



LEGISLATIVE FISCAL OFFICE
Fiscal Note

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

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 24, 2025	8:34 PM	Author: EMERSON
Dept./Agy.: Louisiana Economic Development		
Subject: High Impact Jobs Program		Analyst: Noah O'Dell

ECONOMIC DEVELOPMENT

OR DECREASE GF RV See Note

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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 reimbursable grants to certain companies for up to 30% of wages excluding overtime capped at \$200,000 per year per job plus an unspecified amount for advanced degree jobs retained. Program parameters appear to be defined mostly by LED. An appropriation will be required to pay for contractual obligations of the program. The bill does contain a list of prohibited industries and selected participants must either (1) create new job paying wages greater than 110% of the parish average wage or (2) retain jobs for highly skilled workers (not defined) with advanced degrees. Contract terms are effectively 5 years. Proposed law authorizes LED to determine and charge an application fee, presumably to cover administrative costs. Proposed law creates the High Impact Job Fund and directs Treasury to deposit 10% of corporate income tax (CIT) collections annually from CIT collections below \$1B AND the first \$25M if CIT collections exceed \$1B, for a maximum of \$125M. Effective July 1, 2025 with no applications accepted after 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	SEE BELOW	SEE BELOW	SEE BELOW	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 reimbursable grants from the High Impact Jobs Fund beginning in FY27 to certain businesses for salaries paid above the average parish 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 \$100,00 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 30%. It is unclear if healthcare benefits provided to an employee qualify for the wage reimbursement. An unspecified grant amount (promulgated via rule) is available for the retention of workers with advanced degrees under the 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 CIT collections annually from CIT collections below \$1B AND the first \$25M if CIT collections exceed \$1B, for a maximum of \$125M. The exact timing of the dedication is unspecified in the bill, including whether or not this dedication takes place before the Revenue Stabilization Fund deposit of corporate income collections or after. 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. Assuming these forecasts do not have lingering franchise tax collections, 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.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div>Deborah Vivien Chief Economist</div>