

The New Castle County Chamber of Commerce is pleased to announce its “**Jobs Now**” Agenda. This agenda is comprised of eight items that we believe will help stimulate growth in Delaware’s economy in the immediate future.

1. **House Bill 330, the Angel Investment Tax Credit:**

This legislation, co-sponsored by Representative Quinn Johnson (D-Middletown) and Senator Bryan Townsend (D-Newark) would encourage expanded early stage investment of capital into targeted Delaware businesses, thereby assisting in the creation of jobs. The Act provides tax credits for investments into targeted small businesses that have been certified by the First State Angel Investment Council (FSAIC). The FSAIC will review applications submitted by small businesses meeting the eligibility requirements. A qualified investor may then make an investment into the qualified small business and receive a tax credit for Delaware income tax.

The FSAIC is authorized to grant \$500,000 of State income tax credits within a period of 2 years from the passage of the Act. This will potentially generate \$2.5 million of private investment into qualified small businesses, and if the average size of an investment is \$50,000, there will be 50 Delaware small businesses that will receive investments which will help create new jobs in the State, which will foster additional economic activity including more personal income tax revenue for the State.

This legislation would provide a valuable tool to incent start-up businesses to locate, remain and grow in Delaware.

2. **House Bill 318, which would double the current Research and Development Tax Credit:**

This legislation, sponsored by Representative Bryon Short (D-Brandywine Hundred) and Senator Robert Venables (D-Laurel) doubles the research and development tax credit available to smaller businesses while keeping in place the annual cap of \$5 million for the credit as a whole. Currently, all businesses are entitled to a state tax credit that is equal to half of the corresponding federal tax credit for R&D activity occurring in Delaware. Under this Act, businesses with less than \$20 million average annual gross receipts for the most recent four years are entitled to a credit equal to 100% of the corresponding federal credit.

This legislation will aid in attracting emerging bio-science and technology companies to Delaware and keeping the ones we currently have.

3. **Senate Bill 191, Downtown Development Districts:**

This legislation, sponsored by Senator Brian Bushweller (D-Dover) would establish “Downtown Development Districts,” a small number of areas in our cities, towns, and unincorporated areas that will qualify for development incentives and other state benefits.

Under the Act, investors (both non-profit and for-profit) who make qualified real estate improvements in a District would be entitled to receive Downtown Development District (DDD) Grants of up to 20 percent of their “hard costs” such as exterior, interior, and structural improvements. The incentive is modeled after a similar program in Virginia, which has been extremely successful in leveraging significant amounts of private capital in under-served areas.

There are a number of areas in Delaware with substantial promise, given the right investment. This legislation would aid in revitalizing those areas and making them more attractive places to live and work.

4. **Senate Bill 220, implementing the recommendations of the Lottery and Gaming Study Commission**

This legislation would implement the recommendations of the Lottery & Gaming Study Commission created by the 147th General Assembly. Effective July 1, 2014, certain video lottery equipment costs would be deducted prior to calculation of the State's share of revenue. Effective July 1, 2015, the State's share of gross table game revenues would be revised to 15% and the table game license fee would be eliminated beginning with the fee for fiscal year 2016. No changes would be made to the revenue sharing model as it relates to purses for the harness and thoroughbred industries.

Our gaming venues face greater competitive and financial challenges now than at any time since the legalization of video lottery in 1994. This bill would aid in retaining jobs and helping these important sources of tax revenue survive and grow.

5. **House Bill 286, legislation which will aid small businesses in collecting unpaid receivables.**

This legislation would create a procedure under which a person who has obtained a judgment in any court of the State of Delaware may have the Department of Finance intercept tax refunds and lottery winnings to satisfy such judgment. The bill also requires any person who has a wage attachment entered against them for an unsatisfied judgment to change their employment information if incorrect. The bill also requires a person who has a wage attachment against them to inform an employer and ensure a wage attachment is occurring with the correct employer.

Small businesses face myriad challenges in the modern economy. Rising health care, energy, labor and other costs buffet them at every turn. This legislation would aid in dealing with the problem of unpaid receivables – a major concern for many small businesses – and promote fairness and payment for goods sold and services rendered.

6. **Senate Bill 213, legislation which would create “Right to Work” Zones and include gross receipts tax abatement for manufacturers creating 20 or more jobs in a designated area.**

This legislation would allow the Director of the Delaware Economic Development Office to create right-to-work zones as part of its inducements to bring new businesses to Delaware and requires these zones to be offered for manufacturing businesses hiring at least 20 employees. It also exempts those manufacturing businesses from their gross receipts taxes for their first 5 years.

This legislation would create an attractive incentive to both small and large manufacturers and provide the Delaware Development Office another tool to aid in revitalizing our state's manufacturing base.

7. **Legislation (to be introduced by Representative Bryon Short) to implement the recommendations of the Health Care Advisory Panel and substantially lower worker's compensation costs.**

Among the most important accomplishments of the Governor's Worker's Compensation Task Force, created by House Joint Resolution 3 in January of 2013 was their recent vote to adopt the recommendations of the Health Care Advisory Panel to seek a 33 percent savings in worker's compensation costs over the next three years by mandating that the maximum reimbursement for worker's compensation care be no greater than 200 percent of the Medicare Reimbursement (the reimbursements for radiology and surgery would be 250 percent and 300 percent of the Medicare reimbursement rate respectively and that for surgical centers would be 250 percent of Medicare).

Medical costs have long been a driver of the high worker's compensation rates in our state. This legislation, which follows the example of numerous other states with substantially lower worker's compensation rates than Delaware, is a critical step in the right direction. The Chamber thanks Representative Bryon Short and Senate President Pro Tem Patricia Blevins for their leadership on this centrally important issue to Delaware small businesses.

8. **Full funding for the Strategic Fund**

The General Assembly and the Markell Administration face difficult choices in the face of declining revenue projections and the current structural budgetary shortfall. However, the Strategic Fund is an essential tool in attracting companies to Delaware and encouraging Delaware employers to remain and expand operations here.

The Chamber urges full funding of the Governor's budget request for Strategic Fund dollars.