

2015 Regular Session

SENATE BILL NO. 94

BY SENATOR MORRELL

TAX/TAXATION. Provides relative to the LA New Markets Jobs Act. (gov sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:6016.1(B) and R.S.  
3 47:6016.1(B)(1) and (E)(5), relative to the Louisiana New Markets Jobs Act; to  
4 provide for the annual calculation of a taxpayer's credit; to increase the dollar  
5 limitation on the authority of the Department of Revenue to certify and allocate the  
6 credits to qualified equity investments; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The introductory paragraph of R.S. 47:6016.1(B) and R.S.  
9 47:6016.1(B)(1) and (E)(5) are hereby amended and reenacted to read as follows:

10 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

11 \* \* \*

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

15 (1) "Applicable percentage" means:

16 **(a) For taxable years beginning before January 1, 2015,** fourteen percent  
17 for the first and second credit allowance dates and eight and one-half percent for the

1 third and fourth credit allowance dates.

2 (b) For taxable years beginning January 1, 2015, and thereafter, zero  
3 percent for the first through third credit allowance dates and fifteen percent for  
4 the fourth through sixth credit allowance dates.

5 \* \* \*

6 E. \* \* \*

7 (5)(a) ~~A total of fifty-five~~ **Fifty-five** million dollars of qualified equity  
8 investment authority shall be available for certification and allocation **for**  
9 **investments before August 1, 2015.** The department shall accept applications  
10 beginning on August 1, 2013, for allocation and certification of up to fifty-five  
11 million dollars of qualified equity investments.

12 (b) On August 1, 2015, and thereafter, an additional one hundred  
13 million dollars of qualified equity investment authority, for a total of one-  
14 hundred fifty-five million dollars, shall be available for certification and  
15 allocation. The department shall accept applications beginning on August 1,  
16 2015, for allocation and certification of the additional one hundred million  
17 dollars of qualified equity investments.

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

23 \* \* \*

24 Section 2. This Act shall become effective upon signature by the governor or, if not  
25 signed by the governor, upon expiration of the time for bills to become law without signature  
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
28 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

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## DIGEST

SB 94 Original

2015 Regular Session

Morrell

Present law provides for the La. New Markets Jobs Act, granting a credit against state premium tax liability for certain investments in low-income community businesses. Provides for definitions, qualifications, application, certification, allocation, and enforcement.

Present law provides for the utilization of the credit over a four-year period as a percentage of the amount paid for a qualified investment. Provides for an "applicable percentage" in the first and second years of 14% of the purchase price and in the third and fourth years, 8.5%.

Proposed law retains present law for taxable periods beginning before Jan. 1, 2015.

For taxable periods beginning on and after Jan. 1, 2015, proposed law provides for utilization of the credit over a six-year period with an "applicable percentage" of 0% for the first three years and 15% for the following three years.

Present law provides for a total of \$55 million of qualified investments to be certified by the Dept. of Revenue.

Proposed law retains present law investments before Aug. 1, 2015, and provides authority for the DOR to certify an additional \$100 million for investments on and after Aug. 1, 2015.

Present law provides that if a pending request cannot be fully certified due to the dollar limitation, then DOR shall certify the portion of qualified equity investment authority that may be certified unless the taxpayer elects to withdraw the request rather than receive partial certification.

Proposed law retains present law.

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

(Amends R.S. 47:6016.1(B)(intro para) and (1) and (E)(5))