2020 Regular Session

HOUSE BILL NO. 846

BY REPRESENTATIVE WRIGHT

TAX/TAX REBATES: Provides relative to the Competitive Projects Payroll Incentive Program

1	AN ACT
2	To amend and reenact R.S. 51:3121(A)(7), (B)(1)(b)(v), and (C)(1), (2), and (3)(a) and to
3	enact R.S. 51:3121(B)(1)(b)(vi) through (ix), relative to the competitive projects
4	payroll incentive program; to provide relative to the program's eligibility
5	requirements; to extend duration of the program; to remove certain approvals; to
6	provide relative to certain requirements for participation in the program; to provide
7	for certain limitations; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 51:3121(A)(7), (B)(1)(b)(v), and (C)(1), (2), and (3)(a) are hereby
10	amended and reenacted and R.S. 51:3121(B)(1)(b)(vi) through (ix) are hereby enacted to
11	read as follows:
12	§3121. Competitive Projects Payroll Incentive Program
13	A. Definitions. For purposes of this Section, the following words or terms
14	as used in this Chapter shall have the following meanings, unless a different meaning
15	appears from the context:
16	* * *
17	(7) "Qualified business" means a business certified by the secretary as

1	meeting the eligibility requirements of Subsection B of this Section, approved by the
2	Joint Legislative Committee on the Budget to participate in the program, and
3	executing a contract providing the terms and conditions for its participation.
4	* * *
5	B. Eligibility requirements. (1) A business shall be eligible for participation
6	in the program if all of the following requirements are met:
7	* * *
8	(b) The business will primarily engage in one of the following activities at
9	the project site:
10	* * *
11	(v) Cybersecurity.
12	(vi) Renewable or a recycling process.
13	(vii) Agri-bio industry.
14	(viii) COVID virus screening, protective gear, medical devices, drugs, or
15	equipment for treatment of COVID infected patients.
16	(ix) Other activities as recommended by the secretary and approved by the
17	Joint Legislative Committee on the Budget.
18	* * *
19	C. Applications and contract approval and administration. (1) At the
20	invitation of the secretary, a <u>A</u> business may apply for a contract by submitting to the
21	department such the certified statements and substantiating documents as the
22	department may require.
23	(2) The secretary may shall certify eligibility of the business and request
24	approval by the Joint Legislative Committee on the Budget of its participation to
25	participate in the program on in accordance with terms and conditions specified by
26	the secretary in a proposed contract, if the secretary determines all of the following:
27	(a) The business meets the eligibility requirements provided for in
28	Subsection B of this Section.

1	(b) Participation in the program is needed in a highly competitive site
2	selection situation to encourage the business to locate or expand in the state.
3	(c) Securing the project will result in a significant positive economic benefit
4	to the state.
5	(3)(a)(i) Upon the approval by the Joint Legislative Committee on the
6	Budget of participation in the program by the business, the The secretary shall
7	execute the contract with the business, and provide a copy to the Department of
8	Revenue prior to the payment of any benefits under the contract.
9	(ii) No new contract shall be approved on or after July 1, 2022 July 1, 2026,
10	but contracts existing on that date may continue and may be renewed.
11	* * *

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 Original	2020 Regular Session	Wright
Abstract. Expands husin	esses eligible to participate in the Compet	itive Projects Pavroll

Abstract: Expands businesses eligible to participate in the Competitive Projects Payroll Incentive Program, extends the termination of the program from July 1, 2022, to July 1, 2026, and removes discretionary authority of the secretary of the Dept. of Economic Development to invite businesses to participate in the program and approvals of the Joint Legislative Committee on the Budget.

<u>Present law</u> establishes the Competitive Projects Payroll Incentive Program (hereinafter "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.

Proposed law retains present law.

<u>Present law</u> defines an eligible business as a business that has at least 50% of its total annual sales from a Louisiana site to out-of-state customers, or to in-state customers who resell the product or service to an out-of-state customer for ultimate use, or the federal government and the business is primarily engaged in activities that include manufacturing of durable goods including automobiles, motorcycles or other passenger vehicles, aircraft, spacecraft, medical devices, batteries or other power storage devices, manufacturing of pharmaceutical products, conversion of natural gas to diesel, jet fuel, or other refined fuels, or data storage or data services. Further requires an eligible business to offer, within 90 days of qualifying for the incentive rebate, a basic health benefits plan to its employees.

<u>Proposed law</u> retains <u>present law</u> but expands the businesses eligible to participate in the program to include businesses engaged in cybersecurity, renewable or a recycling process, the agri-bio industry, or COVID virus screening, protective gear, medical devices, drugs, or equipment for treatment of COVID infected patients.

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

<u>Present law</u> 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.

<u>Proposed law</u> changes <u>present law</u> by eliminating the requirement that businesses be invited to participate in the program by invitation of the secretary of DED and JLCB's requirement to approve a business to participate in the program. Further eliminates the requirement that JLCB approve other business activities in order to be eligible to participate in the program.

<u>Present law</u> authorizes the secretary of DED to certify eligibility of the business and request approval by JLCB of its participation in the program, if the secretary determines all of the following:

- (1) The business meets the eligibility requirements provided for in present law.
- (2) Participation in the program is needed in a highly competitive site selection situation to encourage the business to locate or expand in the state.
- (3) Securing the project will result in a significant positive economic benefit to the state.

<u>Proposed law</u> eliminates the requirement that JLCB approve a businesses participation in the program. Otherwise retains <u>present law</u>.

<u>Present law</u> 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.

<u>Proposed law</u> extends the termination date for new contracts to be entered into <u>from</u> on or after July 1, 2022, <u>to</u> on or after July 1, 2026.

(Amends R.S. 51:3121(A)(7), (B)(1)(b)(v), and (C)(1), (2), and (3)(a); Adds R.S. 51:3121(B)(1)(b)(vi)-(ix))