

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 for local incentive, the project must qualify for state enterprise zone tax incentives per La. R.S. 51:1781 through La. R.S. 51:1791, as amended, and the Louisiana Administrative Code, Chapter 7, as amended. Participant requirements as of May 2, 2018, are as follows:

- **Job Creation** - Create a minimum of five permanent net new full-time jobs within 24 months of project start date or increase current nationwide workforce by 10% within the first 12 months.
- **Hiring** - Hire 50% individuals for the net new jobs created from one or more of these targeted groups:
 - **Residents** - Someone living in a Louisiana enterprise zone per U.S. Census designation.
 - **People receiving an approved form of public assistance.**
 - **People lacking basic skills**, which is defined as performing below a 9th grade proficiency in reading, writing, or math.
 - **People unemployable by traditional standards.**

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 will facilitate a meeting with representatives of the company and representatives of the School Board's Sales and Use Tax office to discuss specifics of the project and reporting 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. Following that meeting, the Application is placed on the Police Jury agenda for action.

Timelines - To be eligible for any rebate, the company must receive formal endorsement prior to beginning of construction. Projects must locally permitted and begin within one year of the date of endorsement or the company will be required to restart the entire approval process.

Rebate Calculation – All or part of the parishwide Road and Bridge Sales and Use Tax paid is eligible for rebate under the local program. The Calcasieu Parish School Board’s Sales and Use Tax Office will perform an audit to determine tax accruals under this program.

To determine the amount of the rebate upon completion of the endorsed project, the staff will consider the number of permanent jobs created as per records submitted to Louisiana Economic Development and the total amount of the 1% sales tax paid for materials used for construction/improvements and for permanent machinery and equipment. The rebate will be the lesser of the sum based upon jobs or the actual Road and Bridge Sales and Use Tax paid; however, 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.**

Rebates based on the number of new permanent jobs will be calculated as follows:

- \$2,500 for each of the first 10 jobs;
- \$2,000 for each of the next 40 jobs;
- \$1,500 for each of the next 50 jobs; and
- \$1,000 for each job over 100.

Below is an example rebate consideration:

Company X estimates spending \$50,000,000 locally on materials, machinery, and equipment and anticipates 35 new jobs. Three amounts will be considered. Those are as follows:

- Based upon the **number of jobs**, the rebate would be \$75,000.
 - $10 \times \$2,500 = \$25,000$
 - $25 \times \$2,000 = \$50,000$
 - $\$25,000 + \$50,000 = \underline{\$75,000}$
- The **maximum rebate** would be 1% of the amount spent in Calcasieu Parish.
 - $1\% \text{ of } \$50,000,000 = \underline{\$500,000}$
- 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 example, 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 state program requirements, visit <https://www.opportunitylouisiana.com/business-incentives/enterprise-zone>