## SLS 23RS-318

## ORIGINAL

2023 Regular Session

SENATE BILL NO. 108

BY SENATOR HARRIS

TAX/TAXATION. Provides relative to the Angel Investor Tax Credit Program. (gov sig)

1	AN ACT
2	To amend and reenact R.S. 47:6020(G) and (H), relative to the Angel Investor Tax Credit
3	Program; to provide for meeting the requirements for an enhanced credit under the
4	program; to provide for the use of unused credits; to provide for exceptions to
5	meeting general program requirements; to extend the program sunset date; to provide
6	for applicability; to provide for an effective date; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:6020(G) and (H) are hereby amended and reenacted to read as
9	follows:
10	§6020. Angel Investor Tax Credit Program
11	* * *
12	G. Except as provided for in Paragraph (3) of this Subsection, applications
13	Applications received on or after July 1, 2020, for investments that meet the
14	requirements of Subsection C of this Section and the requirements of 26 U.S.C.
15	1400Z-1, 1400Z-2, and applicable federal regulations shall be entitled to an
16	enhanced credit in accordance with the provisions of this Subsection.
17	(1) The amount of the credit granted by the department shall be thirty-five

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percent of the amount of the investment with the credit divided in equal portions for two years.

(2)(a) In addition to the credit cap provided for in Subsection D of this Section, the total amount of credits granted under this Subsection shall not exceed three million six hundred thousand dollars per year for a total program cap of seven million two hundred thousand dollars per year.

(b) If the department does not grant the entire three million six hundred
thousand dollars in tax credits in any calendar year authorized pursuant to this
Subsection, the amount of unused tax credits shall carry forward to subsequent
calendar years and may be granted in any year without regard to the three million six
hundred thousand dollar annual cap provided for in this Subsection.

12(c) If the department grants the entire three million six hundred13thousand dollars in tax credits and any additional unused rollover amount in14any calendar year authorized pursuant to this Subsection, the amount of any15unused tax credits provided for in Subsection D may also be utilized.

16(3) To the extent that federal laws and regulations relative to opportunity17zones require that business revenues be derived from within the opportunity zone,18otherwise eligible businesses shall be exempt from the requirement that fifty percent19or more of sales shall come from out of state as specified in Subsection C of this20Section.

H. No credits shall be granted or reserved under this program for reservation
applications received by the department on or after July 1, 20252030.

Section 2. The provisions of this act shall be applicable to taxable periods beginning
on or after January 1, 2024.

25 Section 3. This Act shall become effective upon signature by the governor or, if not 26 signed by the governor, upon expiration of the time for bills to become law without signature 27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 28 vetoed by the governor and subsequently approved by the legislature, this Act shall become 29 effective on the day following such approval.

> Page 2 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle B. Clapinski.

SB 108 Original

## DIGEST 2023 Regular Session

Harris

<u>Present law</u> provides for the Angel Investor Tax Credit Program which authorizes a tax credit for certain investments in a qualifying Louisiana entrepreneurial businesses as defined under <u>present law</u>. The program is administered by the Department of Economic Development.

<u>Present law</u> provides that applicants whose investments meet the program requirements of the statute as well as requirements of 26 U.S.C. 1400Z-1, 1400Z-2, and applicable federal regulations are entitled to an enhanced credit under the program.

<u>Proposed law</u> removes meeting the requirements of 26 U.S.C. 1400Z-2 and applicable federal regulations in order to be eligible for the enhanced credit under the program and otherwise retains <u>present law</u>.

<u>Present law</u> provides a \$3.6 million annual credit cap for general angel investor tax credits and an additional annual credit cap of \$3.6 million for enhanced credits under the program. If the department does not grant the entire \$3.6 million in either the general or enhanced credits in a calendar year, the amount of unused credits are rolled forward to subsequent calendar years but remain segregated in two separate batches of money.

<u>Proposed law</u> authorizes the department to use any unused general credits that have rolled over from previous years to fulfill requests for the enhanced credits when the annual \$3.6 million credit cap as well as any rollover enhanced credits are already utilized.

<u>Present law</u> allows an exception to the general program requirements that 50% or more an applicant's sales come from out of state when federal law or regulations related to opportunity zones require that business revenues be derived from within the opportunity zone.

Proposed law removes present law.

<u>Present law</u> provides that no credits shall be granted or reserved for the program on or after July 1, 2025.

<u>Proposed law</u> extends the date of when credits can be granted or reserved <u>from</u> July 1, 2025, <u>to</u> July 1, 2030.

Applicable to taxable periods beginning on or after January 1, 2024.

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

(Amends R.S. 47:6020(G) and (H))