

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 12** SLS 22RS 31

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 23, 2022 9:59 AM	Author: REESE
Dept./Agy.: Economic Development	Analyst: Deborah Vivien
Subject: Extends the Competitive Projects Payroll Incentive Program	

TAX/TAXATION

EG SEE FISC NOTE GF RV See Note

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Provides for an extension of the Competitive Projects Payroll Incentive Program. (gov sig)

Current law provides for the Competitive Projects Payroll Incentive Program that offers a rebate up to 15% of a participating company's new payroll and either a sales tax rebate on capital expenditures or a one-time 1.5% project facility expense rebate for qualifying businesses. Program provisions require the creation of net new jobs to the state, health benefits, significant out-of-state sales and a positive economic benefit to the state. Eligibility is by invitation of the Secretary of LED and contracts may be for an initial term of 5 years with a 5 year renewal at the discretion of LED. Certain businesses are not eligible such as gaming, some natural resource extraction or exploration, retail, real estate, professional services, financial services, venture capital funds, shipbuilding, wood products, agriculture or MME for energy sector. The acceptance of new contracts expires July 1, 2022, though contracts in place may continue and be renewed.

Proposed law retains current law but extends the expiration date by four years from July 1, 2022, to July 1, 2026.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The program has had negligible participation in the past and, with no programmatic changes, is not expected to attract a material increase in participation in the future. Should circumstances change and eligible businesses be invited to use the incentive, the extension of the program would decrease SGF revenue by the amount of the rebates.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Interim Legislative Fiscal Officer