
DIGEST

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HB 217 Original

2015 Regular Session

Bouie

Abstract: Changes the definition of "qualified community development entity" by eliminating the requirement that the entity enters into an allocation agreement with the U.S. Treasury Department.

Present law provides an insurance premium tax credit based on the investment of private capital in a low-income community business through the La. New Markets Jobs Act program. The amount of the tax credit shall be the product of multiplying the amount of the investment purchase price (investment authority) by the following percentages: 14% for the first and second years and 8.5% for the third and fourth years. The total of all such credits taken cannot exceed the taxpayer's state premium tax liability for the tax year for which the credit is claimed; however, unused credits may be carried forward for up to ten years. Unclaimed tax credits are transferable to one or more transferees.

Present law authorizes a total of \$55 million of investment authority for certification and allocation for the purpose of earning tax credits.

Present law defines the specific types of investments required for tax credit eligibility, including a definition of "qualified community development entity".

Proposed law changes the definition of "qualified community development entity" by eliminating the requirement that the entity enter into an allocation agreement with the U.S. Treasury Department.

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

(Amends R.S. 47:6016.1(B)(6))