

First Extraordinary Session, 2005

HOUSE BILL NO. 6

BY REPRESENTATIVE PINAC

ECONOMIC DEVELOPMENT: Extends time limit for certain investment deadlines under the CAPCO program due to the impact of Hurricanes Katrina and Rita (Item #75)

1 AN ACT

2 To enact R.S. 51:1926(I) and 1927.1(D), relative to time limits to make certain investments
3 under the Capital Companies Tax Credit Program; to extend the time limit for
4 making certain investments; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1926(I) and 1927.1(D) are hereby enacted to read as follows:

8 §1926. Requirements for continuance of certification

9 * * *

10 I. Notwithstanding any other provision of this Chapter to the contrary and
11 considering the adverse impact of Hurricanes Katrina and Rita, all deadlines for
12 qualified investments required by Subsection A of this Section which would have
13 fallen between August 25, 2005, and December 30, 2005, shall be extended to
14 December 31, 2005.

15 * * *

16 §1927.1. Annual audit; annual rate of return; appreciation excess; remittance to
17 Louisiana Economic Development Fund

18 * * *

19 D. Notwithstanding any other provision of this Chapter to the contrary and
20 considering the adverse impact of Hurricanes Katrina and Rita, all investment

1 deadlines required by this Section which would have fallen between August 25,
2 2005, and December 30, 2005, shall be extended to December 31, 2005.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Pinac

HB No. 6

Abstract: Provides for a short extension of certain investment deadlines for certified Louisiana capital companies under the CAPCO program due to the impact of Hurricanes Katrina and Rita.

Present law provides that to continue the certification of any investment pools as certified capital, a certified Louisiana capital company must make qualified investments from each investment pool according to the following schedule:

- (1) Within three years after the investment date for each investment pool, at least 50% of each investment pool must be invested, with at least 30% of each investment pool placed in qualified investments.
- (2) Within five years after the investment date for each investment pool, at least 80% of each investment pool must be invested, with at least 50% of each investment pool placed in qualified investments.

Proposed law provides that considering the adverse impact of Hurricanes Katrina and Rita, all deadlines for investment required by present law which would have fallen between August 25, 2005, and December 30, 2005, shall be extended to December 31, 2005.

Present law requires a Louisiana capital company to place 40% of the investment pool in qualified investments within three years after investment date, 60% of the investment pool in qualified investments within five years after investment date, and 100% of the investment pool in qualified investments within seven years after investment date. Present law provides that failure to do so requires that the company repay the tax credit granted for the investment pool.

Proposed law provides that considering the adverse impact of Hurricanes Katrina and Rita, all deadlines for investment required by present law which would have fallen between August 25, 2005, and December 30, 2005, shall be extended to December 31, 2005.

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

(Adds R.S. 51:1926(I) and 1927.1(D))