

HB664	CREATES THE MISSOURI NEW ENTERPRISE CREATION ACT WHICH ALLOWS TAX CREDITS FOR QUALIFIED CONTRIBUTIONS.	
Sponsor:	Scheve, May (98)	Effective Date: 00/00/0000
CoSponsor:	Rizzo, Henry C. (40)	LR Number: 1653-01
Last Action:	02/03/1999 - Referred: Commerce (H)	
	HB664	
Next Hearing:	Hearing not scheduled	
Calendar:	Bill currently not on calendar	
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Available Fiscal Notes for HB664

***** NO FISCAL NOTES AVAILABLE AT THIS TIME *****

BILL SUMMARIES

INTRODUCED

HB 664 -- New Enterprise Creation Act

Co-Sponsors: Scheve, Rizzo

This bill provides seed capital for Missouri businesses through the Missouri New Enterprise Creation Act. To oversee this new program, an 11 member board is established, comprised of 5 representatives of innovation centers having a contract with the Department of Economic Development to provide business services and 6 members appointed by the Governor. The department is to provide support services to the board.

By July 1, 2000, the qualified innovation centers are to develop, approve, and submit to the board a "Missouri Seed Capital and Commercialization Strategy," by which to recommend between one and 5 qualified funds for investing seed capital in Missouri businesses. The board must approve or reject the strategy within 3 months of receiving the strategy; board approval of a strategy is required before tax credit incentives authorized by this bill can be awarded. After the strategy is approved by the board, the department is to authorize the use of up to \$40 million in tax credits.

Persons making cash contributions to qualified funds are eligible for a 100% credit against income taxes, corporate franchise taxes, or taxes on financial institutions. The tax credits, which are administered by the department may be carried

forward 10 years and may be assigned, sold, or transferred. The cash contributions to qualified funds are to be used to invest seed capital, start-up capital, or follow-up capital in certain Missouri businesses; not more than 10% of the moneys in a qualified fund may be invested in a single qualified business. A tax of 15% is to be assessed against any moneys in a qualified fund which are not used for qualified investments or for allowable administrative costs. These tax revenues are to be deposited in the general revenue fund.

The qualified funds are required to contract with the innovation centers to entitle all of the qualified innovation centers to receive and share equally at least 60% of the equity, dividends, or other earnings of the fund generated from the cash contributions. These moneys may be used only for reinvestment in qualified funds in order to provide ongoing seed capital, start-up capital, and follow-up capital for qualified Missouri businesses.



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Last Updated September 30, 1999 at 1:26 pm