The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle B. Clapinski.

DIGEST

SB 108 Original

2023 Regular Session

Harris

<u>Present law</u> provides for the Angel Investor Tax Credit Program which authorizes a tax credit for certain investments in a qualifying Louisiana entrepreneurial businesses as defined under <u>present law</u>. The program is administered by the Department of Economic Development.

<u>Present law</u> provides that applicants whose investments meet the program requirements of the statute as well as requirements of 26 U.S.C. 1400Z-1, 1400Z-2, and applicable federal regulations are entitled to an enhanced credit under the program.

<u>Proposed law</u> removes meeting the requirements of 26 U.S.C. 1400Z-2 and applicable federal regulations in order to be eligible for the enhanced credit under the program and otherwise retains <u>present law</u>.

<u>Present law</u> provides a \$3.6 million annual credit cap for general angel investor tax credits and an additional annual credit cap of \$3.6 million for enhanced credits under the program. If the department does not grant the entire \$3.6 million in either the general or enhanced credits in a calendar year, the amount of unused credits are rolled forward to subsequent calendar years but remain segregated in two separate batches of money.

<u>Proposed law</u> authorizes the department to use any unused general credits that have rolled over from previous years to fulfill requests for the enhanced credits when the annual \$3.6 million credit cap as well as any rollover enhanced credits are already utilized.

<u>Present law</u> allows an exception to the general program requirements that 50% or more an applicant's sales come from out of state when federal law or regulations related to opportunity zones require that business revenues be derived from within the opportunity zone.

Proposed law removes present law.

<u>Present law</u> provides that no credits shall be granted or reserved for the program on or after July 1, 2025.

<u>Proposed law</u> extends the date of when credits can be granted or reserved <u>from</u> July 1, 2025, <u>to</u> July 1, 2030.

Applicable to taxable periods beginning on or after January 1, 2024.

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

(Amends R.S. 47:6020(G) and (H))