

HB 1928 -- Missouri Discovery Alliance

Sponsor: Ervin

This bill creates the Missouri Discovery Fund and establishes the Missouri Discovery Alliance in the Department of Economic Development to assist with the recruitment, relocation, and expansion of technology businesses. The alliance replaces the Missouri Technology Corporation, and the bill establishes a 13-member board of directors for the alliance. If an innovation center's annual report of its activities and operational plans to coordinate with the small business development centers is not approved by the department or the alliance, the department can withhold 75% of the state-allocated center's funding until the report is accurate and complete. The innovation center must provide 100% match for any funding received from the discovery fund. Beginning July 1, 2008, existing and new innovation centers established after that date will receive funding through the Missouri Discovery Fund for no more than five years.

The alliance may authorize up to \$10 million in tax credits annually. A taxpayer will receive a 30% tax credit for a contribution toward the first \$500,000 in venture capital contributed to a qualifying company or a 40% tax credit if the company invested in is located in a rural area or distressed community. The alliance can reserve tax credits for investors who have a net loss of investment within five years of contributing the first \$5 million in venture capital to an approved company. A taxpayer will receive a 50% tax credit for contributions to a technology commercialization infrastructure project or for expenditures for industrial research conducted at a public research institution or private not-for-profit collaborative research project approved by the alliance. The credits can be used against current income tax, carried over for three consecutive years, or transferred.