
The original instrument was prepared by Mary Dozier O'Brien. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jay Lueckel.

DIGEST

Riser (SB 265)

Proposed law creates the Louisiana Entrepreneurial Assistance and Development (LEAD) Program which grants a tax reduction to insurance companies under certain circumstances provided the legislative auditor certifies in writing that the cost to the state of the premium tax credit will be offset by the revenue to be received by the state from the investments made in eligible businesses by the LEAD fund.

Proposed law provides definitions, including the definition of revenue neutrality.

Proposed law provides with respect to premium tax credits, applications for certification as a LEAD fund, and applications for tax credits.

Proposed law provides for information to be communicated to the secretary of the Louisiana Department of Economic Development once an entity has received eligible capital.

Proposed law provides that a LEAD fund shall not invest more than 15% of its eligible capital in any one eligible business, without the permission of the secretary of the Louisiana Department of Economic Development.

Proposed law provides relative to a fund maintaining its compliance with the conditions set forth for LEAD funds.

Proposed law provides that the Louisiana Department of Economic Development shall be responsible for the administration of the program. Requires that applicants who receive an allocation of eligible capital under the program shall bear any cost, not to exceed \$15,000 per fiscal year, to cover the administrative costs of the department of economic development. Such monies shall be appropriated to the department.

Effective August 15, 2011.

(Adds R.S. 22:832.1 and R.S. 51:3121-3132)

Summary of Amendments Adopted by Senate

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

1. Requires DED to file an annual report with the House Ways and Means and Revenue and Fiscal Affairs committees regarding the manner in which all LEAD Funds which have received eligible capital have invested such capital; in which eligible businesses have the investments been made and the amount thereof; the jobs created by and the success or failure of such eligible businesses; the share received by the state of LEAD Fund distributions; and whether the investment tax credit has achieved "revenue neutrality", that is, the cost to the state of the credit is offset by value received by the state.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill.

1. Requires the legislative auditor to certify when eligible capital investments under the program achieve revenue neutrality.
2. Defines revenue neutrality as the certification by the legislative auditor to the secretary of the department of economic development that the cost to the state of the premium tax credit will be offset by the revenue to be received by the state from the investments made in eligible businesses by the LEAD fund.
3. Requires that applicants who receive an allocation of eligible capital under the program shall bear any cost, not to exceed \$15,000 per fiscal year, to cover the administrative costs of the department of economic development. Such monies shall be appropriated to the department.