

HB 507 -- Certain Tax Credit Programs of the Department of Economic Development

Sponsor: Yates

This bill authorizes a tax credit to encourage equity investments in technology-based early stage Missouri companies, commonly known as angel investments. The Department of Economic Development may issue up to \$6 million in tax credits per year for equity investments in qualified Missouri companies until 2016. Investors who contribute in equity investment to a qualified Missouri business may be issued a tax credit equal to 50% of the investment. An investor can receive a credit of up to \$50,000 for an investment in a single, qualified business and up to \$250,000 for investments in more than one qualified business per year. Credits can be carried forward for up to three years or transferred.

If within seven years of receiving these tax credits a qualified Missouri business relocates its headquarters out of Missouri, ceases to employ 80% of its employees in Missouri, alters the principal nature of its operations, or divests itself of key assets, it will immediately pay the state an amount equal to the amount of credits issued to its contributors.

The bill also eliminates the annual cap on the Quality Jobs Program. Currently, the annual cap is \$60 million.