

Proposed law, relative to new markets tax credits, would have provided that the applicable percentage for qualified investments issued to taxpayers on and after September 1, 2011, is zero percent for the first 3 credit allowance dates, and 10% for the remainder of the credit allowance dates.

Present law defines "credit allowance date" to mean with respect to any qualified equity investment the date on which such investment is initially made and the first two anniversaries of such date 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.

Proposed law would have provided that "credit allowance date" means the following with respect to any qualified equity investment issued during the following periods:

- (1) 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.
- (2) 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.
- (3) 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.

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 would have added \$30 million of credits that can be issued, as follows:

1. A maximum of \$15 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 \$15 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.

Proposed law would have required that credits issued on or after September 1, 2011, 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 be claimed on a return due on or before December 31, 2014.

Proposed law would have required that credits issued on or after September 1, 2012, 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 be claimed on a return due on or before December 31, 2015.

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 would have extended that tax credit allowance period indefinitely, if such qualified equity investment is issued prior to December 31, 2014.

Would have become effective upon signature of the governor or lapse of time for gubernatorial action.

(Proposed to amend R.S. 47:6016(B)(2)(b)(intro para), (B)(3), (E)(2)(a)(intro para) and (iv), and (I); added R.S. 47:6016, 6016(B)(2)(c), (E)(2)(a)(v) and (vi), and (7) and (8))

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."