

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates: 02/04

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WHAT THE MEASURE DOES:

Moves the sunset date for the tax credit for University Venture Development Fund contributions from January 1, 2016 to January 1, 2022. Increases the annual taxpayer credit cap from \$50,000 to \$600,000 and creates a three year carryforward. Maintains the existing program cap of \$8.4M but reorganizes how it is allotted across the universities.

ISSUES DISCUSSED:

- The need for capital during the early stages of product commercialization
- The impact on jobs
- The mechanics of how the tax credit works

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

This tax credit was created by the Legislature in 2005. Taxpayers who contribute to a Public University Venture Development Fund are allowed a tax credit equal to the 60% of the contribution. The credit is taken equally over three years up to \$50,000 per year with no carryforward. It sunset on January 1, 2016.