

RÉSUMÉ DIGEST

ACT 433 (SB 151)

2023 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 La.

Existing law defines "recovery zone" as any parish for which FEMA has made a determination that the parish is eligible for both individual and public assistance under the declaration of major disasters in the state.

New law retains the existing law and adds to the definition of "recovery zone" follow-on investments in a qualified active low-income community business that was qualified by its location in a recovery zone shall be considered qualified low-income community investments even if made after the end of such declaration.

Existing law defines "rural parish" as a parish with a population of less than 100,000 as of the July 1, 2019 census estimate by the United States Census Bureau.

New law retains existing law and further defines "rural parish" as a parish with a population less than 100,000 as of the most recent federal decennial census.

Existing law defines the types of investments required for tax credit eligibility.

New law retains existing law and further provides that the issuer make qualified low-income community investments of at least 100% of the cash purchase price in the qualified active low-income community business by the first anniversary of the initial credit allowance date with respect to investments issued prior to August 1, 2020, and after August 1, 2023, and within nine months of the initial allowance date with respect to investments issued on or before August 1, 2023.

Existing law authorizes a total of \$55 million and \$75 million of investment authority for certification and allocation for the purpose of earning tax credits.

New law authorizes a total of \$150 million of investment authority for certification and allocation for the purpose of earning tax credits beginning August 1, 2023.

Existing law provides for conditions under which the Dept. of Insurance shall recapture tax credits that include a recapture of federal tax credits by the federal government, or 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".

New law retains existing law recapture provision and adds a recapture condition for investments made on or after August 1, 2023, if there has been a failure to invest an amount equal to 100% of the purchase price of the investment within 12 months of the issuance of the investment or less than 50% of the purchase price was invested in impact businesses.

New law requires reporting by a qualified community development entity that issues qualified equity investments on or after August 1, 2020, but before August 1, 2023, to the Dept. of Revenue within five days of the first anniversary of the initial credit allowance date. Provides that the report shall include evidence that the business was a qualified active low-income community business or impact business at the time of the qualified low-income community investment.

Effective June 27, 2023.

(Amends R.S. 47:6016.1(B)(6), (7), and (10)(b), (E)(5)(c), (F)(3) and (4), (H)(1)(b), and (J)(1); adds R.S. 47:6016.1(E)(5)(d) and (F)(5))