

2020 Regular Session

HOUSE BILL NO. 846

BY REPRESENTATIVE WRIGHT

TAX/TAX REBATES: Establishes a Competitive Projects Payroll Incentive Program rebate for COVID-19-impacted businesses

1 AN ACT

2 To enact R.S. 51:3122, relative to the competitive projects payroll incentive program; to
3 establish a payroll incentive for certain businesses impacted by certain public health
4 emergencies; to provide for the amount of the incentive; to provide for definitions;
5 to provide for eligibility; to provide for requirements and limitations; and to provide
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:3122 is hereby enacted to read as follows:

9 §3122. Competitive Projects Payroll Incentive Program for COVID-19-Impacted
10 Businesses

11 A. For purposes of this Section, the following words shall have the following
12 meanings unless the context clearly indicates otherwise:

13 (1) "Benefit rate" shall mean the rate for new jobs created by a COVID-19-
14 impacted business that pay at least the federal minimum wage. The benefit rate for
15 eligible businesses shall be six percent of the wages for each new job.

16 (2) "COVID-19-impacted business" means any business that satisfies all of
17 the following criteria:

18 (a) The business is registered to do business in the state of Louisiana.

19 (b) The business is assigned a North American Industry Classification Code
20 of 44, 45, or 72.

1 (c) The business had a physical and active operation in Louisiana on March
2 13, 2020.

3 (d) The business filed its advance notification on or before December 31,
4 2021, and included a project start date. Advance notifications for a COVID-19-
5 impacted business may include a project start date that precedes the advance
6 notification filing date, but the project start date shall not be before March 13, 2020,
7 nor shall it be after December 31, 2021.

8 (3) "New jobs" shall mean employment with a COVID-19-impacted business
9 where each employee satisfies all of the following criteria:

10 (a) The employee is employed by the COVID-19-impacted business at its
11 place of operation.

12 (b) The employee is a Louisiana resident.

13 (c) The employee's hire or rehire date is on or after May 15, 2020.

14 (d) The employee is paid, as a base wage, at least the federal minimum wage
15 excluding tips, bonuses, and commissions.

16 B. There is hereby established a rebate for any eligible COVID-19-impacted
17 business that meets the requirements of this Section. The amount of the rebate shall
18 be based on the benefit rate for each new job. In order to qualify for the rebate, the
19 COVID-19-impacted business shall create a minimum of five new jobs between May
20 15, 2020, and December 31, 2021, and shall create a minimum new annual payroll
21 from new jobs of at least forty thousand dollars before December 31, 2021. In order
22 to determine the number of new jobs eligible for the rebate established pursuant to the
23 provisions of this Section, the applicant's employment baseline shall be the total
24 number of active full-time and part-time employees at the COVID-19-impacted
25 business's place of operation that are Louisiana residents on May 14, 2020. The term
26 of COVID-19-impacted business contracts shall not exceed a term of five-years.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 846 Reengrossed

2020 Regular Session

Wright

Abstract: Establishes a new rebate for COVID-19-impacted businesses that meet certain eligibility requirements in the Competitive Projects Payroll Incentive Program and provides for the amount of the rebate, maximum term of the contract, and other incentive requirements.

Present law establishes the Competitive Projects Payroll Incentive Program (program) for qualified businesses to receive a rebate of up to 15% of eligible new payroll and for either a sales and use tax rebate for capital expenditures for a facility designated in the contract or for a project facility expense rebate.

Present law authorizes businesses to participate in the program upon invitation by the secretary of the Dept. of Economic Development (DED) and approval by the Joint Legislative Committee on the Budget (JLCB). Further authorizes other business activities to be eligible to participate in the program as recommended by the secretary of DED and approved by JLCB.

Present law prohibits any new contracts from being approved on or after July 1, 2022, but contracts existing on that date may continue and may be renewed.

Proposed law retains present law.

Proposed law establishes a rebate for any eligible COVID-19-impacted business (impacted business) assigned a North American Industry Classification Code of 44, 45, or 72 that had a physical and active operation in La. on March 13, 2020, and that has filed its advance notification on or before Dec. 31, 2021. In order to qualify for the rebate, the impacted business shall create a minimum of five new jobs between May 15, 2020, and Dec. 31, 2021, and shall create a minimum new annual payroll from new jobs of at least \$40,000 before Dec. 31, 2021.

Proposed law establishes the benefit rate for the rebate to be six percent of the wages for each new job created. In order to determine the number of new jobs eligible for the rebate, the applicant's employment baseline shall be the total number of active full-time and part-time employees at the impacted business's place of operation that are La. residents on May 14, 2020. Proposed law prohibits the term of an impacted business's contract from exceeding five years.

Proposed law defines "new jobs" as employment with an impacted business where each employee is employed by the impacted business at its place of operation, the employee is a La. resident, the employee's hire or rehire date is on or after May 15, 2020, and the employee is paid, as a base wage, at least the federal minimum wage excluding tips, bonuses, and commissions.

(Adds R.S. 51:3122)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Establish a rebate for any eligible COVID-19-impacted business that meets certain eligibility requirements. Further provides for the amount of the rebate, maximum term of the contract, and other incentive requirements.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Delete provisions in proposed law expanding eligibility for businesses to participate in the Competitive Projects Payroll Incentive Program.
2. Delete provisions extending termination of the program from July 1, 2022, to July 1, 2026.
3. Reinstate discretionary authority of the secretary of the Dept. of Economic Development to invite businesses to participate in the program and approvals of the JLCB.