workshop for the Oil and Gas Industry**

**By Louisiana Oil & Gas Association**

**New Orleans, LA**

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#### 1. Benefits

- a. One-time Louisiana Income/Franchise Tax Credit of \$2,500 for each net new full-time job (35 hours per week) created within 5 years
- b. One-time sales/use tax rebate or Refundable Investment Tax Credit – For capital expenditures at the “project site” with 2-year period (can be extended to 30 months)
  - i. State sales/use tax rebate (4%)
  - ii. Potential local sales/use tax rebate
  - iii. RITC – 1.5% of “Qualified Expenditures”
  - iv. RITC is not a tax credit. It is a check from LDR.

#### 2. Qualification Requirements

- a. Project does NOT have to be located within an Enterprise Zone – Act 977 of 1999, by Representative Mike Michot
- b. # of Net New Jobs – lesser of:
  - i. 5 within 2 years, or
  - ii. 10% of current number of jobs (nationwide, including affiliates) – within 1 year
- c. 50% of net new jobs must be filled by employees who meet one of the following criteria:
  - i. Residency – live within an Enterprise Zone in Louisiana - exceptions for:
    1. projects located in Enterprise Zone within a “rural parish” and
    2. projects located in Economic Development Zone
    3. For these 2 exceptions, can include employees who live within same parish as the “project site”

- ii. Received Public Assistance within previous 6 months
- iii. “Lacking Basic Skills”
- iv. “Unemployable by Traditional Standards”

3. Process – High Level Summary:

- a. Advance Notification Form – file prior to hiring or spending
- b. Endorsement Resolution – from local government – if requesting local sales/use tax rebate
- c. Qualification Certification Form
  - i. Created by rule change effective August 20, 2011
  - ii. Company states that it will create enough net new, permanent, full-time jobs at the project site to qualify for the Enterprise Zone Program.
  - iii. Per Enterprise Zone Program Rules – Section 732.B – must be filed “with or after the filing of the advance notification, but no later than with the filing of the application”
  - iv. LED has been requiring that it be filed with the application
- d. Application – generally, after construction is complete
- e. Review by, and recommendation from, LED staff
- f. Approval by Louisiana Board of Commerce & Industry
- g. Project Completion Report
- h. Affidavit of Final Cost
- i. Claim for state sales/use tax rebate (and local?) or Refundable Investment Tax Credit
- j. Employee Certification Report

4. Other

- a. Changes over past few years
- b. Rule-changing process 2009-2011
- c. Administrative Procedures Act

5. Looking forward

6. Questions (and Answers??)