

From: Dawn Cash [mailto:dcash@oktax.state.ok.us]
Sent: Wednesday, April 21, 2010 9:55 AM
To: Joanie Raff
Subject: HB 3397 Proposed Floor Amendment

The Floor Amendment to HB 3397 (Engrossed), relating to the *Small Business Capital Formation Incentive Act* and the *Rural Venture Capital Formation Incentive Act*, include the following:

- The proposed changes amend 68 O.S. §§ 2357.61 and 2357.72, adding a definition for "affiliate".
- The proposed changes amend 68 O.S. §§ 2357.61 and 2357.72, amending the definition of "Oklahoma small business venture" and "Oklahoma rural small business venture" to prohibit an affiliate of a business entity which has issued and publicly traded securities from qualifying as a small business venture and rural small business venture.
- This amendment restores the provisions in 68 O.S. §§2357.63(B)(4) and 2357.74(B)(4) which limit the "in conjunction" investment to the lesser of 200% of any qualified investment by the taxpayer in the qualified capital company, or 200% of the qualified investment made by the qualified capital company in the venture.

There will be no change in revenue as a result of this proposal.

**Dawn Cash, Director
Tax Policy and Research Division
Oklahoma Tax Commission**

405.521.3123