
DIGEST

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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.