HB 146 -- MANUFACTURING INFRASTRUCTURE INVESTMENT ACT

SPONSOR: Berry

This bill creates the Manufacturing Infrastructure Investment Act which authorizes companies approved by the Department of Economic Development to retain withholding taxes from specified full-time jobs. The qualified manufacturing company and the qualified supplier must file a notice of intent with the department that states the intent to create new jobs or retain current jobs and make a minimum capital investment. The department is required to either deny or approve the notice of intent within 30 days of receiving the notice of intent.

Beginning January 1, 2018, if the approved qualified manufacturing company manufactures a new product, the company may retain 100% of the withholding taxes from the full-time jobs for a period of 10 years. If the qualified manufacturing company modifies or expands the manufacture of an existing product, the company may retain 50% of the withholding taxes from the full-time jobs for a period of seven years.

An approved qualified supplier may retain 100% of the withholding tax from new jobs for three years from the date of the approval. If the qualified supplier pays wages for the new jobs that are equal to or greater than 120% of the county average wage, then the qualified supplier may retain 100% of the withholding tax from new jobs for a period of five years.

The maximum amount of tax withholding that can be retained by any one qualified manufacturing company may not exceed $10 million. The aggregate amount that can be retained by all qualified manufacturing companies may not exceed $15 million per calendar year.

Any qualified manufacturing company that is awarded benefits may not retain withholding tax under more than one program for the same investment at the same time. The bill requires the qualified manufacturing company to first receive benefits under the other state program and once the company is no longer eligible to retain withholding tax under that program, then the company may receive any remaining benefits, if any, under this law for the remainder of the initial withholding period.

This bill requires the qualified manufacturing company to enter into an agreement that memorializes the content of the notice, requirements, and consequences for failing to meet the requirements, as specified in the bill, within six months of the completion of the notice of intent.

The department must provide a report to the General Assembly prior to March 1 each year that includes the names and locations of the qualified manufacturing companies and qualified suppliers, annual amount of benefits provided, estimated net state fiscal impact, and number of jobs created or retained.

This bill will expire on December 31 six years after the effective date.

This bill is the same as HB 1389 (2016).