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## DIGEST

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HB 665 Engrossed

2025 Regular Session

Willard

**Abstract:** Prohibits issuance of new tax credits through the Angel Investor Tax Credit Program after Dec. 31, 2026, but extends the deadline for applying for credits from June 30, 2025, to the date when the total amount of unused credits accumulated from prior years is exhausted.

Present law establishes the Angel Investor Tax Credit Program and provides for administration of the program by La. Economic Development (LED). Authorizes individuals and entities that make qualifying investments in La. Entrepreneurial Businesses, as defined by present law, to apply for and, if approved, be granted credits against income tax and corporation franchise tax liability through the program. Present law which becomes operative Jan. 1, 2026, repeals the corporation franchise tax, making credits through the program applicable exclusively to income tax liability on and after Jan. 1, 2026. Proposed law retains present law.

Present law authorizes granting of tax credits in an amount equal to either 25% or 35% of the amount of a taxpayer's qualifying investment depending on characteristics of the investment. Requires that credit amounts be divided in equal portions for two years. Proposed law repeals the requirement that credit amounts be divided in equal portions for two years; otherwise, retains present law.

Present law establishes a \$3.6M annual cap on the overall amount of credits to be granted at the 25% rate. Also establishes a \$3.6M annual cap on the overall amount of credits to be granted at the 35% rate. Provides, however, that if LED does not grant the entire amount of credits allowed under either cap in any calendar year, the amount of residual unused tax credits shall carry forward to subsequent calendar years and may be granted in any year without regard to the respective annual cap. Proposed law retains present law.

Proposed law provides that no new Angel Investor Tax Credits shall be authorized after Dec. 31, 2026. Prohibits, beginning Jan. 1, 2026, the carry-forward of residual unused credit amounts. Provides, however, that LED may grant credits pursuant to present law and proposed law until the balance of residual unused credits accumulated prior to Jan. 1, 2026, is exhausted.

Present law provides that no credits shall be granted or reserved through the Angel Investor Tax Credit Program for reservation applications received by LED after June 30, 2025. Proposed law extends the application deadline from June 30, 2025, to the date when the total amount of unused credits carried forward from prior years is exhausted.

Proposed law including references to corporation franchise tax, which is operative until Jan. 1, 2026, becomes effective upon signature of governor or lapse of time for gubernatorial action.

Proposed law omitting references to corporation franchise tax becomes effective Jan. 1, 2026.

(Amends R.S. 47:6020(D)(1) and (2)(a), (G), and (H))