

Calcasieu Parish Enterprise Zone Facts

Purpose - The Calcasieu Parish Police Jury's Enterprise Zone program began in 1992 to stimulate business and industrial growth and diversify the Parish economy by providing tax incentives in these areas.

Eligibility - To qualify, a company must create a minimum of 5 net full-time new jobs within the first 24 months after a contract on state benefits becomes effective or the company must increase its present workforce by 10% within 12 months of contract execution with the state.

Requirements - Participation in the program requires that 50% of all new employees must meet one of the following:

- **Residency** -
 - a. If the company is located within a designated enterprise zone, the employee may live anywhere in the parish or in any Louisiana designated enterprise zone.
 - b. If the company is not located within a designated enterprise zone, the employee must live in a Louisiana enterprise zone.
- **Receiving some form of public assistance**, which includes WIC, TANF, Louisiana Workforce Commission, or attending a technical college or community college within the six months prior to the hire.
- **Lacking basic skills**, which is defined as having below the 9th grade proficiency in reading, writing, or math.
- **Unemployable by traditional standards** -
 - a. Having no prior work history or training.
 - b. Having a criminal record.
 - c. Having a history of being unable to retain employment.
 - d. Being physically challenged.

Designations - According to state law, Calcasieu Parish is considered to be a rural parish where the four designated industrial areas (Rosebluff, Lockport, Nelson, and South Ward Three) are permanent enterprise zones.

Process for Endorsement - The company must file an Advance Notification with the Louisiana Department of Economic Development and a local Application for Endorsement at least 60 days prior to the start of construction. After receiving the required documentation, the Planning staff meets with representatives of the company and representatives of the School Board's Sales and Use Tax office to discuss specifics of the project and requirements of the local program. At this

meeting, companies are encouraged to use the local Louisiana Workforce Commission office for hiring and the companies are advised that all contractors and sub-contractors must be registered with the Sales and Use Tax office. When that meeting is complete, the Application is placed on the Police Jury agenda for action.

Rebate Calculation - Companies that receive a local endorsement are eligible to receive a sales tax rebate in addition to any state incentives. The local rebate is based upon sales/use tax paid to the Calcasieu Parish Police Jury for material, machinery, and equipment used to construct or improve a facility for the proposed project and the number of new permanent jobs created.

- The company receives the following:
 - a. \$2,500 for each of the first 10 jobs;
 - b. \$2,000 for each of the next 40 jobs;
 - c. \$1,500 for each of the next 50 jobs; and
 - d. \$1,000 for each job over 100.
- **In all cases, the minimum rebate will be 25% of 1% of the local expenditure eligible for sales tax rebate and the maximum rebate will be 1% of the local expenditure eligible for sales tax rebate.**
- As an example, Company X estimates spending \$50,000,000 locally on materials, machinery, and equipment and anticipates 35 new jobs. To calculate the rebate upon project completion, the staff will use figures from the Sales and Use Tax audit and from job certifications. Three formulas will be used. Those are as follows:
 - a. Based upon the **number of jobs**, the rebate would be \$75,000.
 - $10 \times \$2,500 = \$25,000$
 - $25 \times \$2,000 = \$50,000$
 - $\$25,000 + \$50,000 = \underline{\$75,000}$
 - b. The **maximum rebate** would be 1% of the amount spent in Calcasieu Parish.
 - $1\% \text{ of } \$50,000,000 = \underline{\$500,000}$
 - c. The **minimum rebate** is 25% of 1% of the amount spent in Calcasieu Parish.
 - $1\% \text{ of } \$50,000,000 = \$500,000$
 - $25\% \text{ of } \$500,000 = \underline{\$125,000}$

In this situation, a rebate based on the number of jobs would be less than the minimum rebate; therefore, the rebate would be \$125,000.

For more detailed information on program requirements, visit <http://www.louisianaeconomicdevelopment.com/page/enterprise-zone>