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## DIGEST

Marionneaux (SB 500)

Proposed law establishes the Angel Investor Rebate Program to encourage third party investors in early-stage, wealth-creating businesses, and to provide quality jobs in Louisiana.

Provides for the implementation and administration of the program by the Dept. of Economic Development (DED). Requires DED to promulgate rules for the program.

Provides for definitions and requirements of qualifying investments. Requires "at risk" as meaning that the repayment of the investment is entirely dependent on the success of the Louisiana Entrepreneurial Business. Requires the use of proceeds from the investment to certain purposes unless approved by DED.

Provides that qualifying individuals or entities which invest in Louisiana Entrepreneurial Business as defined by law may apply and be granted a rebate. Authorizes rebates to be granted for five tax years.

Provides for the qualifications of applicants of the program. Authorizes rebates on investments made after January 1, 2010, of not more than \$1 million per year and \$2 million total per business.

Provides that the rebates are equal to 30% of the amount of money invested, divided in equal portions over five years, payable over 5 years with the rebate for the first year payable 24 months from the date that DED certifies the amount of investment. Provides that the rebate for each subsequent year is payable 12 months after the prior year's rebate.

Provides that total credits granted by DED may not exceed \$5 million in any calendar year. Requires the Louisiana Mega-Project Development Fund provided for in R.S. 51:2365 to be reduced each fiscal year by an amount which equals the rebate which is awarded pursuant to the provisions of the proposed law.

Authorizes DED to issue rebate certificates to approved applicants. Requires DED to maintain a list of certificates issued. Provides that rebate certificates shall expire seven years after being granted.

Authorizes penalties for providing false or fraudulent information in application for rebate.

Requires repayment of rebates from applicant under certain conditions.

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

(Adds R.S. 51:3121-3124)

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Requires the Louisiana Mega-Project Development Fund provided for in R.S. 51:2365 to be reduced each fiscal year by an amount which equals the rebate which is awarded pursuant to the provisions of the proposed law.
2. Deletes the provision authorizing DED to carry forward any of the unused \$5,000,000 cap on rebates in a calendar year.
3. Deletes the provision that the \$5,000,000 annual cap did not apply to "angel pools" and authorizes DED to determine the amount of the rebates for the pools.
4. Provides that the rebates are payable over 5 years with the rebate for the first year payable 24 months from the date that DED certifies the amount of investment and the rebate.

### Summary of Amendments Adopted by Senate

#### Senate Floor Amendments to engrossed bill.

1. Technical amendments.