

Regular Session, 2011

HOUSE BILL NO. 503

BY REPRESENTATIVE GIROD JACKSON

TAX CREDITS: Provides for the tax periods applicable to and amounts of tax credits for the new markets tax credit program

1 AN ACT

2 To amend and reenact R.S. 47:6016(E)(2)(a)(introductory paragraph) and (iv) and (I) and  
3 to enact R.S. 47:6016(E)(2)(a)(v) and (vi) and (7) and (8), relative to tax credits; to  
4 provide for the allocation of tax credits under the new markets tax credit program;  
5 to increase the total amount of tax credits authorized under the program; to provide  
6 for the allocation of certain amounts of tax credits in certain years; to extend  
7 applicability of the program; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6016(E)(2)(a)(introductory paragraph) and (iv) and (I) are hereby  
10 amended and reenacted and R.S. 47:6016(E)(2)(a)(v) and (vi) and (7) and (8) are hereby  
11 enacted to read as follows:

12 §6016. New markets tax credit

13 \* \* \*

14 E.

15 \* \* \*

16 (2)(a) The aggregate amount of credit for all qualified equity investments  
17 issued to taxpayers, on or after April 1, 2008, under this Section shall not exceed  
18 ~~fifty eighty-seven~~ million five hundred thousand dollars in the aggregate over the life  
19 of the program, based upon the following schedule:

20 \* \* \*

21 (iv) A maximum of twelve million five hundred thousand dollars of the total  
22 aggregate amount of credit shall be available for issuance beginning on September  
23 1, 2011.

1                   (v) A maximum of twenty-five million dollars of the total aggregate amount  
2                   of credit, plus any unissued credits from any prior taxable year, shall be available for  
3                   issuance beginning on September 1, 2012.

4                   (vi) For all taxable periods beginning on or after January 1, ~~2011~~ 2013, the  
5                   only amount of credit allowable for issuance shall be the amount of unissued,  
6                   disallowed, or recaptured credits from any prior taxable year.

7                                   \*       \*       \*

8                   (7) No credit issued on or after September 1, 2011, shall be claimed on a  
9                   return due on or before December 31, 2011.

10                   (8) No credit issued on or after September 1, 2012, shall be claimed on a  
11                   return due on or before December 31, 2012.

12                                   \*       \*       \*

13                   I. Tax credits shall be allowed for qualified equity investments which, in  
14                   turn, have been invested in qualified low-income community investments ~~until~~ only  
15                   if such qualified equity investment is issued prior to December 31, 2013 2014.

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

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Girod Jackson

HB No. 503

**Abstract:** Increases the total aggregate amount of tax credits to be allocated by the new markets tax credits program from \$50 million to \$87.5 million, provides for allocations of credits for 2011 and 2012, and extends the program from Dec. 31, 2013 to Dec. 31, 2014.

Present law establishes the new markets tax credit program, to provide Louisiana income and corporation franchise tax credits to persons who invest in qualified equity investment to encourage community development and stimulate economic activity in urban and low income areas.

Present law provides that the aggregate amount of tax credits which may be issued under the program from April 1, 2008 through December 31, 2010 shall not exceed \$50 million dollars.

Proposed law changes present law by increasing the total aggregate amount of tax credits which may be issued from \$50 million to \$87.5 million. Further, proposed law adds authorization for the issuance of total tax credits in the amount of \$12.5 million beginning September 1, 2011, and \$25 million beginning September 2, 2012 and provides for the tax return upon which such tax credits may be taken.

Present law authorizes the issuance of unused, disallowed or recaptured tax credits from any prior year on or after January 1, 2011.

Proposed law changes present law by extending from Jan. 1, 2011 to Jan. 1, 2013 the period of time within which unused, disallowed or recaptured tax credits from a prior year may be issued.

Present law authorizes tax credits in instances where qualified equity investments have been invested in qualified low-income community investments through December 31, 2013.

Proposed law changes present law by extending from December 31, 2013 to December 31, 2014 the time period for which tax credits are authorized in instances where qualified equity investments have been invested in qualified low-income community investments.

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

(Amends R.S. 47:6016(E)(2)(a)(intro. para.) and (iv) and (I); Adds R.S. 47:6016(E)(2)(a)(v) and (vi) and (7) and (8))