



## crossroads venture group

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March 11, 2014

Senator John Fonfara and Representative Patricia Widlitz

Co-Chairs, Finance, Revenue and Bonding Committee

Room 3700, Legislative Office Building

Hartford, CT 06106

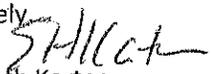
Dear Senator Fonfara, Representative Widlitz and Members of Committee,

I am writing to offer my support for the Governor's recommendation to replenish the Angel Investment Tax Credit with \$3 million in funding. The Angel Tax Credit is a significant factor in driving more angel activity in CT. The changes proposed in Section 7 of Senate Bill 28 which establishes a recapture provision against the tax credit will reduce the effectiveness of the Angel Tax Credit and thus will reduce the number of start-ups that get funded in CT. I urge you to leave the Existing Angel Tax Credit language as it is and if anything consider increasing the amount from \$3M to \$6M as the tax credit is oversubscribed annually.

Specifically Section 7 introduces the risk of recapture of the tax credit as a result of factors beyond the investor's control. This would render the tax credit worthless. The CT start up community languished for years as NY and Boston entrepreneurial communities flourished. The angel tax credit is one way to support our startups so they can grow here. Constraining angel capital will undermine our fledgling efforts to build a robust ecosystem of entrepreneurs.

As a representative of the local venture community and an active angel investor, I urge you to remove Section 7 from Senate Bill 28.

Sincerely,

  
Elizabeth Karter

Executive Director of Crossroads Venture Group

Founder of Angel Investor Forum

Managing Director of Enhanced Capital