

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 65** SLS 18RS 213  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 14, 2018 3:01 PM	<b>Author:</b> JOHNS
<b>Dept./Agy.:</b> LA Dept. of Economic Development	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Quality Jobs Program Incentive Rebates	

TAX/TAXATION EG -\$3,128,880 GF RV See Note Page 1 of 1  
 Provides for incentive rebates under the Quality Jobs Program. (gov sig)

Present law requires applications for incentives under the LA Quality Jobs Program be filed no later than 24 months after the filing of the advance notification.

Proposed law adds an exception to the application filing requirement for projects filing advance notifications on or after June 1, 2015, and before July 1, 2015, allowing applications for those projects to be filed prior to January 1, 2018, rather than 24 months after the filing of the advanced notification, granting an extension of 6 months beyond the 24 month deadline under present law.

Proposed law will supercede provisions of Section 3 of Act 126 of 2015 in the event proposed law and Act 126 conflict. Effective upon signature of the governor.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	(\$3,128,880)	(\$536,577)	(\$547,309)	(\$558,255)	(\$569,420)	<b>(\$5,340,441)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>(\$3,128,880)</b>	<b>(\$536,577)</b>	<b>(\$547,309)</b>	<b>(\$558,255)</b>	<b>(\$569,420)</b>	<b>(\$5,340,441)</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The LA Dept. of Economic Development (LED) reports one project related to the LA Quality Jobs program would qualify for the exception provided by the bill. As a result, the first 6% cash rebate on 80% of eligible payroll associated with the project will take effect in FY 19, and will count for filings in calendar years 2015-2017, totaling an estimated \$803,880. In addition, the project's capital-expenditure related rebate may also be realized in FY 19, totaling an estimated \$2.33 million, resulting in a total cost of approximately \$3.13 M (\$803,800 + \$2.33 M). The 6% cash rebate on 80% of eligible payroll may be claimed for up to 10 years, and may result in reductions to net SGF receipts beyond FY 23, to the extent of eligible payroll each year. Annual costs of the 6% rebate on gross payroll continuing in FYs 20-23 are estimated in the table above.

These are costs associated with a single project within a program of projects, that in the aggregate, are expected to cost some \$150 million in FY19. No individual project is considered in the total program estimate, and estimated total program costs are not binding on the state budget. While in the absence of this bill, these particular project costs will not be paid out, annual total program costs may be larger or smaller than the estimated total due to variations in the timing and actual values of eligible capital and payroll expenditures for the participating projects, including the project affected by this bill.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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