

SENATE BILL NO. 186

BY SENATOR REESE AND REPRESENTATIVE JACKSON

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AN ACT

To amend and reenact R.S. 47:6016.1(B)(8)(a) and (11), (E)(1)(c), (2), and (5)(d), and the introductory paragraph of (H)(1) and to enact R.S. 47:6016.1(E)(1)(g) and (5)(e) and (J)(4) and (5), relative to the New Markets Jobs Act premium tax credit; to provide for the definition of qualified active low-income community business; to provide for the definition of qualified low-income community investment; to provide for the application requirements to be designated a qualified equity investment; to provide for the denial of applications under certain circumstances; to provide relative to the deposit required under certain circumstances; to provide for equity investment authority after a certain date; to provide for reporting requirements; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6016.1(B)(8)(a) and (11), (E)(1)(c), (2), and (5)(d), and the introductory paragraph of (H)(1) are hereby amended and reenacted and R.S. 47:6016.1(E)(1)(g) and (5)(e) and (J)(4) and (5) are hereby enacted to read as follows:

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

* * *

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

* * *

(8) "Qualified active low-income community business" has the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended, and 26 CFR 1.45D-1.

(a) With respect to qualified equity investments issued on or after August 1, 2020, a qualified active low-income community business shall also be engaged in an

1 industry assigned a primary North American Industry Classification System code
 2 within sector 11, 21, 23, 31, 32, 33, 42, 48, 49, 54, 56, 62, 72, or 81 and have total
 3 employees that do not exceed the greater of two hundred fifty and the number of
 4 employees set forth for the business's North American Industry Classification
 5 System code sector in 13 CFR 121.201.

6 * * *

7 (11) "Qualified low-income community investment" means any capital or
 8 equity investment in, or loan to, any qualified active low-income community
 9 business. With respect to any one qualified active low-income community business,
 10 the maximum amount of qualified low-income community investments made in that
 11 business, on a collective basis with all of its affiliates that may be counted towards
 12 satisfaction of Subparagraph (10)(b) of this Subsection is ten million dollars for
 13 qualified equity investments issued prior to August 1, 2020, ~~and~~ five million dollars
 14 for qualified equity investments issued on or after August 1, 2020, **and before**
 15 **August 1, 2025, and ten million dollars for qualified equity investments issued**
 16 **on or after August 1, 2025,** whether issued by one or several qualified community
 17 development entities. Any amounts returned or repaid by such qualified active
 18 low-income community business to a qualified community development entity may
 19 be reinvested in such qualified active low-income community business by such
 20 qualified community development entity and not be counted against the ten million
 21 dollar limit provided for in this Paragraph. **The caps on qualified low-income**
 22 **community investments per qualified low-income community business shall only**
 23 **apply to awards of qualified equity investment authority on a per application**
 24 **round basis authorized pursuant to Paragraph (E)(5) of this Section.**

25 * * *

26 E.(1) A qualified community development entity that seeks to have an equity
 27 investment designated as a qualified equity investment and eligible for tax credits
 28 under this Section shall apply to the department. On a form prescribed by the
 29 department, the qualified community development entity shall include each of the
 30 following in or attached to its application:

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(c) A certificate executed by an executive officer of the applicant attesting that either:

~~(i) the~~ The allocation agreement remains in effect and has not otherwise been revoked or cancelled by the Community Development Financial Institutions Fund.

(ii) The allocation agreement has expired but was not revoked or cancelled by the Community Development Institutions Fund and the applicant or its affiliates have received a prior certification of qualified equity investment authority pursuant to this Section after August 1, 2020.

* * *

(g) If the applicant, including affiliates, has received a prior certification of qualified equity investment authority, a certificate executed by an executive officer of the applicant attesting that the applicant, including affiliates, has not been subject to a deposit forfeiture pursuant to Subsection H of this Section.

(2) Within thirty days after receipt of a completed application containing the information set forth in Paragraph (1) of this Subsection, including the deposit ~~as~~ if required in Subsection H of this Section, the department shall grant or deny the application in full or in part. If the department denies any part of the application, it shall inform the qualified community development entity of the grounds for the denial. The department shall deny all applications that do not satisfy Subparagraph (1)(g) of this Subsection. If the qualified community development entity provides additional information required by the department or otherwise completes its application within fifteen days of the notice of denial, the application shall be considered completed as of the original date of the submission. If the qualified community development entity fails to provide the information or complete its application within the fifteen-day period, the application remains denied and must be resubmitted in full with a new submission date, and the department shall refund the performance deposit.

* * *

(5)(a) * * *

1 (d) A total of one hundred fifty million dollars of qualified equity
 2 investment authority shall be available for certification and allocation for
 3 applications beginning August 1, 2025. The department shall accept applications
 4 beginning on August 1, 2025, for allocation and certification of up to one
 5 hundred fifty million dollars of qualified equity investments.

6 (e) If a pending request cannot be fully certified due to these limits of
 7 qualified equity investment authority, the department shall certify the portion of
 8 qualified equity investment authority that may be certified unless the qualified
 9 community development entity elects to withdraw its request rather than receive
 10 partial certification.

11 * * *

12 H.(1) A qualified community development entity that seeks to have an equity
 13 investment designated as a qualified equity investment and eligible for tax credits
 14 pursuant to this Section shall pay a deposit in the amount of five hundred thousand
 15 dollars payable to the department, **provided that this requirement shall not apply**
 16 **to qualified community development entities, including affiliates, that have**
 17 **received prior certifications of qualified equity investment authority pursuant**
 18 **to this Section and have not been subject to forfeiture of prior deposits.** The
 19 entity shall forfeit the deposit in its entirety if either:

20 * * *

21 J.(1)

 * * *

22 **(4) Qualified community development entities that issue qualified equity**
 23 **investments after August 1, 2025, shall submit a report to the secretary of**
 24 **Louisiana Economic Development within the first five business days after the**
 25 **first anniversary of the initial credit allowance date and thereafter an annual**
 26 **report within forty-five days of the beginning of the calendar year during the**
 27 **compliance period, that contains the following information:**

28 **(a) The name of each qualified active low-income community business**
 29 **that received a qualified low-income community investment and a brief**
 30 **description of the qualified active low-income community business, including**

1 its sector assigned by the North American Industry Classification System code.

2 (b) The location of each qualified active low-income community business,
3 including whether the business is an impact business as defined in this Section.

4 (c) The amount of the qualified low-income community investment made
5 in each qualified active low-income community business.

6 (d) The number of employment positions created and retained as a result
7 of the qualified low-income community investment and the average salary of
8 such positions, including whether the positions offer benefits and training.

9 (e) The number of employment positions expected to be created as a
10 result of each such qualified low-income community investment.

11 (f) The poverty rate and median family income, based on the most recent
12 census estimate by the United States Census Bureau, for each low-income
13 community with a qualified active low-income community business that
14 received a qualified low-income community investment.

15 (g) The preceding twelve-month average monthly unemployment rate,
16 based on United States Bureau of Labor Statistics data, for each low-income
17 community with a qualified active low-income community business that
18 received a qualified low-income community investment.

19 (h) The amount of any federal qualified low-income community
20 investment received by each qualified active low-income community business.

21 (i) Any additional information the qualified community development
22 entity may add concerning the qualified low-income community investment and
23 its impact on the low-income community or the state, such as community
24 support, environmental effects, follow-up capital investment, and other related
25 economic development impacts.

26 (5) The qualified community development entity is not required to
27 provide the annual report as provided for in Paragraph (4) of this Subsection
28 for qualified low-income community investments that have been redeemed or
29 repaid.

30 * * *

1 Section 2. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____