DIGEST

SB 14 Engrossed   2020 Second Extraordinary Session   Johns

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

Present law defines "qualified active low-income community business" as an entity which under federal law is defined as a business located in either a census tract with a poverty rate of at least 20% or a census tract with a median income that does not exceed 80% of the benchmark median income and has an applicable NAICS code of 11, 21, 23, 31, 32, 33, 42, 48, 49, 54, 56, 62, 72, or 81 and no more than 250 employees or the number of employees set forth for the business's NAICS code sector.

Proposed law further defines "qualified active low-income community business" to include businesses in the recovery zone that are not located in a low-income community and defines "recovery zone" as those parishes declared by FEMA to be eligible for both individual and public assistance due to Hurricane Laura.

Present law includes a recapture condition for investments made on or after August 1, 2020, if there has been a failure to invest an amount equal to 100% of the purchase price of the investment within nine months of the issuance of the investment or less than 50% of the purchase price was invested in "impact businesses".

Present law defines "impact business" as qualified active low-income community business either located in a rural parish (population of less than 100,000) or more than 50% owned by women, minorities, or military veterans.

Proposed law adds businesses located in the recovery zone to the definition of "impact business".

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

(Amends R.S. 47:6016.1(B)(4), (6), (7), (8), (9), (10), and (11); adds R.S. 47:6016.1(B)(12))