

**BILL SUMMARY**  
2nd Session of the 53rd Legislature

<b>Bill No.:</b>	<b>HB 2326</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>9943</b>
<b>Author:</b>	<b>Rep. Lockhart</b>
<b>Date:</b>	<b>3/7/2012</b>
<b>Impact:</b>	<b>Small Employer Quality Jobs Incentive Act Net Benefit to State</b>

**Research Analysis**

Committee substitute for HB2326 modifies the Small Employer Quality Jobs Act by adding mining activities businesses to be included in the definition of “basic industry”. The bill further defines a “rural value-added area” and includes the basic industries in these areas under the act. Establishments in these areas meeting the qualifications specified in the Small Employer Quality Jobs Incentive Act may receive quarterly payments for a 10 year period in an amount equal to the net benefit rate multiplied by the actual gross taxable payroll of new direct jobs as verified by the Tax Commission. The establishments in a rural value-added area which meet the qualifications specified in the act shall be required to meet a fifty percent (50%) out-of-state sales requirement. The measure outlines additional requirements which provide that no average wage requirement shall exceed Twenty-five Thousand Dollars (\$25,000.00) for those establishments in a rural value-added area. This maximum wage threshold shall be indexed and modified periodically.

Prepared By: Aron Storck

**Fiscal Analysis**

Consistent with other quality jobs incentives programs, all applicants for participation must undergo a cost/benefit analysis by the Department of Commerce in which approval is granted and the benefit rate applied is based on the determination of a positive net benefit to the state. Further, incentive payments may continue through the duration of the applicant’s participation in the program provided the anticipated payroll and new direct jobs and other requirements remain in place.

Prepared By: Mark Tygret

**Other Considerations**

None indicated.