

SENATE BILL NO. 339

BY SENATOR MARIONNEAUX

1 AN ACT

2 To amend and reenact R.S. 51:1927.1(C), relative to the Louisiana Capital Companies Tax
3 Credit Program; to provide relative to the placement of the investment pool in
4 qualified investments; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 51:1927.1(C) is hereby amended and reenacted to read as follows:

7 §1927.1. Annual audit; annual rate of return; appreciation excess; remittance to
8 Louisiana Economic Development Fund

9 * * *

10 C. The calculation of internal rate of return shall include all cash distributions
11 to equity investors out of the certified capital company's investment pool, except for
12 tax distributions and management fees. Management fees shall not exceed two and
13 one-half percent per annum of the total certified capital of the pool without the prior
14 approval of the secretary. Notwithstanding any other provisions in this Chapter to the
15 contrary, for all certified capital pools formed after December 31, 2001, if a certified
16 Louisiana capital company does not place (1) forty percent of the investment pool
17 in qualified investments within three years after the investment date, (2) sixty percent
18 of the investment pool in qualified investments within five years of the investment
19 date, and (3) upon the certified Louisiana capital company's option either (a) one
20 hundred percent of the investment pool in qualified investments within seven years
21 of the investment date or (b) one hundred and ten percent of the investment pool
22 in qualified investments within eight years of the investment date, then following
23 a decertification pursuant to R.S. 51:1928(B)(3), such company shall remit to the
24 Louisiana Economic Development Fund twenty-five percent of all distributions,
25 other than tax distributions and management fees, until the Louisiana Economic
26 Development Fund shall have received one hundred percent of the tax credits granted
27 for such pool and thereafter the company shall remit ten percent of all distributions,

1 other than tax distributions and management fees to the Louisiana Economic
 2 Development Fund. If a certified Louisiana capital company has not decertified an
 3 investment pool formed after December 31, 2001, pursuant to R.S. 51:1928(B)(3)
 4 within ten years from the investment date, such company shall remit to the Louisiana
 5 Economic Development Fund fifty percent of all distributions until the Louisiana
 6 Economic Development Fund shall have received one hundred percent of the tax
 7 credits granted for such pool, and thereafter the company shall remit twenty percent
 8 of all distributions to the Louisiana Economic Development Fund.

* * *

10 Section 2. This Act shall become effective upon signature by the governor or, if not
 11 signed by the governor, upon expiration of the time for bills to become law without signature
 12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 14 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____