



# INSTRUCTIONS AND GUIDELINES FOR PREPARING SMALL BUSINESS CAPITAL REPORTS

## TITLE 68 SECTION 2357.60 - 2357.65 AND RULE 710:50-15-86

### PART 1 – ESTABLISHING THE CREDIT

**Column 1** - List the date(s) the investor invested in, or in conjunction with, the Small Business Capital Company.

**Column 2** - List the total amount(s) invested in, or in conjunction with, the Small Business Capital Company.

**Column 3** – Compute the total Credit available. Multiply the figure in column 2 by 20%.

**Column 4** - List the amount of such credit eligible to be claimed this year. The credit for investments made in Small Business Capital Company may only be claimed for a taxable year during which such company invests funds in an Oklahoma Small Business Venture and the credit shall be allowed for the amount of the funds invested in such venture. The credit for investments made in conjunction with the Small Business Capital Company may be claimed in the year in which such investments were made.

### CREDITS:

There shall be allowed a credit equal to 20% of the cash invested in a qualified Small Business Capital Company. The credit may only be claimed in the tax year in which the Small Business Capital Company invests funds in an Oklahoma Small Business Venture and for the amount of funds invested in such venture. If the tax credit exceeds the amount of tax liability, the amount of unused credit may be carried forward for a period not to exceed 10 years.

### CREDITS (CONT'D):

There shall also be allowed a credit equal to 20% of the cash invested in Oklahoma Small Business Ventures in conjunction with investment in such ventures made by a qualified Small Business Capital Company. To qualify for the credit, an investment shall be:

1. Made by a shareholder or partner of a qualified small business capital company that has invested funds in an Oklahoma small business venture;
2. Invested in the purchase of equity or near-equity in an Oklahoma small business venture;
3. Made under the same terms and conditions as the investment made by the qualified small business capital company; and
4. Limited to the lesser of:
  - a. 200% of any investment by the taxpayer in the qualified small business capital company, or
  - b. 200% of the investment made by the qualified small business capital company in the Oklahoma small business venture.

If the tax credit exceeds the amount of tax liability, the amount of unused credit may be carried forward for a period not to exceed 10 years.

No credit will be allowed for investments made prior to January 1, 1998.

### REPORTING REQUIREMENT

The Small Business Capital Company must furnish this form, to the investor by January 31st of the year following when the investment becomes eligible for the credit. A copy must be enclosed with the investor's income tax return if the credit is claimed.

### PART 2 – CREDIT CARRYOVER

The credit not used may be carried over, in order, to each of the 10 years following the year in which the credit was eligible to be claimed.