

SENATE BILL NO. 99

BY SENATORS MORRELL, ADLEY, APPEL, BROOME, DORSEY, GAUTREAUX,
MURRAY AND WILLARD-LEWIS AND REPRESENTATIVES
ABRAMSON, BROSSETT, HENRY, LEGER AND MORENO

VETOED
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Veto Message

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:6016 (B)(2)(b), 6016(B)(3), the
3 introductory paragraph of (E)(2)(a), 6016(E)(2)(a)(iv), and (I) and to enact R.S.
4 47:6016 (B)(2)(c), (E)(2)(a)(v) and (vi), and (7) and (8), relative to the new markets
5 tax credit; to provide for the allocation and allowance of tax credits; to provide for
6 an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The introductory paragraph of R.S. 47:6016(B)(2)(b), 6016(B)(3), the
9 introductory paragraph of (E)(2)(a), 6016(E)(2)(a)(iv), and (I) are hereby amended and
10 reenacted and R.S. 47:6016(B)(2)(c), (E)(2)(a)(v) and (vi), and (7) and (8) are hereby
11 enacted to read as follows:

12 §6016. New markets tax credit

13 * * *

14 B. * * *

15 (2) "Applicable percentage" means:

16 * * *

17 (b) For qualified equity investments issued to taxpayers on and after July 1,
18 **2007, but before September 1, 2011:**

19 * * *

20 **(c) For qualified equity investments issued to taxpayers on and after**
21 **September 1, 2011:**

22 **(i) Zero percent for the first three credit allowance dates.**

23 **(ii) Ten percent with respect to the remainder of the credit allowance**
24 **dates.**

25 (3) "Credit allowance date" means **the following** with respect to any qualified

equity investment issued during the following periods:

(a) With respect to qualified equity investments issued prior to September 1, 2011, but on and after July 1, 2007, the date on which such investment is initially made and the first two anniversaries of such date,

(b) ~~and~~ With respect to qualified equity investments issued prior to July 1, 2007, the date on which the initial investment is made and the first six anniversaries of such date.

(c) With respect to qualified equity investments issued on and after September 1, 2011, the date on which such investment is initially made and the first five anniversaries of such date.

* * *

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** million dollars in the aggregate over the life of the program, based upon the following schedule:

* * *

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

(v) A maximum of fifteen 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) Credits issued on or after September 1, 2011, shall be earned and vested on the date that the qualified equity investment which, in turn, has been invested in a qualified low-income community business, is made but shall not

1 be claimed on a return due on or before December 31, 2014.

2 (8) Credits issued on or after September 1, 2012, shall be earned and
 3 vested on the date that the qualified equity investment which, in turn, has been
 4 invested in a qualified low-income community business, is made but shall not
 5 be claimed on a return due on or before December 31, 2015.

6 * * *

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

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

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

Senate Bill No. 99 by Senator Morrell increases the total amount of tax credits available under the New Market Tax Credits program by \$30 million.

While I applaud the intent of the program to stimulate investment in low-income areas, I believe there are more critical economic development programs to which we should dedicate state resources at this time. During the 2011 Regular Session, I supported the renewal of several incentive programs which directly complement and support the goals of state agencies like Louisiana Economic Development and the Department of Culture, Recreation, and Tourism. These programs work to create jobs, attract business investment, encourage intellectual property development, and revitalize historic and downtown areas.

It is important that we protect scarce resources for priorities like healthcare and higher education. For this reason, I have vetoed Senate Bill No. 99 and hereby return it to the Senate.