

2023 Regular Session

HOUSE BILL NO. 429

BY REPRESENTATIVES PRESSLY, DAVIS, AND WILLARD

TAX CREDITS: Provides relative to the Angel Investor Tax Credit Program

1 AN ACT

2 To amend and reenact R.S. 47:6020(D)(2)(a) and (b), (G), and (H), relative to the Angel
3 Investor Tax Credit Program of the Department of Economic Development; to
4 provide relative to credits against income and corporation franchise tax liability
5 approved through the program; to eliminate a requirement that such credits granted
6 to investors be divided in equal portions for two years; to extend the tax credit
7 program for a certain duration; to make technical changes; and to provide for related
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6020(D)(2)(a) and (b), (G), and (H) are hereby amended and
11 reenacted to read as follows:

12 §6020. Angel Investor Tax Credit Program

13 * * *

14 D. Tax credits.

15 * * *

16 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
17 income or corporation franchise tax liability owed to the state by the taxpayer
18 seeking to claim the credit in the amount approved by the secretary of the
19 department. The amount of the tax credit shall be based upon the amount of money
20 invested by the investor in the Louisiana Entrepreneurial Business, which investment

1 shall not exceed seven hundred twenty thousand dollars per year per business and
 2 one million four hundred forty thousand dollars total per business. Except as
 3 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
 4 against the income tax for the taxable period in which the credit is earned and the
 5 franchise tax for the taxable period following the period in which the credit is earned.
 6 The credits approved by the department shall be granted at the rate of twenty-five
 7 percent of the amount of the investment ~~with the credit divided in equal portions for~~
 8 ~~two years.~~

9 (b) After certifying the eligibility of the Louisiana Entrepreneurial Business
 10 and the amount of the investment, the secretary of the department shall issue a tax
 11 credit certificate, a copy of which is to be attached to the tax return of the angel
 12 investor. The tax credit ~~available in the first year~~ shall become deductible from tax
 13 liability in the taxpayer's income tax year which occurs twenty-four months from the
 14 date the department certifies the amount of the investment.

15 * * *

16 G.(1) Except as provided ~~for~~ in Paragraph ~~(3)~~ (4) of this Subsection,
 17 applications received on or after July 1, 2020, for investments that meet the
 18 requirements of Subsection C of this Section, ~~and the requirements of 26 U.S.C.~~
 19 ~~1400Z-1; and 1400Z-2,~~ and applicable federal regulations shall be entitled to an
 20 enhanced credit in accordance with the provisions of this Subsection.

21 ~~(1)~~ (2) The amount of the credit granted by the department shall be
 22 thirty-five percent of the amount of the investment ~~with the credit divided in equal~~
 23 ~~portions for two years.~~

24 ~~(2)~~ (3) In addition to the credit cap provided for in Subsection D of this
 25 Section, the total amount of credits granted under this Subsection shall not exceed
 26 three million six hundred thousand dollars per year for a total program cap of seven
 27 million two hundred thousand dollars per year. If the department does not grant the
 28 entire three million six hundred thousand dollars in tax credits in any calendar year
 29 authorized pursuant to this Subsection, the amount of unused tax credits shall carry

Proposed law repeals present law requiring that credits approved by the department shall be divided in equal portions for two years. Otherwise, retains present law.

Present law stipulates that no credits shall be granted or reserved pursuant to present law for reservation applications received by the department on or after July 1, 2025. Proposed law revises present law to extend this period and provide instead that no credits shall be granted or reserved for reservation applications received by the department on or after July 1, 2029.

(Amends R.S. 47:6020(D)(2)(a) and (b), (G), and (H))