
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 24 Original

2020 First Extraordinary Session

Harris

Present law establishes the Angel Investor Tax Credit program which authorizes a 25% income or corporate franchise tax credit on investments in Louisiana small businesses that are certified by Louisiana Economic Development as "Louisiana Entrepreneurial Businesses".

Present law limits the total amount of credits granted under the program to \$3.6 million per year but authorizes the department to carry forward residual unused credits in any calendar year to subsequent calendar years without regard to the annual credit cap.

Present law provides that the amount of the tax credit shall be based on the amount of money invested in the La. Entrepreneurial Business, which shall not exceed \$720,000 per year per business and \$1,440,000 total per business. The credits approved by the department shall be granted at the rate of 25% of the amount of the investment with the credit divided in equal portions for three years.

Proposed law retains present law but changes the granting of the credit from 25% of the amount of the investment with the credit divided in equal portions for three years to 25% of the amount of the investment with the credit divided in equal portions for two years.

Proposed law authorizes an enhanced tax credit equal to 35% of the amount of the investment made in Louisiana Entrepreneurial Businesses located in federally established opportunity zones. The credit shall be divided into equal portions over two years.

Proposed law establishes a cap of \$3.6 million per calendar year for the proposed law enhanced tax credit, which is in addition to the present law \$3.6 million per year cap on Angel Investor tax credits thereby establishing a total program cap of \$7.2 million per calendar year.

Present law prohibits credits from being granted or reserved under the program for applications received on or after July 1, 2021.

Proposed law extends the sunset of the program from July 1, 2021, to July 1, 2025.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6020(D)(2)(a) and (G); adds R.S. 47:6020(H))