

Regular Session, 2011

SENATE BILL NO. 99

BY SENATORS MORRELL AND ADLEY

TAX/TAXATION. Authorizes the issuance of \$37.5 million more New Market Tax Credits and extends the period tax credits are allowed from ending on December 31, 2013 to an indefinite period if the qualified equity investment is issued prior to December 31, 2014.
(gov sig)

AN ACT

To amend and reenact the introductory paragraph of R.S. 47:6016(E)(2)(a), 6016(E)(2)(a)(iv), and (I) and to enact R.S. 47:6016(E)(2)(a)(v), (vi), and (7) and (8), relative to the new markets tax credit; to provide for the allocation and allowance of tax credits; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The introductory paragraph of R.S. 47:6016(E)(2)(a), 6016(E)(2)(a)(iv), and (I) are hereby amended and reenacted and R.S. 47:6016(E)(2)(a)(v), (vi), and (7) and (8) are hereby enacted to read as follows:

§6016. New markets tax credit

* * *

E. * * *

(2)(a) The aggregate amount of credit for all qualified equity investments issued to taxpayers, on or after April 1, 2008, under this Section shall not exceed **fifty ~~eighty-seven~~ million five hundred thousand** dollars in the aggregate over the life of the program, based upon the following schedule:

* * *

(iv) A maximum of twelve million five hundred thousand dollars of the total aggregate amount of credit shall be available for issuance beginning on September 1, 2011.

(v) A maximum of twenty-five million dollars of the total aggregate amount of credit, plus any unissued credits from any prior taxable year, shall be available for issuance beginning on September 1, 2012.

(vi) For all taxable periods beginning on or after January 1, ~~2011~~ 2013, the only amount of credit allowable for issuance shall be the amount of unissued, disallowed, or recaptured credits from any prior taxable year.

* * *

(7) No credit issued on or after September 1, 2011, shall be claimed on a return due on or before December 31, 2011.

(8) No credit issued on or after September 1, 2012, shall be claimed on a return due on or before December 31, 2012.

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I. Tax credits shall be allowed for qualified equity investments which, in turn, have been invested in qualified low-income community investments, only if such qualified equity investment is issued prior to ~~until~~ December 31, ~~2013~~ 2014.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law limits to \$50 million the aggregate amount of new market tax credit that can be issued for "qualified equity investments" after April 1, 2008.

Proposed law adds \$37.5 million of credits that can be issued, as follows:

1. A maximum of \$12.5 million of the total is made available for issuance beginning on September 1, 2011, which may be claimed on a return due after December 31, 2011.
2. A maximum of \$25 million of the total is made available for issuance beginning on September 1, 2012, which may be claimed on a return due after December 31, 2012.

Present law allows tax credits for "qualified equity investments" which, in turn, have been invested in qualified low-income community investments until December 31, 2013.

Proposed law extends that tax credit allowance period indefinitely, if such qualified equity investment is issued prior to December 31, 2014.

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

(Amends R.S. 47:6016(E)(2)(a) (intro para), 6016(E)(2)(a)(iv), and (I); adds R.S. 47:6016(E)(2)(a)(v), (vi), and (7) and (8))