
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 208 Original

2021 Regular Session

Foil

Proposed law establishes the Invest Louisiana Small Business Development Fund.

Proposed law provides for definitions.

Proposed law defines "state tax liability" as any liability incurred by an entity under the provisions of present law relative to property and casualty insurance, retaliatory taxes on insurers, taxes on admitted insurers, or life, accident, health or service insurance, except for liability incurred by Medicaid-enrolled managed care organizations.

Proposed law provides for the advance purchase of tax credits against insurance premium and retaliatory taxes in exchange for a tax credit certificate of 110% of the advance purchase price and provides that the advance purchase price will be deposited into the Fund.

Proposed law provides that the Dept. of Economic Development (LED) will notify the Dept. of Insurance of any tax credit certificates issued and provide any additional information needed by the Dept. of Insurance.

Proposed law provides for an application and approval process for investments from the Fund.

Proposed law provides for a certification process for capital investments and further provides that LED may certify up to \$100 million in authorized capital investments provided that \$50 million of the authorized investments are derived from the advance purchase of state tax credits and \$50 million are investments derived from private matching funds required by fund participants.

Proposed law provides for recapture provisions for the tax credits if a small business development fund participant does not invest all of its capital investment authority in qualified investments within three years or if it does not meet its job creation or retention targets.

Proposed law provides for a process by which a small business development fund participant can exit the program.

Proposed law provides that if a small business development fund participant's aggregate internal rate of return on its qualified investments at exit exceeds 10%, then, after eligible distributions, the state shall receive 10% of any distribution or payment in excess of the aggregate 10% internal rate of return and that these funds shall be used solely for the Louisiana Seed Capital Program.

Proposed law requires small business development fund participant to provide reports to LED with information as required by rule.

Proposed law authorizes LED to promulgate any rules necessary to administer proposed law.

Effective January 1, 2022.

(Adds R.S. 47:6042)