

Statewide Services from three locations

Oklahoma City - 405.319.8190

Durant - 580.924.5094

Tulsa - 918.459.4515

Call the one nearest you!

REI services available to Oklahoma entrepreneurs statewide include...

*Business Financing
Women's Business Center
Business Space for Start-Up or Expanding Businesses
Equipment Program for Small Manufacturers
Down Payment & Closing Cost Assistance for Homebuyers
Employer-Assisted Housing (EAH) Incentive
International Trade Assistance
Foreign Trade Zone #227 - Durant, OK
Federal and State Tax Credit Programs*



Building Assets
in a
Growing Market

REI Tax Credit Programs

www.ruralenterprises.com

Overview

REI New Markets Investment, LLC has been established to allow us to offer the New Markets Tax Credit and Oklahoma State Tax Credit programs.

New Markets Tax Credit Program

Provides investors a tax benefit through a 39% federal income tax credit for investments into a qualified business.

How NMTC Works

Investors will receive a 39% federal income tax credit for equity investments into REI New Markets Investment, LLC. Substantially all of proceeds must be invested in a qualified business.

Targeted to low-income communities, the tax credit will be issued over a seven-year period:

- 5% for each of the first three years
- 6% for each of the remaining four years

39% federal income tax credit for investments

Terms of Tax Credit

The term of the tax credit is seven years. The equity investment must remain in REI New Markets Investment, LLC for the seven-year term. Interest or dividends paid by the business, may be passed through to the investor. Equity capital or loan principal repaid by the business during the seven-year term must be reinvested in a qualified business.

EXAMPLE

\$1,000,000 Investment =

		Tax Credit:
Year 1	5%	\$50,000
Year 2	5%	\$50,000
Year 3	5%	\$50,000
Year 4	6%	\$60,000
Year 5	6%	\$60,000
Year 6	6%	\$60,000
Year 7	6%	\$60,000
Total Tax Credit		\$390,000

Oklahoma Tax Credit Program

20% tax credit for investment in a business located in a metropolitan area.

30% tax credit for investment in a business located in a rural area.

Investor must make an equity investment into REI New Markets Investment, LLC. Investment must remain in the LLC for a five-year term. Proceeds of investment must be used to make a subordinated loan to, or investment in, an "Oklahoma small business venture" defined as:

- Organized for profit
- Meets SBA definition for "small business"
- At least 50% of employees or assets located in Oklahoma
- Needs funding to commence or expand a business providing goods and services
- Activity must fall within certain SIC Classifications

Proceeds may not be used for business acquisition (51% or more of an entity's voting interest).

STRUCTURE

