

REI

Oklahoma Tax Credit



Oklahoma Tax Credit

Small Business Capital Formation Incentive Act

- 20% Oklahoma Tax Credit for investment in business located in metropolitan area

Rural Venture Capital Formation Incentive Act

- 30% Oklahoma Tax Credit for investment in business in rural area



Key Concepts

- Investor must make an equity investment into REI New Markets Investment, LLC
- Proceeds of investment must be used to make a subordinated loan to, or investment in, an “Oklahoma small business venture”
- Proceeds may not be used for business acquisition (51% or more of an entity’s voting interest)



Oklahoma Small Business Venture

- Organized for profit
- Must qualify as “small business,” as defined by SBA
- Must have at least 50% of employees or assets located in Oklahoma
- Must need financial assistance to commence or expand a business that provides goods or services
- Business activity must fall within certain SIC Classifications (SIC Divisions A,C,D,E,F or I – with exception of Major Group 1 & 2 Division A)



Ineligible SIC Classifications

- Agricultural production (crops, livestock and animal specialties)
- Mining business
- Retail trade businesses
- Financial, insurance and real estate business
- Public administration entities



Fees

- Commitment Fee: 2%
- Management Fee: 1.25% annual



REI

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