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## DIGEST

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HB 510 Original

2023 Regular Session

Farnum

**Abstract:** Provides relative to credits against state insurance premium taxes authorized in the La. New Markets Jobs Act and allocates additional equity investment authority in accordance with that law.

Present law known as the Louisiana New Markets Jobs Act provides tax incentives for investment of private capital in low-income community businesses that are located in rural parishes or in areas designated by present law as recovery zones, or are more than 50% owned by women, minorities, or military veterans.

Present law authorizes credits against state insurance premium taxes imposed by present law (R.S. 22:831 et seq.) for qualified equity investments in qualified community development entities that meet the requirements of present law. Defines "qualified equity investment", "qualified community development entity", and other key terms for purposes of present law.

Proposed law revises the definitions of "recovery zone", "rural parish", and "qualified equity investment" for purposes of present law and proposed law.

Proposed law provides that a total of \$150,000,000 of qualified equity investment authority shall be available for certification and allocation for tax credit applications beginning Aug. 1, 2023. Requires the Dept. of Revenue to accept applications beginning on Aug. 1, 2023, for such certification and allocation.

Present law authorizes the Dept. of Insurance to recapture insurance premium tax credits issued in accordance with present law under certain circumstances and conditions specified in present law. Proposed law retains present law and adds thereto an authorization for the Dept. of Insurance to recapture tax credits when, in connection with qualified equity investments issued on or after Aug. 1, 2023, the investor fails to invest a requisite amount in qualified low-income community businesses in La. within 12 months of the issuance of the qualified equity investment.

Present law requires qualified community development entities that issue qualified equity investments before Aug. 1, 2020, to submit a report to the Dept. of Revenue within the first five business days after the first anniversary of the initial credit allowance date that provides documentation as to the investment of 100% of the purchase price in qualified low-income community investments in low-income community businesses. Proposed law retains present law and provides that this reporting requirement also applies to qualified community development entities that issue qualified equity investments after Aug. 1, 2023.

(Amends R.S. 47:6016.1(B)(intro. para.), (6), (7), and (10)(b), (D)(1) and (2)(a)(intro. para.), (E)(5)(c), (F)(3) and (4), (H)(1)(intro. para.), (b), and (2), and (J)(1)(a)(intro. para.) and (ii) and (b)(intro. para.) and (2); Adds R.S. 47:6016.1(E)(5)(d) and (F)(5))