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HOUSE FLOOR AMENDMENTS

Amendments proposed by Representative Greene to Reengrossed Senate Bill No. 91 by Senator N. Gautreaux

1 AMENDMENT NO. 1

2 On page 1, line 2, after "To" and before "relative" delete "enact R.S. 47:6035," and insert the
3 following:

4 "amend and reenact R.S. 6015(B)(1)(and (2)(b), (D)(1), (F)(4), and (I), and
5 6020.1(A), (B)(2)(a) and (c), and (C)(1)(introductory paragraph) and 6020.2(A)(1)
6 and (2)(a), (b) and (c), and R.S. 47:6020.4(B) as enacted by Act No. 400 of the 2005
7 Regular Session, and to enact R.S. 47:6020.1(D) and 6020.4(3)(g) and (h), and 6035,
8 and to repeal R.S. 47:6015(C)(1) and (G),

9 AMENDMENT NO. 2

10 On page 1, line 4, after "definitions;" and before "to" insert the following:

11 "to provide with respect to the research and development tax credit; to extend the
12 duration of the credit; to provide with respect to the Angel Investor Tax Credit
13 Program; to provide for the amount of the credit; to provide for limitations; to extend
14 the duration of the program;"

15 AMENDMENT NO. 3

16 On page 1, between lines 7 and 8, insert the following:

17 "Section 1. R.S. 47:6015(B)(1) and (2)(b), (D)(1), (F)(4), and (I) are hereby
18 amended and reenacted to read as follows:

19 §6015. Research and development tax credit

20 * * *

21 B.(1) Any taxpayer who claims for the taxable year a federal income tax
22 credit under 26 U.S.C. §41(a) for increasing research activities shall be allowed a tax
23 credit to be applied against any Louisiana income and corporation franchise taxes
24 due.

25 (2)

26 * * *

27 (b) The total amount of the taxpayer's qualified research expenses and the
28 qualified research expenses in this state.

29 * * *

30 D.(1) A taxpayer who receives a federal Small Business Innovation Research

1 Grant as created by the Small Business Innovation Development Act of 1982
2 (P.L.97-219), reauthorized by the Small Business Research and Development
3 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business
4 Reauthorization Act of 2000 (P.L. 106-554), shall be allowed a credit ~~in an amount~~
5 equal to:

6 ~~(a) For income tax years beginning on or after January 1, 2003, and franchise~~
7 ~~tax years beginning on or after January 1, 2004, eight percent of the award received~~
8 ~~during the tax year.~~

9 ~~(b) For~~ for income tax years beginning on or after January 1, 2005, and for
10 franchise tax years beginning on or after January 1, 2006, in the amount of twenty
11 percent of the award received during the tax year.

12 * * *

13 F. * * *

15 (4) To receive information from the Department of Revenue regarding the
16 identity of the taxpayer and the amount of credit claimed for any credits claimed
17 pursuant to this Section. Such information shall not be public record and shall be
18 subject to the same prohibition of disclosure as when in the possession of the
19 Department of Revenue.

20 * * *

21 I. No credit shall be allowed pursuant to this Section for research
22 expenditures incurred or Small Business Innovation Research Grant funds received
23 after December 31, ~~2009~~ 2014.

24 * * *

25 Section 2. R.S. 47: 6020.1(A), (B)(2)(a) and (c), and (C)(1)(introductory
26 paragraph) and 6020.2(A)(1) and (2)(a), (b) and (c) are hereby amended and
27 reenacted, and R.S. 47:6020.1(D) and 6020.4(3)(g) and (h) are hereby enacted to
28 read as follows:

29 §6020.1. Angel Investor Tax Credit Program; establishment; qualifications;
30 administration

31 A. Qualifying individuals or entities that invest in a Louisiana
32 Entrepreneurial Business as defined by R.S. 51:2303(5) may ~~earn, apply for, and~~ be
33 granted a refundable tax credit on any Louisiana income or corporation franchise tax
34 liability. Such credits shall be earned and granted for a period of five tax years as
35 provided in this Part. The administration of applications for these credits and the
36 provision of these credits shall be called the Angel Investor Tax Credit Program.
37 * * *

38 B. * * *

41 (2) In providing for the implementation and administration of the program,
42 the department shall work closely with the secretary of the Department of Revenue
43 in order to promulgate rules. Such rules shall include provisions for:

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (a) The Department of Economic Development to certify the eligibility of any
2 taxpayer applicant for receipt of the tax credit provided for in this Part ~~and the~~
3 ~~qualification of any taxpayer claimant to claim the credit against state tax liability.~~

4 * * *

5 (c) ~~Provide for~~ **The presentation by the applicant or claimant of** an annual
6 report of the Louisiana Entrepreneurial Business regarding the use of proceeds,
7 number of employees, amount of payroll, annual revenue, and any other information
8 requested by the Department of Economic Development.

9 C.(1) To qualify for an angel investor tax credit ~~for five tax years~~ all of the
10 following qualifications shall be required by each applicant:

11 * * *

12 **D. This program shall cease operation and no tax credits may be granted**
13 **after December 31, 2014.**

14 §6020.2. Angel Investor Tax Credit; amount; duration; forfeit

15 A.(1) Except as provided in Subsection B of this Section, the taxpayer may
16 ~~earn and apply for and, if qualified,~~ be granted a refundable credit on any income or
17 corporation franchise tax liability owed to the state by the taxpayer seeking to claim
18 the credit, in the amount approved by the secretary of the Department of Economic
19 Development ~~for based upon~~ the amount of money invested by the taxpayer in the
20 Louisiana Entrepreneurial Business, ~~which~~ **Tax credits granted pursuant to this**
21 **Section** shall not exceed one million dollars per year per business and two million
22 dollars total per business. ~~Except as otherwise provided in this Paragraph, the~~
23 ~~refundable credit shall be allowed against the income tax for the taxable period in~~
24 ~~which the credit is earned and the franchise tax for the taxable period following the~~
25 ~~period in which the credit is earned. However, credits earned on or before December~~
26 ~~31, 2005, shall not be allowed until the income tax period beginning January 1, 2006,~~
27 ~~and the franchise tax due January 1, 2007.~~ **All credits granted will be divided into**
28 **equal portions to be applied over five consecutive tax years starting with the**
29 **taxable period in which the credit is granted for individual or corporation**
30 **income tax purposes, and the taxable period following the period in which the**
31 **credit is granted for franchise tax purposes.**

32 (2)(a) ~~The credits approved by the Department of Economic Development~~
33 ~~shall be granted at the rate of fifty percent of the amount of money invested by the~~
34 ~~taxpayer in the Louisiana Entrepreneurial Business, with the credit divided in equal~~
35 ~~portions for five years, subject to the limitations provided for in Paragraph (1) of this~~
36 ~~Subsection.~~ **Tax credits may be granted in an amount equal to a percentage of**
37 **the amount of money invested by the taxpayer in a Louisiana Entrepreneurial**
38 **Business as follows:**

- 39 **(i) From January 1, 2010 through December 31, 2010, fifty percent.**
- 40 **(ii) From January 1, 2011 through December 31, 2011, forty-five percent.**
- 41 **(iii) From January 1, 2012 through December 31, 2012, forty percent.**
- 42 **(iv) From January 1, 2013 through December 31, 2013, thirty-five**
43 **percent.**
- 44 **(v) From January 1, 2014 through December 31, 2014, thirty percent.**

1 (b) The total angel investor tax credits granted by the Department of
 2 Economic Development ~~in any calendar year~~ shall not exceed five million dollars
 3 **per calendar year. The department shall by rule establish the method of**
 4 **allocating available tax credits to applicants, including but not limited to, a first**
 5 **come first served system, reservation of tax credits for a specified time period,**
 6 **or other method which the department, in its discretion, may find beneficial to**
 7 **the program. In the event that the total amount of credits granted in any**
 8 **calendar year is less than five million dollars, any residual amount of unused**
 9 **credits shall carry forward for use in subsequent years and may be granted in**
 10 **subsequent years in addition to the five million dollar limit for each year. No**
 11 **credits shall be granted after December 31, 2014.**

12 (c) After certifying the eligibility of the **investor, the** Louisiana
 13 Entrepreneurial Business, and the amount of the investment, the Department of
 14 Economic Development shall issue a tax credit certificate, a copy of which is to be
 15 attached to the tax return of the angel investor. The tax credit certificate shall contain
 16 the taxpayer's name, address, tax identification number, the amount of credit, the
 17 name of the qualifying business, and other information required by the Department
 18 of Revenue. The tax credit certificate, unless rescinded by the Department of
 19 Economic Development, shall be accepted by the Department of Revenue as proof
 20 of the credit.

21 * * *

22 §6020.4. Angel investor tax credit; annual report to legislature

23 The secretary of the Department of Economic Development shall report
 24 to the House Committees on Commerce and Ways and Means and the Senate
 25 Committees on Commerce, Consumer Protection, and International Affairs and
 26 Revenue and Fiscal Affairs two months prior to each regular session of the
 27 legislature on the activities resulting from the Angel Investor Tax Credit Program
 28 with information provided to the secretary annually by the Louisiana Entrepreneurial
 29 Business. The report shall include but not be limited to the following:

30 * * *

31 (3) The following information shall be reported to the Department of
 32 Economic Development by each Louisiana Entrepreneurial Business that received
 33 an investment from an angel investor. The information shall be reported annually for
 34 five years following the investment.

35 * * *

36 **(g) Net profit (loss) generated by each company receiving an investment.**

37 **(h) Projected amount of investment into the business by angel investors,**
 38 **revenue, and profit (loss) for the next year."**

39 AMENDMENT NO. 4

40 On page 1, at the beginning of line 8, delete "Section 1." and insert "Section 3."

41 AMENDMENT NO. 5

42 On page 4, between lines 27 and 28, insert:

43 "Section 4. R.S. 47:6015(C)(1) and (G) are hereby repealed in their entirety.
 44

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1 Section 5. R.S. 47:6020.4(B) as enacted by Act No. 400 of the 2005 Regular
2 Session of the Legislature is hereby amended and reenacted to read as follows:

3 §6020.4. Angel investor tax credit; annual report to legislature

4 * * *

5 B. The provisions of this Act shall become effective for all income tax and
6 franchise tax years beginning on or after January 1, 2005. ~~However, this Act shall~~
7 ~~become null and void on December 31, 2009.~~"

8 AMENDMENT NO. 6

9 On page 4, at the beginning of line 28, delete "Section 2." and insert "Section 6."

10 AMENDMENT NO. 7

11 On page 4, after line 29, insert the following:

12 "Section 7. The provisions of Section 2. of this Act shall apply to all income tax and
13 franchise tax years beginning on or after January 1, 2010."