

Good news for entrepreneurs and angels that invest in them!



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Angel Investor Tax Credit on its way to becoming law -- at last!

The House and Senate have passed a package of tax cuts that legislators call the "jobs" bill. The bill is expected to be signed by the Governor yet this week. This is great news for the entrepreneurial community and will help reignite Minnesota's culture of innovation.

The Angel Investor Tax Credit, discussed and debated for years at the Capitol, is included in this bill and is finally on its way to becoming law. The bill provides for a 25% tax credit for Angel Investment, to a maximum of \$125,000 in tax credits per year/per investor. The bill budgets \$11 million in credits for 2010, with \$12 million in credits for 2011 through 2014. This tax credit is scheduled to sunset in 2015.

Lommen Abdo and Merchant & Gould -- in a rare law firm joint venture called "MOJO MN" -- worked closely with the authors of this bill and we testified in favor of its passage.

The other major tax provisions in the bill include:

- Research and Development (R&D) tax credit,
- Historic Renovation tax credit,
- Voluntary energy efficiency financing program,
- "CAR-Z" program aimed at keeping the St. Paul Ford plant open, and
- Numerous tax increment financing provisions, including provisions to assist with an expansion of the Mall of America.

The R&D tax credit increases from 5% to 10% of the first \$2.5 million in R&D investment. In addition, the R&D credit is now expanded beyond "C" corporations to partnerships and "S" corporations. The R&D tax credit is refundable if a business's tax liability is less than its credit due.

It's time to enter the Minnesota Cup Contest

The call is out for entries for the Sixth Annual Minnesota Cup -- a statewide contest designed to seek out, support, celebrate and promote Minnesota's newest and most innovative business ideas. Lommen Abdo is a sponsor of the 2010 Minnesota Cup, and I am proud to participate once again as one of the judges for the state-wide business plan competition.



This year's competition offers more than \$130,000 in prizes across six award divisions: High Tech, BioSciences, Clean Tech & Renewable Energy, Social Entrepreneurship, General and Student. A finalist from each division -- with the exception of the student division - will be awarded \$20,000. The winners of each division will compete for an additional \$20,000 grand prize. The student winner will receive \$5,000 and be eligible for the grand prize.

If you're an entrepreneur, consider entering the contest as a means to meet and receive feedback from leading investors, win cash prizes and take the first step to make your business idea a reality. NOTE: Businesses must be based in Minnesota, have historical annual revenue of less than one million and been in operation for less than five years.

Read the [press release](#) announcing the competition, the [Twin Cities Business article](#) or visit www.minnesotacup.org for more information about the contest.

Please share this announcement with interested members of the entrepreneurial business community.

RAIN Source Capital and FundingUniverse CrowdPitch Event

[FundingUniverse](#), a leader in connecting qualified entrepreneurs with active investors and lenders across the United States, and [RAIN Source Capital](#), a leader in forming and managing angel investment funds, announced it will host a CrowdPitch event in Minneapolis on Monday, April 12, 2010 at the Hilton Bloomington (494 and France Avenue) from 11:30 a.m. to 1:30 p.m. The event is free to all.

For more information and to sign up to attend, go to www.fundinguniverse.com/minneapolis-crowdpitch.

This event will bring entrepreneurs, innovators, mentors, support providers and investors together in an informal and energetic setting. Think 'America Idol' -- selected entrepreneurs will have four minutes to pitch their company to both a panel of experts and a live audience, followed immediately by a three-minute Q&A session with the panel. A free networking lunch will follow the formal pitch.

FundingUniverse will provide the winning company the equivalent of \$10,000 in equipment and services. Included in the prize pack is rent in the Minnesota area, telephone services, legal and financial services, search engine optimization for their website, press releases, website hosting and FundingUniverse's Deal-Ready™ services.

Angel Investor Tax Credits, the Minnesota Cup, and the CrowdPitch Event! Investing in ideas!

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