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## DIGEST

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HB 18 Original

2020 First Extraordinary Session

Wright

**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.

Present law 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.

Present law 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.

Proposed law retains present law 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.

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.

Proposed law changes present law 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.

Present law 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.

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

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 extends the termination date for new contracts to be entered into from on or after July 1, 2022, to 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))