Michael Jackson (HB 597) **Act No. 414**

Prior law became null and void on Dec. 31, 2009. It authorized a refundable credit against La. income and corporation franchise tax liability for qualifying individuals which invested in "La. Entrepreneurial Businesses", as approved by the Dept. of Economic Development (hereinafter department).

Prior law authorized refundable credits equal to 50% of the amount of the investment, for investments of up to $1 million per year, and $2 million per business. The credit was divided in equal portions for five years and had no value or effect on tax liability beginning with the 11th tax year after the tax year in which it was originally granted.

New law retains provisions of prior law but provides that for investments made on or after Jan. 1, 2011, a tax credit of 35% of the amount invested may be authorized for qualified investors. The tax credit shall become payable 24 months from the date the department certifies the amount of the investment. New law also provides eligibility requirements for investments and the businesses in which they are made.

Prior law limited the total amount of tax credits which the department may grant each calendar year to $5 million, with any residual amount remaining at year's end to be available for the provision of tax credits in subsequent years, notwithstanding the $5 million annual cap.

New law retains provisions of prior law.

Prior law provided for the conditions under which tax credits must be repaid or recaptured, including the change of domicile of a La. Entrepreneurial Business or the use of investment monies in a manner deemed inappropriate by the department.

New law retains provisions of prior law.

New law authorizes the transfer of tax credits and provides the procedure and requirements related thereto.

Provisions of new law become null and void on July 1, 2015.

Effective upon signature of governor (July 8, 2011).

(Amends R.S. 47:6020; Repeals R.S. 47:6020.1, 6020.2, and 6020.3)