

First Extraordinary Session, 2005

HOUSE BILL NO. 101

BY REPRESENTATIVE RICHMOND

TAX CREDITS: Authorizes Louisiana Community Development Financial Institutions to include investments in areas affected by Hurricanes Katrina and Rita (Item #77)

1 AN ACT

2 To amend and reenact R.S. 51:3084(11), relative to the Louisiana Community Development
3 Financial Institution Act; to define low-income community to include areas affected
4 by Hurricanes Katrina and Rita; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:3084(11) is hereby amended and reenacted to read as follows:

8 §3084. Definitions

9 * * *

10 (11) "~~Low income~~ Low-income community" means either:

11 (a) ~~any~~ Any census tract that has thirty-five percent of the United States
12 Department of Housing and Urban Development Area Median Family Income, as
13 determined and approved by the commissioner; or

14 (b) For purposes of tax credits taken against income and corporation
15 franchise taxes, any community located in an area with respect to which a major
16 disaster has been declared by the president under Section 401 of the Robert T.
17 Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane
18 Katrina or Rita.

19 * * *

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.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Richmond

HB No. 101

Abstract: Authorizes Louisiana Community Development Financial Institutions to include investments in areas affected by Hurricanes Katrina and Rita.

Present law provides for the Louisiana Community Development Financial Institution Act, the purpose of which is to further community development, diminish poverty, and provide assistance in the formation and expansion of new business which creates jobs in the state by providing for the availability of venture capital financing.

Present law provides that qualifying individuals or businesses that invest in a Louisiana Community Development Financial Institution may earn, apply for, and be granted a tax credit on any personal income, corporate income, or corporation franchise tax liability.

Present law provides that 100% of all investments must be made in low-income communities, which is defined as any census tract that has 35% of the U.S. Dept. of Housing and Urban Development Area Median Family Income, as determined and approved by the commissioner of financial institutions.

Proposed law retains present law and includes in the definition of "low-income community", for purposes of corporation income and franchise tax credits, any community located in an area with respect to which a major disaster has been declared by the president under Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina or Rita.

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

(Amends R.S. 51:3084(11))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Specifies that additional areas are added for purposes of corporation income and franchise tax credits.