

Bioscience Tax Incentives Tax Force
Minutes
August 15, 2006 Meeting

Present: Co-chairs Phil Syrdal and Steve Simpson, Rep. Dell Raybould, Sen. Charles Coiner, Phil Bradley, Karl Tueller, Shelby Kerns and staff support from Julie Howard, Ricky Bower and Craig Bledsoe.

Agenda

Working agenda to review and approve wording of proposed draft legislation for a Technology Investment Tax Credit and a preamble purpose statement.

Meeting was called to order. Co-chair Steve Simpson reviewed the presentation made by him and co-chair Phil Syrdal at the Aug. 8 meeting of the Governor's Science & Technology Advisory Council (STAC). Co-chair Simpson reported that Council members asked a number of questions, and subsequently unanimously endorsed proposing an Idaho Technology Tax Credit as part of its legislative agenda. This endorsement was for a program of \$10 million per year of transferable incentives to qualified companies under \$5 million in assets or revenues and having more than 50 percent of their employees and assets in Idaho. The program would be reviewed regularly for performance and then for renewal after five years. Co-chair Syrdal confirmed to the task force that STAC will include this program in their larger legislative package, which they will take forward to the Governor.

The task force carefully went through the wording of initial working drafts of a purpose statement (preamble) and draft legislation to make refinements. In discussion, the task force agreed that it is critical to clearly communicate that the purpose of these credits is to direct investments into building key biotechnology and tech infrastructure for the state of Idaho, helping small businesses establish and grow, providing more good-paying jobs, creating positions for Idaho college and technical school graduates, and creating new industry from the state's existing assets within its core competencies.

Rep. Dell Raybould said there is a lack of understanding in the general population regarding the value of risk capital. He said investors willing to take risks with their private capital to help Idaho tech and bioscience companies get started are "extremely valuable." He said these types of companies provide jobs in Idaho that have high starting wages and entice bright entrepreneurs to build and develop here in the state.

The next draft will incorporate the comments of the task force, input from the Tax Commission, and any legal comment from the Attorney General's office. It is expected

that draft can be distributed to the task force chairs shortly after Labor Day for review and subsequent distribution to the task force members, the STAC members and some key legislators. After receiving comment, work will be done on the documents to prepare them for final task force review and subsequently, the 2007 Legislative Session. OST staff Julie Howard was asked to gather the tax commission and AG comments to include in the next draft.

Sen. Charles Coiner suggested, and the task force agreed, that the details of the proposed Technology Investment Tax Credit be synthesized to one page so that it could be communicated easily to legislators and the public. The co-chairs will work with Julie Howard on drafts for this portion of the package as well as the Statement of Purpose and the required statements of expense.

No further meetings of the task force were set. Co-chairs advised the group that a final meeting or teleconference might be called for early October to review the final drafts.