

RÉSUMÉ DIGEST

ACT 515 (HB 665)

2025 Regular Session

Willard

Existing law establishes the Angel Investor Tax Credit Program and provides for administration of the program by La. Economic Development (LED). Authorizes individuals and entities that make qualifying investments in La. entrepreneurial businesses, as defined by existing law, to apply for and, if approved, be granted credits against income tax and corporation franchise tax liability through the program. Existing law which becomes operative Jan. 1, 2026, repeals the corporation franchise tax, making angel investor tax credits applicable exclusively to income tax liability on and after Jan. 1, 2026.

Existing law authorizes granting of tax credits in an amount equal to either 25% or 35% of the amount of a taxpayer's qualifying investment depending on characteristics of the investment. Prior law required that credit amounts granted be divided in equal portions for two years.

New law expands the class of investments qualifying a taxpayer for the 35% credit to include investments in La. entrepreneurial businesses located in parishes with a population of less than 50,000.

Existing law establishes a \$3.6M annual cap on the overall amount of credits to be granted at the 25% rate. Also establishes a \$3.6M annual cap on the overall amount of credits to be granted at the 35% rate, referred to hereafter as the "enhanced credit". Prior law provided that if LED does not grant the entire amount of credits allowed under either cap in any calendar year, the amount of residual unused tax credits shall carry forward to subsequent calendar years and may be granted in any year without regard to the respective annual cap.

New law limits the carry-forward of unused credit amounts, prohibiting the carry-forward of these amounts beginning Jan. 1, 2026. Provides, however, that LED may grant credits pursuant to new law until the balance of residual unused credits accumulated prior to Jan. 1, 2026, is exhausted.

Prior law provided that no credits shall be granted or reserved through the Angel Investor Tax Credit Program for reservation applications received by LED after June 30, 2025. New law extends the application deadline from June 30, 2025, to the date when the total amount of unused credits carried forward from prior years is exhausted. New law provides, however, that no new Angel Investor Tax Credits shall be reserved after June 30, 2026.

New law adds requirements that a business must meet in order to qualify for angel investor tax credits including that the business be a high-growth, wealth-creating business and be primarily engaged in one of the following business sectors: energy and process industries, logistics, aerospace and defense, agribusiness, professional services, life sciences, and technology.

Existing law provides reporting requirements for businesses participating in the Angel Investor Tax Credit Program. New law expands these requirements to include reporting to LED of the total amount of angel investment the business is seeking, the number of employees and total payroll at the time of application, the number of positions and payroll expected to be added as a result of the angel investment, the number of patents filed by and issued to the business, and the business's partnerships or other contractual relationships with La. colleges and universities for research or innovation projects.

New law including references to corporation franchise tax, which is operative until Jan. 1, 2026, becomes effective July 4, 2025.

New law omitting references to corporation franchise tax becomes effective January 1, 2026.

(Amends R.S. 47:6020(C)(2)(c) and (d), (D)(1) and (2)(a), (G), and (H); Adds R.S. 47:6020(B)(3) and (C)(2)(e); Repeals R.S. 47:6020(B)(2)(c))

