HB 210 -- Tax Credit for Equity Investments

Sponsor: Robb

Beginning January 1, 2008, this bill authorizes a tax credit equal to 5% of the adjusted purchase price paid to the issuer of a qualified equity investment for three years. A tax credit equal to 6% of the adjusted purchase price is authorized for the following four years. The tax credits are not transferable or refundable but may be carried forward until used. No more than $15 million in these tax credits can be allocated annually.

The state is allowed to recapture credits when permissible under federal law and in situations where the issuer redeems or makes any principal repayments with respect to the qualified investment before the seventh anniversary of the investment's issuance. Any tax credit subject to recapture will be taken from the taxpayer that claimed the tax credit on a return.

The provisions of the bill will expire six years from the effective date.