

HOUSE SUMMARY OF SENATE AMENDMENTS

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)

Synopsis of Senate Amendments

1. Changes definition of "qualified equity investment" for purposes of the new markets tax credit plan.

Digest of Bill as Finally Passed by Senate

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.

Present law defines "qualified equity investment" and "qualified low-income community investments" to have the same meaning given in Sec. 45D of the Internal Revenue Code .

Proposed law retains present law and adds "qualified low-income community investments" shall also mean investments made in low-income communities as defined in R.S. 51:3084(11)(b), the Louisiana Community Development Financial Institution Act.

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))