

2015 Regular Session

SENATE BILL NO. 229

BY SENATOR DONAHUE

TAX/TAXATION. Establishes a baseline limit on all claims against income and franchise tax for Angel Investor Tax Credit Program filed during a fiscal year on a first-come, first-served basis and gives claims above the amount priority in the next fiscal year. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6020(B)(1) and (D)(1) and to enact R.S. 47:6020(G), relative
3 to the Angel Investor Tax Credit Program; to provide a baseline amount of credits
4 that may be claimed in a fiscal year; to provide a termination date for the credit; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6020(B)(1) and (D)(1) are hereby amended and reenacted and
8 R.S. 47:6020(G) is hereby enacted to read as follows:

9 §6020. Angel Investor Tax Credit Program

10 * * *

11 B. Administration. (1) Program. ~~Investments~~ **For investments** made on or
12 after January 1, 2011, ~~by~~ **and before July 1, 2021,** qualifying individuals or entities
13 that invest in a Louisiana Entrepreneurial Business as defined by R.S. 51:2303(5)
14 may apply for, and if qualified, be granted a tax credit. The administration of tax
15 credit applications, certification of eligibility and qualification of applicants for tax
16 credits, and the provision for these credits shall be known as the Angel Investor Tax
17 Credit Program, hereinafter referred to as "program".

1 * * *

2 D. Tax credits. (1)~~(a)~~ The total amount of tax credits granted by the
3 department in any calendar year **through 2014** shall not exceed five million dollars.

4 **(b) For the period from January 1, 2015, through June 30, 2015, the**
5 **total amount of tax credits granted by the department shall not exceed two**
6 **million dollars.**

7 **(c) Beginning Fiscal Year 2015-2016, the total amount of tax credits**
8 **granted by the department in any fiscal year through Fiscal Year 2020-2021**
9 **shall not exceed three million dollars. No credits shall be granted after June 30,**
10 **2021.**

11 **(d) The Subject to the provisions of Subsection G of this Section, the**
12 department shall by rule establish the method of allocating available tax credits to
13 investors including but not limited to a first-come, first-served system, reservation
14 of tax credits for a specific time period, or other method which the department, in its
15 discretion, may find beneficial to the program. If the department does not grant the
16 entire five million dollars in tax credits in any calendar year **through 2013**, the
17 amount of residual unused tax credits shall carry forward to subsequent calendar
18 years and may be granted in any year without regard to the five million dollar per
19 year limitation. **No carryforward of residual unused credits shall be permitted**
20 **after December 31, 2014.** After the approval of an investor pool, the department
21 shall issue a letter identifying the amount of tax credits that are available to that pool;
22 however, no tax credit shall be granted to an investor until the investment has been
23 made in the Louisiana Entrepreneurial Business.

24 * * *

25 **G.(1) Notwithstanding any other provision of this Section, for each fiscal**
26 **year beginning Fiscal Year 2015-2016, no more than three million dollars, the**
27 **baseline average of the aggregate amount of claims filed for the credits provided**
28 **for in this Section during the five fiscal years from Fiscal Year 2008-2009 to**
29 **Fiscal Year 2013-2014, shall be allowed as a credit against income or corporate**

1 franchise tax liability, or both, for all such claims for the credit filed during a
 2 fiscal year. Claims for the credit shall be allowed on a first-come, first-served
 3 basis. Any taxpayer whose claim for such tax credit is disallowed may use the
 4 tax credit against income or corporate franchise tax liability due in a return
 5 filed in the next fiscal year, or both, and his claim shall have priority over other
 6 claims filed after the date and time of his original claim.

7 (2) The provisions of this Section shall terminate on June 30, 2021.
 8 Credits granted before July 1, 2021, shall be applied as provided in this Section;
 9 however, no additional credits shall be granted.

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.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

SB 229 Original

2015 Regular Session

Donahue

Present law provides for the Angel Investor Tax Credit Program. Provides relative to the purpose of, administration of, and qualifications for participation in the program. Provides for calculation and transferability of the credits granted.

Proposed law retains present law.

Present law caps the amount of credits that may be granted by the Dept. of Economic Development at \$5 million per calendar year. Provides that, to the extent the \$5 million cap is not reached in a particular year, the residual unused credits shall carry forward to subsequent years and may be granted in any year without regard to the \$5 million cap.

Proposed law retains present law through Dec. 31, 2014.

Proposed law terminates the carry-forward and caps the amount of credits that may be granted by DED for the six-month period from Jan. 1, 2015, through June 30, 2015, at \$2 million.

Proposed law establishes a cap of \$3 million on the total amount of credits allowed in a fiscal year beginning with FY 2015-16. The cap is the baseline average of the aggregate amount of claims filed for the credits provided for in present law during the five fiscal years from FY 2008-09 to FY 2013-14.

Proposed law provides that claims for the credit shall be allowed on a first-come, first-served

basis. Provides that any taxpayer whose claim for the credit is disallowed may use the credit against income or corporate franchise tax liability due in a return filed in the next fiscal year and his claim shall have priority over other claims filed after the date and time of his original claim.

Proposed law terminates the program June 30, 2021.

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

(Amends R.S. 47:6020(B)(1) and (D)(1); adds R.S. 47:6020(G))