

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

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

DIGEST

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.

Present law provides that qualifying individuals or businesses that make "qualified equity investments" or "qualified low-income community investments," pursuant to the provisions of R.S. 47:6016 may claim a credit against their Louisiana income or corporation franchise tax for the taxable year equal to the applicable percentage of the adjusted purchase price paid to the issuer of the qualified equity investment.

Proposed law expands the definition of "qualified equity investments" and "qualified low-income community investments" to include investments in certain low-income communities located in a presidentially declared major disaster area.

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

(Amends R.S. 47:6016(B)(4) and 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.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection and International Affairs to the reengrossed bill.

- 1. Expands definition of "qualified equity investment" for purposes of the new markets tax credit plan to include investments in certain low-income communities located in a presidentially declared major disaster area.