

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date: 02/26/16

Action: Do Pass.

Meeting Dates: 02/26

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

Prepared By: Paul Warner, Legislative Revenue Officer

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 carry forward. Maintains the existing program of \$8.4 million but reorganizes how funds are allocated among the universities.

ISSUES DISCUSSED:

- Links between universities and businesses.
- Success of previous investments.
- Use of tax credits as an effective method of generating contributions.
- Relationship between state tax credit and federal tax deductions.

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The University Venture Development Fund tax credit was established by the 2005 Legislature. Taxpayers who contribute to the fund are allowed a tax credit equal to 60% of their contribution. The credit sunset on January 1, 2016.