

SENATE BILL NO. 14

BY SENATORS JOHNS, MCMATH, REESE, SMITH AND WARD

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

AN ACT

To amend and reenact R.S. 47:6016.1(B)(4), (6), (7), (8), (9), (10), and (11) and to enact R.S. 47:6016.1(B)(12), relative to the Louisiana New Markets Jobs Act tax incentives; to add businesses impacted by Hurricane Laura to the eligible qualified active low-income community businesses; to provide an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6016.1(B)(4), (6), (7), (8), (9), (10), and (11) are hereby amended and reenacted and R.S. 47:6016.1(B)(12) is 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:

* * *

(4) "Impact business" means a qualified active low-income community business located in Louisiana that is either located in a rural parish or **in the recovery zone or is** more than fifty percent owned by women, minorities, or military veterans.

* * *

(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.**

(7) "Rural parish" means a parish with a population less than one hundred

1 thousand as of the July 1, 2019, census estimate by the United States Census Bureau.

2 ~~(7)~~**(8)** "Qualified active low-income community business" has the meaning
3 given such term in Section 45D of the Internal Revenue Code of 1986, as amended,
4 and 26 CFR 1.45D-1.

5 **(a)** With respect to qualified equity investments issued on or after August 1,
6 2020, a qualified active low-income community business shall also be engaged in an
7 industry assigned a primary North American Industry Classification System code
8 within sector 11, 21, 23, 31, 32, 33, 42, 48, 49, 54, 56, 62, 72, or 81 and have total
9 employees that do not exceed the greater of two hundred fifty and the number of
10 employees set forth for the business's North American Industry Classification
11 System code sector in 13 CFR 121.201.

12 **(b) With respect to qualified equity investments issued on or after**
13 **August 1, 2020, a business that otherwise satisfies this definition but for being**
14 **located in a low-income community, as defined in Section 45D of the Internal**
15 **Revenue Code of 1986, as amended and 26 CFR 1.45D-1, shall satisfy this**
16 **definition if the business is located in the recovery zone.**

17 ~~(8)~~**(9)** "Qualified community development entity" has the meaning given
18 such term in Section 45D of the Internal Revenue Code of 1986, as amended;
19 provided that such entity has entered into, for the current year or any prior year, an
20 allocation agreement with the Community Development Financial Institutions Fund
21 of the U.S. Department of Treasury with respect to credits authorized by Section 45D
22 of the Internal Revenue Code of 1986, as amended, which includes the state of
23 Louisiana within the service area set forth in such allocation agreement. The term
24 shall include qualified community development entities that are controlled by or
25 under common control with any such qualified community development entity. With
26 respect to qualified equity investments issued on or after August 1, 2020, the term
27 excludes any qualified community development entity that, together with its
28 affiliates, has invested less than one hundred million dollars in Louisiana qualified
29 active low-income community businesses or other Louisiana investments.

30 ~~(9)~~**(10)** "Qualified equity investment" means any equity investment in a

1 qualified community development entity that meets each of the following criteria:

2 (a) Is acquired after August 1, 2013, at its original issuance solely in
3 exchange for cash or, if not so acquired, was a qualified equity investment in the
4 hands of a prior holder.

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

11 (c) Is designated by the issuer as a qualified equity investment under this
12 Paragraph and is certified by the department as not exceeding the limitation
13 contained in Paragraph (E)(5) of this Section.

14 ~~(10)~~**(11)** "Qualified low-income community investment" means any capital
15 or equity investment in, or loan to, any qualified active low-income community
16 business. With respect to any one qualified active low-income community business,
17 the maximum amount of qualified low-income community investments made in that
18 business, on a collective basis with all of its affiliates that may be counted towards
19 satisfaction of ~~Subparagraph (9)(b)~~ **Subparagraph (10)(b)** of this Subsection is ten
20 million dollars for qualified equity investments issued prior to August 1, 2020, and
21 five million dollars for qualified equity investments issued on or after August 1,
22 2020, whether issued by one or several qualified community development entities.
23 Any amounts returned or repaid by such qualified active low-income community
24 business to a qualified community development entity may be reinvested in such
25 qualified active low-income community business by such qualified community
26 development entity and not be counted against the ten million dollar limit provided
27 for in this Paragraph.

28 ~~(11)~~**(12)** "State premium tax liability" means any liability incurred by any
29 entity under the provisions of R.S. 22:831, 836, 838, and 842 except for liability
30 incurred under R.S. 22:842(C).

1
2
3
4
5
6

* * *

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: _____