AN ACT

To amend and reenact R.S. 47:6020(C)(2)(b), (D)(1), (2)(a) and (b), and (5)(a) and (b), and (F)(2), to enact R.S. 47:6020(G), and to repeal R.S. 47:6020(D)(1) and (2)(a) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature and Section 3 of Act No. 414 of the 2011 Regular Session of the Legislature, as amended by Act No. 104 of the 2015 Regular Session of the Legislature, relative to tax credits; to provide for the termination date for the Angel Investor Tax Credit Program; to provide for the amount of the credit; to provide with respect to the claiming of the credit; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6020(G) is hereby enacted to read as follows:

§6020. Angel Investor Tax Credit Program

* * *

G. No credits shall be granted or reserved under this program for reservation applications received by the department on or after July 1, 2021.

Section 2. R.S. 47:6020(C)(2)(b), (D)(1), (2)(a) and (b), and (5)(a) and (b), and (F)(2) are hereby amended and reenacted to read as follows:

§6020. Angel Investor Tax Credit Program

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C. Qualifications.

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.
(2) To qualify for an angel investor tax credit, the Louisiana Entrepreneurial Business in which the investment is made shall meet all the following requirements:

* * *

(b) Prior to the investment award of the credit, the department has approved certified the business as one which may receive investments which may qualify for a tax credit a Louisiana Entrepreneurial Business under the program.

* * *

D. Tax credits. (1) The total amount of tax credits granted by the department in any calendar year shall not exceed three million six hundred thousand dollars. The department shall by rule establish the method of allocating available tax credits to investors including but not limited to a first-come, first-served system, reservation of tax credits for a specific time period, or other method which the department, in its discretion, may find beneficial to the program. If the department does not grant the entire three million six hundred thousand dollars in tax credits 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 three million six hundred thousand dollar per year limitation. After the approval of an investor pool, the department shall issue a letter identifying the amount of tax credits that are available to that pool; however, no tax credit shall be granted to an investor until the investment has been made in the Louisiana Entrepreneurial Business.

(2)(a) An investor may apply for and, if qualified, be granted a credit on any income or corporation franchise tax liability owed to the state by the taxpayer seeking to claim the credit in the amount approved by the secretary of the department. The amount of the tax credit shall be based upon the amount of money invested by the investor in the Louisiana Entrepreneurial Business, which investment shall not exceed seven hundred twenty thousand dollars per year per business and one million four hundred forty thousand dollars total per business. Except as otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed against the income tax for the taxable period in which the credit is earned and the franchise tax for the taxable period following the period in which the credit is earned.

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The credits approved by the department shall be granted at the rate of twenty-five percent of the amount of the investment with the credit divided in equal portions for three years.

(b) After certifying the eligibility of the Louisiana Entrepreneurial Business and the amount of the investment, the secretary of the department shall issue a tax credit certificate, a copy of which is to be attached to the tax return of the angel investor. The tax credit available in the first year shall become deductible from tax liability in the taxpayer's income tax year which occurs twenty-four months from the date the department certifies the amount of the investment.

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(5)(a) If at the close of any calendar year in the five-year period beginning with the first year in which a tax credit certificate was issued to an investor, the Louisiana Entrepreneurial Business is no longer domiciled in Louisiana, the tax credit shall be recaptured from the investor unless change of domicile is the result of a merger, consolidation, or other acquisition of such business or all or substantially all of the assets of the business with or by a party not affiliated with the business.

(b) If at the close of any calendar year in the three-year period beginning with the first year a tax credit certificate was issued to an investor, the investor transfers the equity received in connection with the qualified investment, the tax credit shall be recaptured from the investor unless the transfer results from any of the following circumstances:

(i) The liquidation of the business issuing the equity.

(ii) The merger, consolidation, or other acquisition of such the business or all or substantially all of the assets of the business with or by a party not affiliated with the business.

(iii) The death of the investor.

(iv) the transfer of the equity in the Louisiana Entrepreneurial Business by the investor is to an entity, trust, or other organization under the control of the investor. For purposes of this Subparagraph, an entity shall be deemed to be in

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control of an investor if the investor is the beneficiary owner of at least a majority
of the outstanding equity securities of the entity or has the right to control the voting
power of the entity, trust, or other organization to which the securities are
transferred.

* * *

F. Transferability of the credit. Any Angel Investor Tax Credits not
previously claimed by any taxpayer against its tax may be transferred or sold to
another Louisiana taxpayer, subject to the following conditions:

* * *

(2) Transferors and transferees shall submit to the Department of Revenue,
in writing, a notification of any transfer or sale of tax credits within ten business days
after the transfer or sale of such tax credits. The notification shall include the
transferor's tax credit balance prior to transfer, a copy of any tax credit certificate
issued by the secretary of the Department of Economic Development, the transferor's
remaining tax credit balance after transfer, all tax identification numbers for both
transferor and transferee, the date of transfer, the amount transferred, the price paid
by the transferee to the transferor, and any other information required by the
department or the Department of Revenue. Any information submitted by a
transferor or transferee shall be treated by the department and the Department of
Revenue as proprietary to the entity or person reporting such information and
therefore confidential. However, this shall not prevent the publication of summary
data that includes no fewer than three transactions.

* * *

Section 3. The provisions of Section 5 of Act No. 125 of the 2015 Regular Session
of the Legislature as amended by Act No. 29 of the 2016 First Extraordinary Session of the
Legislature amending R.S. 47:6020(D)(1) and (2)(a) and Section 3 of Act No. 414 of the
2011 Regular Session of the Legislature as amended by Act No. 104 of the 2015 Regular
Session of the Legislature are hereby repealed in their entirety.

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are additions.
Section 4. Sections 1, 4, and 5 of this Act shall become effective on July 1, 2017.

Section 5. Sections 2 and 3 of this Act shall become effective on July 1, 2018.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

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