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CORRECTION

In the April edition of LSBA "Issues," we provided you with incorrect information on the minimum wage in Louisiana as it relates to tipped employees. Below, please find the correct information related to the minimum wage for tipped employees.

For tipped employees (i.e., servers in restaurants that routinely receive more than \$30 a month in tips), employers can count tips as wages, but the employer must pay not less than \$2.13 an hour in direct cash wages to a tipped employee. If an employee's tips combined with the employer's direct wages of at least \$2.13 an hour do not equal the minimum hourly wage of \$6.55 per hour effective July 24, 2008 and \$7.25 per hour effective July 24, 2009; the employer must make up the difference.

Louisiana employers are required to post the federal minimum wage poster that was revised in June 2007. As a benefit of your LSBA membership, we sent you this updated panel in July 2007. If you joined the association after this date, this updated poster was included in your "All-in-One" labor law poster that we sent you in your new member kit.

As part of our member services, LSBA makes sure you are up-to-date on all new employment posting requirements (both state and federal) so that you do not have to pay outrageous prices for these posters. **Every LSBA member who renews their membership in 2009 will receive a brand new all-in-one poster.**

2009 LEGISLATIVE SESSION

The legislative session began on April 27th and must end by June 25th. The legislative session is considered a modified fiscal session which concentrates on tax and fee bills. Each legislator can pre-file 5 non-fiscal bills. The budget deficit will be the focus due to national economic slowdown, slumping energy prices and tax cuts approved in recent years.

HEALTH CARE TAX CREDITS FOR EMPLOYERS:

- House Bill 7 by Rep. Gary Smith would provide for a corporate tax credit equal to 30% of the amount of premium paid for health insurance for employees if the employer has no more than 10 employees.
- House Bill 100 by Rep. Foil seeks to provide for a tax credit against any La. income or corporation franchise tax liability of a La. domiciled employer for 15% of the premium costs for health insurance coverage for his La. resident employees.
- House Bill 287 by Rep. Roy would provide for a credit against individual and corporation income tax for certain employers who pay health insurance premiums for their employees.
- House Bill 301 by Rep. Nowlin would provide for a tax credit for increases in the cost of health insurance premiums related to state mandates on health insurance coverage for specific conditions or services

UNEMPLOYMENT COMPENSATION has been a topic of great discussion at the state capitol. The Governor has openly expressed his opposition to expanding coverage of unemployment compensation.

- House Bill 304 by Rep. Abramson would authorize a tax credit for the cost of increased unemployment insurance contributions attributable to the American Recovery and investment Act of 2009.
- House Bill 610 by Rep. Richmond would expand unemployment benefits to individuals who leave their employment for compelling family reasons such as domestic abuse, illness or disability of an immediate family member, or the relocation of a spouse for employment.
- House Bill 615 by Rep. Sam Jones would provide for the payment of 26 weeks of additional unemployment benefits to individuals enrolled in and making satisfactory progress in a state or federal approved training program. An individual shall receive a weekly benefit equal to his previous weekly unemployment compensation.

OTHER TAX CREDITS:

- House Bill 269 by Rep. Michael Jackson, House Bill 343 by Rep. Dixon and Senate Bill 194 by Senator Broome would authorize a corporate income tax deduction for employers who grant paid leave to employees to participate in their children's school activities during working hours
- House Bill 329 by Rep. Greene would provide a corporation income tax credit for the purchase of a generator equal to 50% of the cost of the generator but not to exceed \$25,000.
- House Bill 25 by Rep. Robideaux would provide for a state "sales tax holiday" on certain hurricane-preparedness items or supplies purchased within the 72-hour period which begins at 12:01 a.m. on the day following the day the governor has issued a proclamation or executive order declaring a state of emergency due to a named tropical storm or hurricane which has entered the Gulf of Mexico.

OTHER SMALL BUSINESS ISSUES:

- House Bill 385 by Rep. Cortez would further define a small employer as any person, firm, corporation, partnership, or association actively engaged in business which, on at least 50% of its working days during the preceding year, employed no less than three nor more than 35 eligible employees. This bill additionally requires that in order to be a small employer, the majority of its employees must be employed within this state, that it is not formed primarily for purposes of buying health insurance, and that a bona fide employer employee relationship exists.
- House Bill 438 by Rep. McVea would create the La. Mandated Health Benefits Commission and would prohibit legislative consideration of any legislative bill that includes a mandated benefit proposal unless certain actions are taken by the commission.
- House Bill 486 by Rep. Downs would require dealers to collect taxes based on domicile of purchaser. Present law allows a dealer to collect taxes levied by local ordinance. Proposed law would require the dealer to collect the tax at the rate levied by the local ordinance in effect at the domicile of the purchaser and would require purchaser to show proof of domicile at the time of purchase.
- House Bill 550 by Rep. Lorusso/Ernst would extend the wind or solar energy systems tax credit to commercial or business property. The maximum tax credit would be equal to 50% of the first \$50,000 of the cost associated with the purchase and installation of each wind or solar energy system for systems purchased on or after Jan. 1, 2009.
- House Bill 705 by Norton and Senate Bill 286 by Senator Dorsey would create the Equal Pay for Women Act.
- House Bill 799 by Rep. Michael Jackson would establish penalties for failure to file any payroll report relative to workers' compensation insurance.