

2015 Regular Session

HOUSE BILL NO. 444

BY REPRESENTATIVE LEGER

TAX CREDITS: Prohibits the transfer of tax credits issued pursuant to the Angel Investor Tax Credit Program

1 AN ACT

2 To amend and reenact R.S. 47:6020(F), relative to income and corporation franchise tax
3 credits; to provide with respect to the Angel Investor Tax Credit Program; to prohibit
4 the transferability of the credit; 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. 47:6020(F) is hereby amended and reenacted to read as follows:

8 §6020. Angel Investor Tax Credit Program

9 * * *

10 F. Transferability of the credit. ~~Any Angel Investor Tax Credits not~~
11 ~~previously claimed by any taxpayer against its tax may be transferred or sold to~~
12 ~~another Louisiana taxpayer, subject to the following conditions:~~

13 ~~(1) A single transfer or sale may involve one or more transferees. The~~
14 ~~transferee of the tax credits may transfer or sell such tax credits subject to the~~
15 ~~conditions of this Subsection.~~

16 ~~(2) Transferors and transferees shall submit to the Department of Revenue,~~
17 ~~in writing, a notification of any transfer or sale of tax credits within ten business days~~
18 ~~after the transfer or sale of such tax credits. The notification shall include the~~
19 ~~transferor's tax credit balance prior to transfer, a copy of any tax credit certificate~~
20 ~~issued by the secretary of the Department of Economic Development, the transferor's~~
21 ~~remaining tax credit balance after transfer, all tax identification numbers for both~~

1 transferor and transferee, the date of transfer, the amount transferred, the price paid
2 by the transferee to the transferor, and any other information required by the
3 department or the Department of Revenue. Any information submitted by a
4 transferor or transferee shall be treated by the department and the Department of
5 Revenue as proprietary to the entity reporting such information and therefore
6 confidential. However, this shall not prevent the publication of summary data that
7 includes no fewer than three transactions.

8 (3) Failure to comply with this Subsection will result in the disallowance of
9 the tax credit until the taxpayers are in full compliance.

10 (4) The transfer or sale of this credit does not extend the time in which the
11 credit can be used. The carryforward period for credit that is transferred or sold
12 begins on the date on which the credit was earned.

13 (5) To the extent that the transferor did not have rights to claim or use the
14 credit at the time of the transfer, the Department of Revenue shall either disallow the
15 credit claimed by the transferee or recapture the credit from the transferee through
16 any collection method authorized by this Section or R.S. 47:1561. The transferee's
17 recourse is against the transferor. Beginning July 1, 2015, no tax credit issued
18 pursuant to the provisions of this Section shall be transferable.

19 Section 2. The provisions of this Act shall become effective on July 1, 2015, and
20 shall be applicable to all tax years beginning on or after that date.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 444 Original

2015 Regular Session

Leger

Abstract: Beginning July 1, 2015, prohibits the transfer of the income or corporation franchise tax credits issued pursuant to the Angel Investor Tax Credit Program.

Present law provides for an income or corporation franchise tax credit for investments made on or after Jan. 1, 2011, for qualifying individuals or entities which invest in a La. Entrepreneurial Business. The amount of the credit shall be equal to 35% of the amount invested by the investor divided into equal portions over five years. The maximum amount of the investment that can be eligible for the credit is limited to \$1 million per year per business and \$2 million total per business.

Present law authorizes the transferability of tax credits issued pursuant to the Angel Investor Tax Credit Program. Transferors and transferees are required to submit to the Dept. of Revenue written notification of any transfer or sale of tax credits within 10 business days after the transfer or sale of a credit. The transfer or sale of the credit does not extend the time in which the credit can be used and the carryforward period for transferred credits begins on the date on which the credit was earned.

Proposed law repeals present law regarding the transferability of the credit and prohibits the transfer of the credit beginning July 1, 2015.

Effective July 1, 2015, and shall be applicable for all tax years beginning on or after such date.

(Amends R.S. 47:6020(F))