

BY REPRESENTATIVES WILLARD AND DAVIS AND SENATOR FOIL

To amend and reenact R.S. 47:6020(C)(2)(c) and (d), (D)(1) and (2)(a), (G), and (H), to enact R.S. 47:6020(B)(3) and (C)(2)(e), and to repeal R.S. 47:6020(B)(2)(c), relative to tax credits; to provide with respect to the Angel Investor Tax Credit Program; to extend the duration of the program; to provide for targeted business sectors; to provide for reporting requirements; to provide for an enhanced credit in certain situations; to remove certain limitations on claiming of the credit; to provide for applicability; to provide for effective dates; and to provide for related matters.

Section 1. R.S. 47:6020(C)(2)(c) and (d), (D)(1) and (2)(a), (G), and (H) are hereby amended and reenacted and R.S. 47:6020(B)(3) and (C)(2)(e) are hereby enacted to read as follows:

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(c) The number of employment positions and payroll expected to be added
as a result of the angel investment.

1 (d) The number of patents filed by and issued to the Louisiana
2 Entrepreneurial Business.

3 (e) The amount of any grant or contract awarded from the federal Small
4 Business Technology Transfer Program or a federal Small Business Innovation
5 Research Grant.

6 (f) Identification of any partnerships or other contractual relationships with
7 Louisiana colleges and universities for research or innovation projects.

8 (g) The primary city and parish where the business is located.

9 (h) The annual business revenues of the Louisiana Entrepreneurial Business
10 in the prior calendar year.

11 (i) Any other relevant information as requested by the department.

12 C. Qualifications.

13 * * *

14 (2) To qualify for an angel investor tax credit, the Louisiana Entrepreneurial
15 Business in which the investment is made shall meet all the following requirements:

16 * * *

17 (c) The business must demonstrate that it will be a high-growth,
18 wealth-creating business for Louisiana by demonstrating in its business plan that it
19 will have more than fifty percent of its sales from outside Louisiana.

20 (d) The business is primarily engaged in one of the following business
21 sectors as determined by Louisiana Economic Development: energy and process
22 industries, logistics, aerospace and defense, agribusiness, professional services, life
23 sciences, and technology.

24 ~~(d)~~ (e) The business is not a business engaged primarily in retail sales, real
25 estate, ~~professional services~~, gaming or gambling, natural resource extraction or
26 exploration, or financial services including venture capital funds.

27 D. Tax credits. (1) The total amount of tax credits granted by the department
28 in any calendar year shall not exceed three million six hundred thousand dollars. No
29 new credits shall be reserved after June 30, 2026. The department shall, by rule,
30 establish the method of allocating available tax credits to investors including but not
31 limited to a first-come, first-served system, reservation of tax credits for a specific
32 time period, or other method which the department, in its discretion, may find

beneficial to the program. If the department does not grant the entire three million six hundred thousand dollars in tax credits 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 three million six hundred thousand dollar per year limitation or the termination of new credits provided for in this Paragraph. Beginning January 1, 2026, no residual unused credit amounts shall carry forward; however, the department may grant tax credits pursuant to this Section until the balance of residual unused credits accumulated prior to January 1, 2026, is exhausted. After the approval of an investor pool, the department shall issue a letter identifying the amount of tax credits that are available to that pool; however, no tax credit shall be granted to an investor until the investment has been made in the Louisiana Entrepreneurial Business.

(2)(a) An investor may apply for and, if qualified, be granted a credit on any income or corporation franchise 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 hundred twenty thousand dollars per year per business and one million four hundred forty thousand dollars total per business. Except as otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed against the income tax for the taxable period in which the credit is earned and the franchise tax for the taxable period following the period in which the credit is earned. The credits approved by the department shall be granted at the rate of twenty-five percent of the amount of the investment ~~with the credit divided in equal portions for two years.~~

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G.(1) Applications received on or after July 1, 2020, for investments that meet the requirements of Subsection C of this Section and the requirements of 26 U.S.C. 1400Z-1, or for investments in Louisiana Entrepreneurial Businesses located in parishes with a population of less than fifty thousand according to the most recent federal decennial census, shall be entitled to an enhanced credit in accordance with the provisions of this Subsection.

(1) ~~(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 reserved after June 30, 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.

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

§6020. Angel Investor Tax Credit Program

* * *

D. Tax credits.

* * *

(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 hundred twenty thousand dollars per year per business and one million four hundred forty thousand dollars total per business. Except as otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed against the income

1 tax for the taxable period in which the credit is earned. The credits approved by the
 2 department shall be granted at the rate of twenty-five percent of the amount of the
 3 investment ~~with the credit divided in equal portions for two years.~~

4 * * *

5 Section 3. R.S. 47:6020(B)(2)(c) is hereby repealed in its entirety.

6 Section 4.(A) The provisions of Section 1 of this Act shall apply to taxable periods
 7 beginning on January 1, 2025.

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

10 Section 5. The provisions of Section 2 of this Act amending and reenacting R.S.
 11 47:6020(D)(2)(a) supersede the provisions of Section 1 of this Act amending and reenacting
 12 R.S. 47:6020(D)(2)(a).

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

15 Section 7. This Section and Sections 1, 3, 4, and 6 of this Act shall become effective
 16 upon signature by the governor or, if not signed by the governor, upon expiration of the time
 17 for bills to become law without signature by the governor, as provided by Article III, Section
 18 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
 19 by the legislature, this Section and Sections 1 and 3 of this Act shall become effective on the
 20 day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____