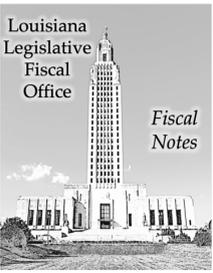


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 507** HLS 25RS 804

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 14, 2025	3:00 PM	Author: EMERSON
Dept./Agy.: Louisiana Economic Development		Analyst: Noah O'Dell
Subject: High Impact Jobs Program		

ECONOMIC DEVELOPMENT RE -\$71,900,000 GF RV See Note Page 1 of 1
Establishes the High Impact Job Program within Louisiana Economic Development and provides for administration of the program

Proposed law creates the High Impact Job Program within Louisiana Economic Development (LED) authorizing LED to enter into contractual obligations for grants to certain companies for up to 22% of wages excluding overtime. Wages are capped at \$200,000 per year per job plus an unspecified amount for advanced degree jobs retained implying an annual grant cap of \$44,000 per job for up to five years (\$220,000 per job grant total). Program parameters are defined mostly by LED, though optional rules and a mandatory appropriation will be required. The bill specifies prohibited industries and selected participants must meet certain wage or job retention criteria. Proposed law authorizes LED to impose an application fee, presumably to cover administrative costs. Proposed law creates the High Impact Job Fund containing 10% of annual corporate income and franchise tax (CIFT) collections if collections are below \$1B or \$125M if CIFT collections exceed \$1B. Effective July 1, 2025 with application sunset on July 1, 2035.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	(\$71,900,000)	(\$68,400,000)	(\$65,300,000)	(\$70,700,000)	(\$70,700,000)	(\$347,000,000)
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$71,900,000	\$68,400,000	\$65,300,000	\$70,700,000	\$70,700,000	\$347,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The bill creates a ten year High Impact Jobs program within LED, allowing the department to issue grants from the High Impact Jobs Fund beginning in FY27 to certain businesses for salaries paid above the lower of the average parish wage or regional average wage for newly created jobs or the retention of labor with advanced degrees. This is anticipated to increase statutory dedication expenditures by an indeterminable amount, depending on program participation and appropriation. LED is anticipated to increase \$100,000 SGF in FY26 on one-time expenses for software used for applications and tracking. Existing staff will be able to administer the program. LFO assumes the fees will be used to offset any administration costs.

Reimbursable grants are paid back to companies each year in the amount of a percentage of annualized wages paid for an unlimited number of new jobs, not to exceed \$200,000 per year per job. The wage reimbursement amounts range from 8% to 22%. An unspecified grant amount (promulgated via rule) is available for the retention of workers with advanced degrees under the program. The bill prevents companies from receiving Quality Jobs benefits and the benefits of this new program.

Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

REVENUE EXPLANATION

The bill rededicates general fund revenue towards the High Impact Jobs Fund in the amount of 10% of actual CIFT collections below \$1B or \$125M if CIFT actual collections exceed \$1B, even by \$1 (any trailing franchise tax collections are included). LFO assumes for the purposes of this fiscal note that the deposit takes place once a year at the end of the fiscal year, prior to the Revenue Stabilization Fund deposits.

The REC adopted forecast (as of December 19, 2024) projects CIT collections of \$719M in FY26, \$684M in FY27, \$653M in FY28, and \$707M in FY29. The anticipated impact of the bill would be to reduce general fund revenue by \$71.9M in FY26, \$68.4M in FY27, \$65.3M in FY28, \$70.7M in FY29 and increase statutory dedication revenue in the High Impact Jobs Fund by a corresponding amount. FY30 is outside of the current forecast window for REC, so the impact is left constant from FY29 on.

The bill allows LED to charge a fee on applications for the High Impact Jobs program, resulting in an indeterminable increase in SGR beginning in FY26 depending on the number of applications for the program.

Senate
 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}

Deborah Vivien
Chief Economist