
DIGEST

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HB 25 Original

2020 Second Extraordinary Session

Farnum

Abstract: Adds businesses located in the Hurricane Laura recovery zone as declared by FEMA to the qualified active low-income community businesses eligible to participate in La. New Markets Jobs Act tax credits.

Present law provides for the La. New Markets Jobs Act tax credit that 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.

Present law defines "qualified active low-income community business" as an entity which under federal law is defined as a business located in either a census tract with a poverty rate of at least 20% or a census tract with a median income that does not exceed 80% of the benchmark median income and has certain applicable NAICS code sectors and no more than 250 employees or the number of employees set forth for the business's NAICS code sector.

Proposed law adds to the definition of "qualified active low-income community business", businesses in the recovery zone that otherwise meet the requirements of federal law but are not located in a low-income community and defines "recovery zone" as those parishes declared by FEMA to be eligible for both individual and public assistance due to Hurricane Laura.

Present law includes a recapture condition for investments made on or after August 1, 2020, if there has been a failure to invest an amount equal to 100% of the purchase price of the investment within nine months of the issuance of the investment or less than 50% of the purchase price was invested in "impact businesses".

Present law defines "impact business" as a qualified active low-income community business either located in a rural parish (population of less than 100,000) or more than 50% owned by women, minorities, or military veterans.

Proposed law adds businesses located in the recovery zone to the definition of "impact business".

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

(Amends R.S. 47:6016.1(B)(4) and (6)-(11); Adds R.S. 47:6016.1(B)(12))