

July 19, 2007

The Honorable Alfred W. Speer
Clerk of the House of Representatives
State Capitol
Baton Rouge, Louisiana 70804

Re: House Bill No. 696 by Representative Pinac
TAX CREDITS: Authorizes additional uses of credits under the Louisiana Capital
Companies Tax Credit Program

Dear Mr. Speer:

House Bill No. 696 by Representative Pinac expands the uses of the insurance premium tax credits granted under the Capital Tax Credit Program (CAPCO) and authorizes the transferability of old unused premium tax credits granted under the previous CAPCO program. The implementation of this measure provides no value to the state because the investments in the CAPCOs have already been made. The transferability of the tax credits would benefit insurance companies, brokers, and individual taxpayers, not the risk capital industry the CAPCO program was originally intended to promote.

For these reasons and at the request of the Department of Economic Development, I am vetoing House Bill No. 696 and returning it to the House of Representatives.

Sincerely,

Kathleen Babineaux Blanco
Governor

jw