
The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

CONFERENCE COMMITTEE REPORT DIGEST

Senate Bill No. 500 by Senator Marionneaux

Keyword and summary of the bill as proposed by the Conference Committee

TAX/TAXATION. Authorizes the Department of Economic Development to grant up to \$5 million of rebates per calendar year at the rate of 35% of an investor's investment in "Louisiana Entrepreneurial Business," not to exceed \$1 million per year per business and \$2 million total per business. (gov sig)

Report adopts House amendments to:

1. Delete the provision which would have required the Louisiana Mega-Project Development Fund to be reduced each fiscal year by an amount which equals the rebates which are awarded.
2. Require payment of the rebates from current collections of taxes.

Report rejects House amendments which would have:

1. Changed the rate at which rebates are granted from 35% of an investor's investment to 30% of such investment.
2. Made the rebates payable over three years, instead of five.
3. Deleted a provision which requires recapture of a rebate if an investor transfers the equity received in connection with a qualified investment within three years beginning with the first year in which a rebate is issued to an investor in a business.

Digest of the bill as proposed by the Conference Committee

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 35% 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.

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)