

## RÉSUMÉ DIGEST

ACT 441 (SB 186)

2025 Regular Session

Reese

Existing law provides for the Louisiana New Markets Jobs Act tax credit that may be claimed against insurance premium tax. Provides that eligibility for the credit is based on the investment of private capital in a low-income community business located in Louisiana.

New law retains existing law.

Existing law defines "qualified low-income community investment" as any capital or equity investment in, or loan to, any qualified active low-income community business. Further provides the maximum amount of qualified low-income community investments made in any one qualified active low-income community business, collectively with all of its affiliates, is \$10M for qualified equity investments issued prior to August 1, 2020, and \$5M for qualified equity investments issued on or after August 1, 2020, whether issued by one or several qualified community development entities.

New law retains existing law but increases the maximum amount of qualified low-income community investments made in one qualified active low-income community business to \$10M for investments made on or after August 1, 2025. Further clarifies that the investment caps on qualified low-income community investments per qualified low-income community business only apply to awards of qualified equity investment authority on a per application round basis.

Existing law requires qualified community development entities to include documentation with its application for an equity investment, including an attestation that the allocation agreement executed by the applicant or its controlling entity and the Community Development Financial Institutions Fund.

New law retains existing law but also allows for an expired allocation agreement if it was not revoked or cancelled by the Community Development Financial Institutions Fund and the applicant or its affiliate has received a prior certification of qualified equity investment authority after August 1, 2020.

New law requires an applicant to provide an attestation that a prior certification of qualified equity investment authority has not been subject to a deposit forfeiture. Further requires the department to deny all applications that cannot provide such attestation.

New law provides for \$150M of qualified equity investment authority available for certification and allocation for applications beginning August 1, 2025. Further requires the department to begin accepting applications beginning on August 1, 2025, for the allocation of certification of the \$150M of qualified equity investments.

Existing law requires a deposit to the department of \$500,000 for each qualified community development entity seeking to have a qualified equity investment eligible for tax credits.

New law retains existing law but provides that the deposit requirement does not apply to qualified community development entities or their affiliates who have received prior certification of qualified equity investment authority and have not been subject to forfeiture of previous deposits.

New law requires qualified community development entities that issue qualified equity investments after August 1, 2025, to submit a report to the secretary of LED within five business days of the first anniversary of the initial credit allowance date and annually thereafter. The report is required to contain the following information:

- (1) The name of each qualified active low-income community business which received a qualified low-income community investment and a brief description of the qualified active low-income community business, including its sector assigned by the North American Industry Classification System code.
- (2) The location of such qualified active low-income community businesses, including whether the business is an impact business as defined in this Section.

- (3) The amount of the qualified low-income community investment made into each qualified active low-income community business.
- (4) The number of employment positions created and retained as a result of each qualified low-income community investment and the average salary of such positions, including whether such jobs offer benefits and training.
- (5) The number of employment positions expected to be created as a result of each such qualified low-income community investment.
- (6) The poverty rate and median family income, based on the most recent census estimate by the U.S. Census Bureau, for each low-income community with a qualified active low-income community business that received a qualified low-income community investment.
- (7) The preceding twelve-month average monthly unemployment rate, based on the U.S. Bureau of Labor Statistics data, for each low-income community with a qualified active low-income community business that received a qualified low-income community investment.
- (8) The amount of any federal qualified low-income community investment received by such qualified active low-income community businesses.
- (9) Any additional information the qualified community development entity may add concerning the qualified low-income community investment and its impact on the low-income community or the state, such as community support, environmental effects, follow-on capital investment, and other related economic development.

New law exempts qualified community development entities whose qualified low-income community investments have been redeemed or repaid from the reporting requirement.

Effective June 20, 2025.

(Amends R.S. 47:6016.1(B)(8)(a) and (11), (E)(1)(c), (2) and (5)(d), and (H)(1)(intro. para.); adds R.S. 47:6016.1(E)(1)(g), (5)(e) and (J)(4) and (5))