

## SENATE SUMMARY OF HOUSE AMENDMENTS

**SB 500 By Senator Marionneaux****KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

**TAX/TAXATION:** Authorizes the Department of Economic Development to grant up to \$5 million of rebates per calendar year at the rate of 30% of an investor's investment in "Louisiana Entrepreneurial Business," not to exceed \$1 million per year per business and \$2 million total per business and requires the Louisiana Mega-Project Development Fund to be reduced each fiscal year by an amount which equals the rebates granted. (gov sig)

**SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL**

1. Changes the amount of the rebate payment from 35% of the amount invested to 30% of the amount invested.
2. Changes the period of time for the payment of a rebate to an investor from 5 years to 3 years.
3. Adds "acquisition of real property" to the list of authorizes uses of monies contributed by an angel investor.
4. Changes the source of funding for payment of rebates from the Mega-Project Development Fund to general collections of the Dept. of Revenue.

**DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE**

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

Proposed law provides for definitions and requirements of qualifying investments. Requires investments in "at risk" endeavors, meaning that the repayment of the investment is entirely dependent on the success of the Louisiana Entrepreneurial Business.

Proposed law establishes qualifications of investors for participation in the program and authorizes DED to certify investments for participation in the program and issue rebate certificates to qualifying investors. Authorizes rebates on investments made after January 1, 2010. The maximum allowable investment for an investor is \$1 million per year per business. The rebate amount shall be equal to 30% of the amount of invested, which rebate amount shall be divided into equal portions over three years to be paid over three years. The portion of the rebate attributable to the first year shall be payable 24 months from the date that DED certifies the amount of investment.

Proposed law requires DED to maintain a list of rebate certificates issued. Provides that rebate certificates shall expire seven years after being granted. The payment of rebates shall be made by the secretary of the Dept. of Revenue out of general collections.

Proposed law authorizes penalties for providing false or fraudulent information in an application for rebate.

Proposed law requires repayment of rebates from investor under certain conditions.

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

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

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

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