

# MAINE STATE LEGISLATURE

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Business & Education  
at Work for Maine

January 29, 2007

Hon. Christopher Rector  
Joint Standing Committee on Business,  
Research and Economic Development  
Maine Legislature  
Cross State Office Building, Rm. 208  
Augusta, ME 04333

Dear Representative Rector:

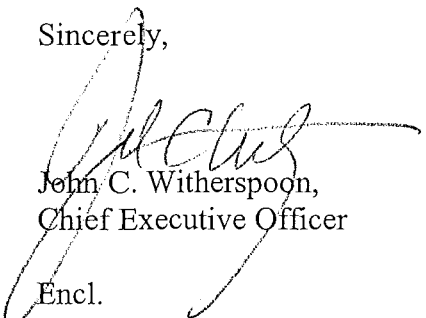
Enclosed please find information on the Maine Seed Capital Tax Credit Program in response to your question during FAME's presentation to the BRED Committee on January 25, 2007.

As I understand it, your question, posed by Rep. Beaudette in your absence, pertained to the dollar amounts leveraged over the years by this Program. As you can see from the attached document, since FY 89 \$14,090,000 in tax credits have been made available to 225 businesses (1,023 investors), leveraging a total of \$39,515,000.

The Maine Seed Capital Tax Credit Program is designed to encourage equity and near equity investments in young business ventures, directly and through private venture capital funds. FAME may authorize State income tax credits to investors for up to 60% of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital.

I hope this information is helpful to you and the other members of the Committee. Please feel free to contact me at (800) 228-3734 x 232 should you have any questions. FAME greatly appreciated the opportunity to make its biannual presentation to BRED, and looks forward to working closely with the Committee this Session.

Sincerely,



John C. Witherspoon,  
Chief Executive Officer

Encl.

Cc: Joint Standing Committee on Business, Research, and Economic Development  
Natalie Haynes, OPLA

**MAINE SEED CAPITAL TAX CREDIT PROGRAM**  
Cumulative Activity to Date (1/26/2007)

	<b>Tax Credits</b> <i>(Dollars in Thousands)</i>	<b>Investments</b>	<b># of Businesses with investments</b>	<b># of Investors</b>
FY89	\$ 27	\$ 90	2	7
FY90	\$ 69	\$ 229	2	13
FY91	\$ -	\$ -	0	0
FY92	\$ 35	\$ 115	3	5
FY93	\$ 188	\$ 626	5	21
FY94	\$ 319	\$ 1,064	6	44
FY95	\$ 372	\$ 1,239	7	47
FY96	\$ 352	\$ 1,174	9	32
FY97	\$ 169	\$ 563	9	31
FY98	\$ 397	\$ 1,324	14	59
FY99	\$ 816	\$ 2,718	15	85
FY00	\$ 1,321	\$ 4,902	22	129
FY01	\$ 2,097	\$ 6,017	31	107
FY02	\$ 673	\$ 1,750	15	53
FY03	\$ 2,753	\$ 7,318	22	171
FY04	\$ 1,526	\$ 3,652	21	69
FY05	\$ 1,154	\$ 2,002	17	46
FY06	\$ 1,751	\$ 4,582	20	96
FY07	\$ 71	\$ 150	5	8
<b>TOTALS</b>	<b>\$ 14,090</b>	<b>\$ 39,515</b>	<b>225</b>	<b>1023</b>

last updated 1/26/07  
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