



- Up to 10% of the purchase price in the second year after the qualified ownership interest is purchased;
- Up to 15% in the third year after the qualified ownership interest is purchased.
- Not permitted to sell the qualifying investment during any of the taxable years for which the credit is being claimed.
- Tax credit issued on an annual basis after compliance documentation is provided to, and approved by, the Governor's Office of Economic Development.
- Not permitted to carry forward or carry back.
- Not permitted to claim both the tax credit and a capital loss if the Utah Small Business fails, dissolves or otherwise goes out of business.
- Through purchase agreement, operating agreements applicants must document overall investment and percentage ownership of entity.

Mel Lavitt recused himself from the vote due to a personal relationship with one of the investors.

**LIFE SCIENCE TAX CREDIT – Viropan Incorporated**

During the 2011 General Session, the Utah State Legislature passed H.B. 496, appropriating \$1.3M for three types of tax credits for life science and technology companies and administered by GOED. On August 1, 2011, the GOED Board awarded \$1M in tax credits to four life science companies. Of the three types of available tax credits, all of the awarded companies applied for the New State Revenues Credit; GOED received no applications for the Investment or Capital Gains Credits. During the 2012 General Session, the Utah State Legislature passed S.B. 23, providing technical changes to the legislation, making the tax credits more simple to administer and eliminating the Capital Gains Credit. On August 9, 2012, the GOED Board approved new policy for the Investment Tax Credit to enable GOED staff to begin receiving applications for tax credits. There is currently \$300,000.00 in funds available for Life Science and Technology Tax Credits.

Incentive Requested:

This incentive is for an investment by Salt Lake Angels, LLC in Viropan Incorporated. Both the company and the investments meet the statutory criteria to qualify for the tax credits.

**MOTION: Jerry Oldroyd moved to approve for Salt Lake Angels, LLC up to 35% of a \$65,000 total investment for \$22,750 in total post-performance nonrefundable Life Science and Technology Tax Credits over 3 years. Jake Boyer seconded the motion. Motion was carried unanimously.**

- Up to \$22,750 in total tax credits over three years.
- Post-performance nonrefundable tax credit up to 35% of the amount of the investment issued over three years.
- The tax credit is issued on an annual basis by the Governor's Office of Economic Development for:
  - Up to 10% of the purchase price of the qualified ownership interest in the year of the qualifying ownership interest is purchased;
  - Up to 10% of the purchase price in the second year after the qualified ownership interest is purchased;
  - Up to 15% in the third year after the qualified ownership interest is purchased.
- Not permitted to sell the qualifying investment during any of the taxable years for which the credit is being claimed.
- Tax credit issued on an annual basis after compliance documentation is provided to, and approved by, the Governor's Office of Economic Development.
- Not permitted to carry forward or carry back.
- Not permitted to claim both the tax credit and a capital loss if the Utah Small Business fails, dissolves or otherwise goes out of business.
- Through purchase agreement, operating agreements applicants must document overall investment and percentage ownership of entity.

Meeting adjourned.