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## DIGEST

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### CONFERENCE COMMITTEE REPORT DIGEST

**HB 665**

**2025 Regular Session**

**Willard**

#### **Keyword and oneliner of the instrument as it left the House**

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

#### **Report adopts Senate amendments to:**

1. Add 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 certain business sectors.
2. Remove professional services companies from the listing in present law of businesses ineligible for angel investor tax credits.
3. Change the prohibition on new credits provided in proposed law from prohibiting authorization of new credits after Dec. 31, 2026, to prohibiting reservation of new credits after June 30, 2026.
4. Expand the class of investments qualifying a taxpayer for an enhanced credit to include investments in La. entrepreneurial businesses located in any parish with a population of less than 50,000.
5. Expand reporting requirements provided in present law for businesses participating in the tax credit program.

#### **Report rejects Senate amendments which would have:**

1. Repealed present law delaying the applicability of first-year tax credits to a taxpayer's tax liability until 24 months from the certification date of the investment qualifying the taxpayer for the credits.
2. Restored present law requiring that credit amounts be divided in equal portions for two years.

#### **Report amends the bill to:**

1. Make technical changes.

### **Digest of the bill as proposed by the Conference Committee**

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, referred to hereafter as the "enhanced credit". 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 but limits the carry-forward of unused credits as described below.

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

Proposed law provides that no new Angel Investor Tax Credits shall be reserved after June 30, 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 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.

Proposed law expands reporting requirements provided in present law for businesses participating

in the Angel Investor Tax Credit Program. Requires that each business participating in the program report certain information to LED including 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.

Proposed law including references to corporation franchise tax, which is operative until Jan. 1, 2026, becomes effective upon signature of the 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(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))