OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

November 2, 2006

REDACTED LETTER RULING

Re: Our file number LR-06-178

Dear

This letter ruling is in response to your inquiry dated September 27, 2006, whether an investment in VENTURE met the requirements for a qualified investment pursuant to 68 Okla. Stat. §2357.7 et seq..

Based upon the facts and other assertions contained in your September 27 request and the attached exhibit, it is the ruling of the Tax Policy Division that the investment by CAPITAL COMPANY in VENTURE will qualify for the Oklahoma Tax Credits described in 68 Okla. Stat. §2357.7 based on the following representations:

a. The Business has at least fifty (50%) of its employees or assets located in Oklahoma;
b. The Business needs financial assistance in order to commence or expand such Business which provides or intends to provide goods and services;
c. The Business is not engaged in the listed ineligible activities;
d. The Business has expanded at least 50% of the proceeds of the investment for the acquisition of tangible or intangible assets which are used in the active conduct of the business;
e. The investment does not have a repayment schedule that is faster than a level principal amortization over five 5 years;
f. One hundred percent (100%) of the proceeds of the investment in the Oklahoma business venture were used in pursuit of a legitimate business purpose of the venture; and
g. The loan or investment documents do not allow the transfer, withdrawal or otherwise return within five (5) years.

This response applies only to the circumstances set out in your request dated September 27, 2006. Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon only by the entity to whom it is issued and its investors, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law.

Please be advised that the issuance of this ruling does not preclude the Oklahoma Tax Commission from conducting an audit or examination under 68 Okla. Stat. §206 if any report or return claiming a credit for the transactions outlined in this letter ruling. The Commission reserves the right to issue any assessment, correction, or adjustment authorized under 68 Okla. Stat. §221.

If I can be of further assistance, please feel free to contact me.

Sincerely,

Oklahoma Tax Commission

Tony Mastin, Director
Tax Policy & Research Division