

HOUSE RESEARCH

Bill Summary

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Modifies provisions of the Small Business Investment Tax Credit enacted in 2010.

- 1** **Definitions.** Defines an intern as a student at an accredited higher education institution, or recent graduate (within 6 months) who is employed by a qualified small business in a temporary position (i.e., duration of less than nine months) which provides training and experience in the primary business activity of the business.
- 2** **Certification of qualified small business.** Reduces the minimum wage required to be paid to interns from 175 percent of the federal poverty guidelines for a family of four to 175 percent of the federal minimum wage used for federally covered employers. Raises the limit from \$2 million to \$4 million for the amount of previously received private equity investment that a business may have received and still be certified as a qualifying small business.
- 3** **Certification of qualified funds.** Provides that a fund seeking certification must have at least three separate investors of whom at least three whose investment is made in the certified business and who seek a tax credit allocation, qualify as qualified investors who are natural persons and certify that they will invest in a transaction that is exempt under regulated securities requirements, or in a security registered under the small corporate offerings registration.
- 4** **Effective date.** The bill is effective retroactive to January 1, 2011.