AN ACT

To amend and reenact R.S. 47:6016.1(B)(6), (7), and (10)(b), (E)(5)(c), (F)(3) and (4), (H)(1)(b), and (J)(1) and to enact R.S. 47:6016.1(E)(5)(d) and (F)(5), relative to the Louisiana New Markets Jobs Tax Credit; to provide relative to eligibility; to provide for an additional allocation of qualified equity investment authority; to provide for terms, conditions, and definitions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6016.1(B)(6), (7), and (10)(b), (E)(5)(c), (F)(3) and (4), (H)(1)(b), and (J)(1) are hereby amended and reenacted and R.S. 47:6016.1(E)(5)(d) and (F)(5) are hereby enacted to read as follows:

§6016.1. Louisiana New Markets Jobs Act; premium tax credit

* * *

B. As used in this Section, the following words, terms, and phrases have the meaning ascribed to them unless a different meaning is clearly indicated by the context:

* * *

(6) "Recovery zone" means any parish for which the Federal Emergency Management Agency of the United States Department of Homeland Security has made a determination that the parish is eligible for both individual and public assistance under the declaration of major disaster for the state of Louisiana Docket Number FEMA-4559-DR for the duration of that declaration. Follow-on investments in a qualified active low-income community business that was
qualified by its location in a recovery zone at the time of the initial qualified low-income community investment in that business shall be considered qualified low-income community investments even if made after the end of the declaration, subject to other provisions of this Section.

(7) "Rural parish" means a parish with a population less than one hundred thousand as of the July 1, 2019, census estimate by the United States Census Bureau.

the following:

(a) With respect to qualified equity investments issued before August 1, 2023, a parish with a population less than one hundred thousand as of the July 1, 2019 census estimate by the United States Census Bureau.

(b) With respect to qualified equity investments issued after August 1, 2023, a parish with a population less than one hundred thousand as of the most recent federal decennial census.

*          *          *

(10) "Qualified equity investment" means any equity investment in a qualified community development entity that meets each of the following criteria:

*          *          *

(b) Has at least one hundred percent of its cash purchase price used by the issuer to make qualified low-income community investments in qualified active low-income community businesses located in this state by the first anniversary of the initial credit allowance date with respect to qualified equity investments issued prior to August 1, 2020, and after August 1, 2023, and within nine months of the initial credit allowance date with respect to qualified equity investments issued on or after August 1, 2020, and before August 1, 2023.

*          *          *

E.(1) *          *          *

(5)(a) *          *          *

(c) A total of one hundred fifty million dollars of qualified equity investment authority shall be available for certification and allocation for applications beginning August 1, 2023. The department shall accept applications
beginning on August 1, 2023, for allocation and certification of up to one hundred fifty million dollars of qualified equity investments.

(d) If a pending request cannot be fully certified due to these limits of qualified equity investment authority, the department shall certify the portion of qualified equity investment authority that may be certified unless the qualified community development entity elects to withdraw its request rather than receive partial certification.

*          *          *

F. The Department of Insurance shall recapture, from the entity that claimed the credit on a return, the tax credit allowed pursuant to this Section if any of the following occur:

*          *          *

(3) With respect to qualified equity investments issued on or after August 1, 2020, but before August 1, 2023, the issuer fails to invest an amount equal to one hundred percent of the purchase price of the qualified equity investment in qualified low-income community investments in Louisiana within nine months of the issuance of the qualified equity investment with at least fifty percent of the purchase price invested in qualified low-income community investments in impact businesses.

(4) With respect to qualified equity investments issued on or after August 1, 2023, the issuer fails to invest an amount equal to one hundred percent of the purchase price of the qualified equity investment in qualified low-income community investments in Louisiana within twelve months of the issuance of the qualified equity investment with at least fifty percent of the purchase price invested in qualified low-income community investments in impact businesses.

(5) The issuer fails to maintain such the levels of investment set forth in Paragraphs (2) and (3), (3), and (4) of this Subsection in qualified low-income community investments in Louisiana until the last credit allowance date for the qualified equity investment. For purposes of this Section, an investment shall be considered held by an issuer even if the investment has been sold or repaid if the
issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low-income community investment within twelve months of the receipt of the capital. Periodic amounts received during a calendar year as repayment of principal on a loan that is a qualified low-income community investment shall be treated as continuously invested in a qualified low-income community investment if the amounts are reinvested in another qualified low-income community investment by the end of the following calendar year as set forth in 26 CFR 1.45D-1. An issuer shall not be required to reinvest capital returned from qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment shall be considered held by the issuer through the seventh anniversary of the qualified equity investment's issuance.

* * *

H.(1) A qualified community development entity that seeks to have an equity investment designated as a qualified equity investment and eligible for tax credits pursuant to this Section shall pay a deposit in the amount of five hundred thousand dollars payable to the department. The entity shall forfeit the deposit in its entirety if either:

* * *

(b) The qualified community development entity or any transferee pursuant to Paragraph (E)(6) of this Section that issues a qualified equity investment certified pursuant to this Section fails to meet the investment requirement under Paragraph (F)(2) of this Section by the second credit allowance date of such benefit of the six-month cure period established pursuant to Subsection G of this Section or Paragraph (F)(3) of this Section by the nine-month anniversary of the initial credit allowance date without the benefit of the three-month cure period established pursuant to Subsection G of this Section or Paragraph (F)(4) of this Section by the twelve-month anniversary of the initial credit allowance date without the benefit...
of the three-month cure period established pursuant to Subsection G of this Section.

* * *

J.(1)(a) Qualified community development entities that issue qualified equity investments before August 1, 2020, and after August 1, 2023, shall submit a report to the department within the first five business days after the first anniversary of the initial credit allowance date that provides documentation as to the investment of one hundred percent of the purchase price in qualified low-income community investments in qualified active low-income community businesses, including qualified low-income community investments made in satisfaction of Paragraph (F)(4) of this Section, located in Louisiana. The report shall include:

(i) A bank statement of the qualified community development entity evidencing each qualified low-income community investment.

(ii) Evidence that the business was a qualified active low-income community business or impact business at the time of such qualified low-income community investment.

(b) Qualified community development entities that issue qualified equity investments on or after August 1, 2020, but before August 1, 2023, shall submit a report to the department within the first five business days after the nine-month anniversary of the initial credit allowance date that provides documentation as to the investment of one hundred percent of the purchase price in qualified low-income community investments in qualified active low-income community businesses, including qualified low-income community investments made in satisfaction of Paragraph (F)(3) of this Section, located in Louisiana. The report shall include:

(i) A bank statement of the qualified community development entity evidencing each qualified low-income community investment.

(ii) Evidence that the business was a qualified active low-income community business or impact business at the time of such qualified low-income community investment.

* * *

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.
Section 2. This Act shall become effective upon signature by the governor or, if not
signed by the governor, upon expiration of the time for bills to become law without signature
by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
vetoed by the governor and subsequently approved by the legislature, this Act shall become
effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________