

2025 Regular Session

SENATE BILL NO. 186

BY SENATOR REESE

TAX/TAXATION. Provides relative to the New Markets tax credit. (8/1/25)

1 AN ACT

2 To amend and reenact R.S. 47:6016.1(B)(1)(b) and (10)(b), relative to the New Markets
3 Jobs Act premium tax credit; to provide for the definition of applicable percentage;
4 to provide for the definition of qualified equity investment; to provide with respect
5 to the issuance date; to provide relative to credit allocation dates; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6016.1(B)(1)(b) and (10)(b) are hereby amended and reenacted
9 to read 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)(a) * * *

16 (b) "Applicable percentage" means fifteen percent for the ~~fourth~~ **third**
17 through ~~sixth~~ **fifth** credit allowance dates and ten percent for the ~~seventh~~ **sixth** credit

1 allowance for all qualified equity investments issued on or after August 1, 2020.

2 * * *

3 (10) "Qualified equity investment" means any equity investment in a
4 qualified community development entity that meets each of the following criteria:

5 * * *

6 (b) Has at least one hundred percent of its cash purchase price used by the
7 issuer to make qualified low-income community investments in qualified active
8 low-income community businesses located in this state by the first anniversary of the
9 initial credit allowance date with respect to qualified equity investments issued prior
10 to August 1, 2020, and after August 1, ~~2023~~**2025**, and within nine months of the
11 initial credit allowance date with respect to qualified equity investments issued on
12 or after August 1, 2020, and before August 1, 2023.

13 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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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Present law provides for the Louisiana New Markets Jobs Act tax credit that may be claimed against insurance premium tax. Provides that eligibility for the credit is based on the investment of private capital in a low-income community business located in Louisiana.

Proposed law retains present law.

Present law defines applicable percentage as 15% for the fourth through sixth credit allowance dates and 10% percent for the seventh credit allowance for all qualified equity investments issued on or after August 1, 2020.

Proposed law changes the definition of applicable percentage to mean 15% for the third through fifth credit allowance dates and 10% percent for the sixth credit allowance for all qualified equity investments issued on or after August 1, 2020.

Present law defines qualified equity investment as any equity investment in a qualified community development entity that has at least 100% of its cash purchase price used by the issuer to make qualified low-income community investments in qualified active low-income community businesses located in this state by the first anniversary of the initial credit allowance date for qualified equity investments issued prior to August 1, 2020, and after August 1, 2023, and within nine months of the initial credit allowance date for qualified equity investments issued on or after August 1, 2020, and before August 1, 2023.

Proposed law changes the definition of qualified equity investment to mean any equity

investment in a qualified community development entity that has at least 100% of its cash purchase price used by the issuer to make qualified low-income community investments in qualified active low-income community businesses located in this state by the first anniversary of the initial credit allowance date for qualified equity investments issued prior to August 1, 2020, and after August 1, 2025, and within nine months of the initial credit allowance date for qualified equity investments issued on or after August 1, 2020, and before August 1, 2023.

Effective August 1, 2025.

(Amends R.S. 47:6016.1(B)(1)(b) and (10)(b))