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## DIGEST

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HB 725 Original

2015 Regular Session

Leger

**Abstract:** Increases the total aggregate amount of tax credits allocated under the La. New Markets Jobs Act to \$155 Million, and specifies certain percentages for investments issued beginning Jan. 1, 2016.

Present law establishes the La. New Markets Jobs Act for purposes of a tax credit which may be claimed against insurance premium tax. Eligibility for the credit is based on the investment of private capital in a low-income community business located in La. The amount of the tax credit shall be the product of multiplying the amount of the investment purchase price (investment authority) by the following percentages: 14% for the 1<sup>st</sup> and 2<sup>nd</sup> credit allowance dates and 8.5% for the 3<sup>rd</sup> and 4<sup>th</sup> credit allowance dates.

Proposed law specifies those percentages with respect to qualified equity investments issued after Aug. 1, 2013, but prior to Jan. 1, 2015; and specifies that with respect to qualified equity investments issued Jan. 1, 2015, and thereafter, 0% for the 1<sup>st</sup> through 3<sup>rd</sup> credit allowance dates and 15% for the 4<sup>th</sup> and 6<sup>th</sup> credit allowance dates.

Present law authorizes a total of \$55 Million of qualified equity investment authority for certification and allocation for the purpose of earning tax credits.

Proposed law retains present law but increases the authority available for certification and allocation for investments before Aug. 1, 2015 by \$100M. Further provides that the dept. shall accept applications beginning Aug. 1, 2015, for allocation and certification of the additional \$100 Million of qualified equity investments.

Applicable for all tax periods beginning on and after Jan. 1, 2016.

(Amends R.S. 47:6016.1(B)(1) and (E)(5))