



# Ohio Legislative Service Commission

## Bill Analysis

Joe McDaniels

### H.B. 43

129th General Assembly  
(As Introduced)

**Reps.** Goyal and S. Williams, Driehaus, Szollosi, Pillich, Stinziano, Derickson, Reece, Boyd, Phillips, Grossman, Slesnick, Weddington, Yuko, Sykes, Heard, DeGeeter

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## BILL SUMMARY

- Increases the Venture Capital Authority's annual tax credit authorization from \$20 million to \$26.5 million and lifetime tax credit authorization from \$380 to \$550 million.

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## CONTENT AND OPERATION

### Ohio venture capital tax credits

#### General background

Continuing law establishes the Ohio Venture Capital Authority to administer the Ohio Venture Capital Program, the stated purpose of which is to increase private investment capital available in Ohio for Ohio-based businesses in the early stages of business development and established Ohio-based businesses developing new methods or technologies. The Authority's principal function is to invest program funds in for-profit venture capital funds and similar private investment vehicles, primarily Ohio-based, that invest at least 50% of their program fund money in Ohio-based businesses.

Program funds arise from loans made by taxpayers. The loans are induced in part by security against investment losses, either through reimbursement directly from program fund money or through tax credits. Tax credits may be claimed against the insurance premiums franchise tax, the financial institutions franchise tax, the dealers in intangibles tax, or the personal income tax.<sup>1</sup>

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<sup>1</sup> R.C. 150.07(D).

## Limit on credits

Currently, the Authority may issue up to \$20 million in tax credit certificates per fiscal year and up to \$380 million during the program's lifetime.

The bill increases the fiscal year limit to \$26.5 million and the lifetime limit to \$550 million.<sup>2</sup>

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## HISTORY

ACTION	DATE
Introduced	01-20-11

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<sup>2</sup> R.C. 150.07(D).