

2025 Regular Session

HOUSE BILL NO. 665

BY REPRESENTATIVES WILLARD AND DAVIS

TAX CREDITS: Provides relative to the Angel Investor Tax Credit Program

1 AN ACT

2 To amend and reenact R.S. 47:6020(D)(1) and (2)(a), (G), and (H), relative to tax credits;
3 to provide with respect to the Angel Investor Tax Credit Program; to extend the
4 duration of the program; to remove certain limitations on claiming of the credit; to
5 provide for applicability; to provide for effective dates; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6020(D)(1) and (2)(a), (G), and (H) are hereby amended and
9 reenacted to read as follows:

10 §6020. Angel Investor Tax Credit Program

11 * * *

12 D. Tax credits. (1) The total amount of tax credits granted by the department
13 in any calendar year shall not exceed three million six hundred thousand dollars. No
14 new credits shall be authorized after December 31, 2026. The department shall, by
15 rule, establish the method of allocating available tax credits to investors including
16 but not limited to a first-come, first-served system, reservation of tax credits for a
17 specific time period, or other method which the department, in its discretion, may
18 find beneficial to the program. If the department does not grant the entire three
19 million six hundred thousand dollars in tax credits in any calendar year, the amount
20 of residual unused tax credits shall carry forward to subsequent calendar years and

1 may be granted in any year without regard to the three million six hundred thousand
2 dollar per year limitation or the termination of new credits provided for in this
3 Paragraph. Beginning January 1, 2026, no residual unused credit amounts shall carry
4 forward; however, the department may grant tax credits pursuant to this Section until
5 the balance of residual unused credits accumulated prior to January 1, 2026, is
6 exhausted. After the approval of an investor pool, the department shall issue a letter
7 identifying the amount of tax credits that are available to that pool; however, no tax
8 credit shall be granted to an investor until the investment has been made in the
9 Louisiana Entrepreneurial Business.

10 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
11 income or corporation franchise tax liability owed to the state by the taxpayer
12 seeking to claim the credit in the amount approved by the secretary of the
13 department. The amount of the tax credit shall be based upon the amount of money
14 invested by the investor in the Louisiana Entrepreneurial Business, which investment
15 shall not exceed seven hundred twenty thousand dollars per year per business and
16 one million four hundred forty thousand dollars total per business. Except as
17 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
18 against the income tax for the taxable period in which the credit is earned and the
19 franchise tax for the taxable period following the period in which the credit is earned.
20 The credits approved by the department shall be granted at the rate of twenty-five
21 percent of the amount of the investment ~~with the credit divided in equal portions for~~
22 ~~two years.~~

23 * * *

24 G.(1) Applications received on or after July 1, 2020, for investments that
25 meet the requirements of Subsection C of this Section and the requirements of 26
26 U.S.C. 1400Z-1 shall be entitled to an enhanced credit in accordance with the
27 provisions of this Subsection.

(+) (2) The amount of the credit granted by the department shall be thirty-five percent of the amount of the investment with the credit divided in equal portions for two years.

(2)(a) (3)(a) In addition to the credit cap provided for in Subsection D of this Section, the total amount of credits granted ~~under~~ pursuant to this Subsection shall not exceed three million six hundred thousand dollars per year for a total program cap of seven million two hundred thousand dollars per year. No new credits shall be authorized after December 31, 2026.

(b) If the department does not grant the entire three million six hundred thousand dollars in tax credits in any calendar year authorized pursuant to this Subsection, the amount of unused tax credits shall carry forward to subsequent calendar years and may be granted in any year without regard to the three million six hundred thousand dollar annual cap or the termination of new credits provided for in this Subsection.

H. No credits shall be granted or reserved ~~under this program~~ through the
program established in this Section for reservation applications received by the
department after ~~June 30, 2025~~ the date when the total unused credit amount
available pursuant to Paragraph (D)(1) or (G)(3) of this Section is exhausted.

19 Section 2. R.S. 47:6020(D)(2)(a) is hereby amended and reenacted to read as
20 follows:

21 §6020. Angel Investor Tax Credit Program

22 * * *

23 D. Tax credits.

24 * * *

(2)(a) An investor may apply for and, if qualified, be granted a credit on any income tax liability owed to the state by the taxpayer seeking to claim the credit in the amount approved by the secretary of the department. The amount of the tax credit shall be based upon the amount of money invested by the investor in the Louisiana Entrepreneurial Business, which investment shall not exceed seven

1 hundred twenty thousand dollars per year per business and one million four hundred
2 forty thousand dollars total per business. Except as otherwise provided in
3 Subparagraph (b) of this Paragraph, the credit shall be allowed against the income
4 tax for the taxable period in which the credit is earned. The credits approved by the
5 department shall be granted at the rate of twenty-five percent of the amount of the
6 investment ~~with the credit divided in equal portions for two years.~~

7 * * *

8 Section 3.(A) The provisions of Section 1 of this Act shall apply to taxable periods
9 beginning on January 1, 2025.

10 (B) The provisions of Section 2 of this Act shall apply to taxable periods beginning
11 on or after January 1, 2026.

12 Section 4. The provisions of Section 2 of this Act amending and reenacting R.S.
13 47:6020(D)(2)(a) supersede the provisions of Section 1 of this Act amending and reenacting
14 R.S. 47:6020(D)(2)(a).

15 Section 5. Sections 2 and 4 of this Act shall become effective on the effective date
16 of Section 1 of Act No. 6 of the 2024 Third Extraordinary Session of the Legislature.

17 Section 6. This Section and Sections 1, 3, and 5 of this Act shall become effective
18 upon signature by the governor or, if not signed by the governor, upon expiration of the time
19 for bills to become law without signature by the governor, as provided by Article III, Section
20 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
21 by the legislature, this Section and Sections 1 and 3 of this Act shall become effective on the
22 day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 665 Original

2025 Regular Session

Willard

Abstract: Prohibits issuance of new tax credits through the Angel Investor Tax Credit Program after Dec. 31, 2026, but extends the deadline for applying for credits from June 30, 2025, to the date when the total amount of unused credits accumulated from prior years is exhausted.

Present 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 present law, to apply for and, if approved, be granted credits against income tax and corporation franchise tax liability through the program. Present law which becomes operative Jan. 1, 2026, repeals the corporation franchise tax, making credits through the program applicable exclusively to income tax liability on and after Jan. 1, 2026. Proposed law retains present law.

Present 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. Requires that credit amounts be divided in equal portions for two years. Proposed law repeals the requirement that credit amounts be divided in equal portions for two years; otherwise, retains present law.

Present 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. Provides, however, 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. Proposed law retains present law.

Proposed law provides that no new Angel Investor Tax Credits shall be authorized after Dec. 31, 2026. Prohibits, beginning Jan. 1, 2026, the carry-forward of residual unused credit amounts. Provides, however, that LED may grant credits pursuant to present law and proposed law until the balance of residual unused credits accumulated prior to Jan. 1, 2026, is exhausted.

Present law provides 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. Proposed 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.

Proposed law including references to corporation franchise tax, which is operative until Jan. 1, 2026, becomes effective upon signature of governor or lapse of time for gubernatorial action.

Proposed law omitting references to corporation franchise tax becomes effective Jan. 1, 2026.

(Amends R.S. 47:6020(D)(1) and (2)(a), (G), and (H))