

State of Oklahoma
SMALL BUSINESS CAPITAL COMPANY
INFORMATION REPORT

For the Calendar Year Ending: _____

Identification Number _____ Corporation Partnership LLC

Name of Small Business Capital Company _____

Address _____

City _____ State _____ Zip _____

Complete the applicable sections for investments made during this calendar year. Attach additional schedules if necessary. Enclose a copy of the capital company's annual financial statements, including documentation to indicate the methods of operation and conduct of the business of the capital company.

A ENTITIES INVESTING IN THE SMALL BUSINESS CAPITAL COMPANY

	Investor's Name	Address	Identification Number	Date of Investment	Type of Investment	Amount Invested
1)						
2)						
3)						
4)						

B ENTITIES INVESTING IN OKLAHOMA SMALL BUSINESS VENTURES IN CONJUNCTION WITH THE SMALL BUSINESS CAPITAL COMPANY

	Investor's Name	Identification Number	Business Invested In	Identification Number	Date of Investment	Type of Investment	Amount Invested
1)							
2)							
3)							

C OKLAHOMA SMALL BUSINESS VENTURES IN WHICH INVESTMENTS WERE MADE BY THE SMALL BUSINESS CAPITAL COMPANY

	Name of Business Invested In	Identification Number	Type of Business	Date of Investment	Type of Investment	Amount Invested
1)						
2)						
3)						

This information return, including enclosures, must be filed by April 30th.

Under penalties of perjury, I declare that I have examined this return, including accompanying statements, and to the best of my knowledge and belief it is true, correct and complete.

 Officer, General Partner or Member

 Date

**INSTRUCTIONS AND GUIDELINES FOR PREPARING
SMALL BUSINESS CAPITAL COMPANY INFORMATION REPORT**
Title 68 Section 2357.60-2357.65 and Rule 710:50-15-86

Note: The amendments to the Small Business Capital Credit made by Senate Bill 1577 of the 2006 Legislative Session are reflected on this form. Any person or entity that has obtained a favorable determination letter from the Oklahoma Tax Commission prior to March 15, 2006, regarding the ability to claim or otherwise utilize the Small Business Capital Credit shall not be subject to these amendments to qualify for the credit except as provided herein. Notwithstanding any determination letter issued with respect to such investment, no credit shall be allowed unless:

1. Such qualified investment is made prior to November 1, 2006, to satisfy a legitimate business purpose of the entity receiving such investment which is consistent with its organizational instrument, bylaws or other agreement responsible for the governance of the business venture;
2. The investor's funds were at risk; and
3. The investment was not made chiefly for the purpose of reducing tax liability.

If you are not subject to these amendments, use the instructions from the 2005 Form 527. Any investment in a qualified Small Business Capital Company or an Oklahoma Small Business Venture that occurs on or after November 1, 2006, shall be subject to these amendments and shall use the instructions on the 2006 Form 527.

Reporting Requirements

Each Small Business Capital Company shall file Form 527 with the Oklahoma Tax Commission by April 30th following the year in which investments were made. Enclose a copy of the capital company's annual financial statements, including documentation to indicate the methods of operation and conduct of the business of the capital company. This information will be used by the Oklahoma Tax Commission to determine whether the capital company is complying with the terms of the Small Business Capital Formation Incentive Act and any rules promulgated by the Oklahoma Tax Commission. No credit shall be allowed for an investment in the capital company unless such information is provided.

This report shall contain a list of all qualified investments made in, or in conjunction with, the Small Business Capital Company that may qualify for the tax credit allowed by this act. The report shall state the type and amount of the qualified investment, the date of the investment, the name and identification number of the entity making the investment and the business in which the investment was made.

This report shall also contain information regarding the qualified investments made by the Small Business Capital Company in Oklahoma Small Business Ventures. The report shall state the name and identification number of the business in which the investment was made, the type of the business, the date of the investment, and the type and amount of the investment.

Additional Reporting Requirement

- Each qualified Small Business Capital Company shall also make Form 527-A available to all investors in such company by January 31st. This form shall show the name of the qualified Small Business Capital Company, the name of the investor, the date of the investment, the total amount of qualified investments in, or in conjunction with, the company made by such investor and the amount of credit currently available. This form shall be enclosed with the filed Oklahoma income tax return of the taxpayer claiming the credit.
- Qualified Small Business Capital Companies or any entity making an investment in conjunction with an investment by a qualified Small Business Capital Company must notify the Oklahoma Tax Commission within 20 business days if:
 1. The investment in an Oklahoma Small Business Venture is transferred, withdrawn or otherwise returned;
or
 2. An occurrence upon which an investment is contingent has taken place.

Send such notification to the address shown at the end of the instructions.

**INSTRUCTIONS AND GUIDELINES FOR PREPARING
SMALL BUSINESS CAPITAL COMPANY INFORMATION REPORT
(continued)**

Definitions

A qualified Small Business Capital Company can be a "C" or subchapter "S" corporation as defined by the Internal Revenue Code, incorporated pursuant to the laws of Oklahoma; a limited liability company; or a registered business partnership with a certificate of partnership filed as required by law. The qualified Small Business Capital Company must be organized to provide the direct investment of equity and near-equity funds to Oklahoma Small Business Ventures. The principal place of business must be located within Oklahoma. The capitalization of the Small Business Capital Company must be at least \$1,000,000 and it can not invest more than 20% of its funds in any one company at any time during the calendar year.

An Oklahoma Small Business Venture can be any business, incorporated or unincorporated, which has, or will have within 180 days after a qualified investment is made by a Small Business Capital Company, 50% of its employees or assets in Oklahoma. Further, the business must need financial assistance to start or expand such business which provides, or intends to provide, goods or services. The business venture must qualify as a small business as defined by the Federal Small Business Administration. The Oklahoma Small Business Venture must be engaged in a lawful business activity under any Industry Number appearing under any Major Group Number of Divisions A, C, D, E, F or I of the Standard Industrial Classification (SIC) Manual, 1987 revision, with the exception of Major Groups 1 and 2 of Division A. The business venture must expend within 18 months after the date of the qualified investment at least 50% of the proceeds of the qualified investment for the acquisition of tangible or intangible assets which are used in the active conduct of their trade or business. Provided, that the Oklahoma Tax Commission, upon request and demonstration of need by a qualified Small Business Capital Company or an Oklahoma Small Business Venture, or an investor or an authorized agent of any such entities, may extend the 18-month period for a period not to exceed six months.

This information return, including enclosures, must be filed by April 30th.

**Mail to: Oklahoma Tax Commission
Audit Division: Corporate Income Tax
Post Office Box 53403
Oklahoma City, OK 73152-3403**