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CONTACT: SENATOR HARRIS
PHONE: 504.243.1960

**STATE SENATOR JIMMY HARRIS WORKS TO STIMULATE LOUISIANA’S ECONOMY AMID
COVID-19 PANDEMIC**

Senate Bill 24 Signed into Law by Governor Edwards

Senate Bill 24, authored by District 4 State Senator Jimmy Harris (D- New Orleans), was passed by both houses of the legislature and signed into law this week by Governor Edwards.

This bill creates an incentive to invest in Louisiana’s small businesses and startups by improving on the Angel Investor Tax Credit. Louisiana’s Angel Investor Tax Credit encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital. Under prior law, the credit rate was 25% of eligible investments, with an annual program credit award cap of \$3.6 million for applications received before July 1, 2021.

This new law extends program applications through 2025 and provides an enhanced credit of 35% for investments in businesses located in newly established federal opportunity zones. It also allows all program credits, with or without enhancement, to be spread over two years rather than three years. It increases the annual program credit award cap by \$3.6 million, to a total of \$7.2 million.

“This week the Governor signed into law legislation that will help get Louisiana businesses back up and going,” said Senator Harris. “This law essentially doubles the Angel Investment Tax Credit for Louisiana businesses located in opportunity zones and plays an important part in stirring economic development in distressed areas heavily affected by the CoVid-19 pandemic.”

An opportunity zone is an economically-distressed community where private investments, under certain conditions, may be eligible for capital gain tax incentives. In Louisiana, that means urban and rural areas. They were created under the 2017 Tax Cuts and Jobs Act to stimulate economic development and job creation, by incentivizing long-term investments in low-income neighborhoods.

Senator Harris's bill was endorsed by the Louisiana Economic Recovery Task Force, a task force created by legislative leaders to bolster small businesses and stimulate the economy.

Senate Bill 24 was signed by the Governor on July 14, 2020 to become Act No. 22. To view SB 24 and Senator Harris's other bills, please visit www.legis.la.gov.

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