

2015 Regular Session

HOUSE BILL NO. 725

BY REPRESENTATIVE LEGER

TAX CREDITS: Increases the qualified equity investment authority for the La. New Markets Jobs Act tax credits

1 AN ACT

2 To amend and reenact R.S. 47:6016.1(B)(1) and (E)(5); relative to insurance premium tax;  
3 to provide for the Louisiana New Markets Jobs Act tax credits; to provide for  
4 definitions, to provide for applicable percentage; to provide with respect to issuance  
5 date; to provide with respect to amounts available for certification and allocation, to  
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6016.1(B)(1) and (E)(5) are hereby amended and reenacted to read  
9 as follows:

10 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

11 \* \* \*

12 B. As used in this Section, the following words, terms, and phrases have the  
13 meaning ascribed to them unless a different meaning is clearly indicated by the  
14 context:

15 (1) "Applicable percentage" means: ~~fourteen percent for the first and second~~  
16 ~~credit allowance dates and eight and one-half percent for the third and fourth credit~~  
17 ~~allowance dates.~~

18 (a) With respect to qualified equity investments issued after August 1, 2013  
19 but prior to January 1, 2015, fourteen percent for the first and second credit

1 allowance dates and eight and one-half percent for the third and fourth credit  
2 allowance dates.

3 (b) With respect to qualified investments issued on or after January 1, 2015,  
4 zero percent for the first through third credit allowance dates and fifteen percent for  
5 the fourth through sixth credit allowance dates.

6 \* \* \*

7 E.

8 \* \* \*

9 (5)(a) ~~A total of fifty-five~~ Fifty-five million dollars of qualified equity  
10 investment authority shall be available for certification and allocation for  
11 investments before August 1, 2015. The department shall accept applications  
12 beginning on August 1, 2013, for allocation and certification of up to fifty-five  
13 million dollars of qualified equity investments.

14 (b) On August 1, 2015, and thereafter, an additional one hundred million  
15 dollars of qualified equity investment authority, for a total of one hundred fifty-five  
16 million dollars, shall be available for certification and allocation. The department  
17 shall accept applications beginning on August 1, 2015, for allocation and  
18 certification of the additional one hundred million dollars of qualified equity  
19 investments.

20 (c) If a pending request cannot be fully certified due to these limits of  
21 qualified equity investment authority, the department shall certify the portion of  
22 qualified equity investment authority that may be certified unless the qualified  
23 community development entity elects to withdraw its request rather than receive  
24 partial certification.

25 \* \* \*

26 Section 2. The provisions of this Act shall be applicable to taxable periods beginning  
27 on or after January 1, 2016.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 725 Original

2015 Regular Session

Leger

**Abstract:** Increases the total aggregate amount of tax credits allocated under the La. New Markets Jobs Act to \$155 Million, and specifies certain percentages for investments issued beginning Jan. 1, 2016.

Present law establishes the La. New Markets Jobs Act for purposes of a tax credit which may be claimed against insurance premium tax. Eligibility for the credit is based on the investment of private capital in a low-income community business located in La. 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 1<sup>st</sup> and 2<sup>nd</sup> credit allowance dates and 8.5% for the 3<sup>rd</sup> and 4<sup>th</sup> credit allowance dates.

Proposed law specifies those percentages with respect to qualified equity investments issued after Aug. 1, 2013, but prior to Jan. 1, 2015; and specifies that with respect to qualified equity investments issued Jan. 1, 2015, and thereafter, 0% for the 1<sup>st</sup> through 3<sup>rd</sup> credit allowance dates and 15% for the 4<sup>th</sup> and 6<sup>th</sup> credit allowance dates.

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

Proposed law retains present law but increases the authority available for certification and allocation for investments before Aug. 1, 2015 by \$100M. Further provides that the dept. shall accept applications beginning Aug. 1, 2015, for allocation and certification of the additional \$100 Million of qualified equity investments.

Applicable for all tax periods beginning on and after Jan. 1, 2016.

(Amends R.S. 47:6016.1(B)(1) and (E)(5))