

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB389

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: February 03, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 389, introduced at the request of the Governor, is a part of the Governor's biennial budget recommendations. The bill's primary purpose is to provide refundable state income tax credits to qualified investors and qualified funds that invest capital in qualified early-stage companies. The bill includes language directing the Department to certify all investors, investment funds (at least 3 investors) and the businesses in which those investors will invest. In return, the bill includes language that would provide investors a 40% refundable tax credit. The tax credit provision within LB 389 will help Nebraska raise much needed capital for small business start-ups, an area Nebraska fairs very poorly in nationally. Funding for the bill in FY 2012 will be derived from unused tax credits in the Nebraska Rural Advantage program and the Microenterprise Tax Credit program. The caps on those two programs will then be lowered beginning in FY 13 to \$2 million and \$1 million respectively moving forward.

Principal Introducer: _____

Senator Abbie Cornett