



# NEWS RELEASE

COMMUNICATIONS OFFICE  
DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT  
312 8TH AVENUE NORTH, 11TH FLOOR  
NASHVILLE, TENNESSEE 37243  
HTTP://WWW.TNECD.GOV

## **FOR IMMEDIATE RELEASE**

August 4, 2010

Contact: Laura Elkins, ECD  
Office: (615) 532-1910  
E-mail: [laura.elkins@tn.gov](mailto:laura.elkins@tn.gov)

### **NEW TNINVESTCOS CLOSE ON SALE OF TAX CREDITS, GENERATE ADDITIONAL \$60 MILLION IN VENTURE CAPITAL** *Early- and Mid-Stage Capital Available to Tennessee Small Businesses*

**NASHVILLE, Tenn.** – Economic and Community Development Commissioner Matt Kisber and Revenue Commissioner Reagan Farr announced today the sale of \$80 million in tax credits by four new TNInvestco funds has raised more than \$60 million in early- and mid-stage capital to invest in Tennessee’s most promising, high growth small businesses. The insurance companies participating in TNInvestco are capitalizing the program up front in exchange for tax credits allowing them to offset future gross premium tax liability on an annual basis beginning in 2012 through 2019.

The Tennessee General Assembly approved an expansion of the TNInvestco program in June, increasing the number of funds from six to 10. The 10 TNInvestcos in the program have now collectively raised more than \$146 million in new capital to invest in small businesses, create jobs and further develop Tennessee’s entrepreneurial infrastructure.

“The response by insurance companies to the TNInvestco program has been very positive and very strong,” said Commissioner Kisber. “They understand immediately how TNInvestco can act as a catalyst for a surge of venture capital into Tennessee and how it can function as a win-win for the state of Tennessee, the investor companies and the companies who receive the capital they need to grow and create new jobs.”

“I’m very pleased by the response to the TNInvestco program,” said Commissioner Farr. “Tennessee has long been recognized for its strong entrepreneurial spirit and the TNInvestco funds can now begin investing in the types of companies capable of truly transforming Tennessee’s economy.”

Just last month the U.S. Chamber of Commerce’s National Chamber Foundation issued an expanded Tennessee profile, an addition to the Enterprising States study released in May 2010, which highlights how state and local policies play a vital role in creating an environment needed to spur job creation and economic growth. The report praised Tennessee’s use of targeted tax credits and indentified the TNInvestco program as an “innovative approach” to developing venture capital to help grow Tennessee businesses.

The four new TNInvestco funds participating in the program include MB Venture Partners, NEST-TN, Solidus-TNInvestco and Tennessee Angel Fund. More information about the funds is available at [www.tninvestco.gov](http://www.tninvestco.gov).

-more-

The four new funds join previously announced TNInvestcos that include Tennessee Community Ventures Fund, LLC; XMi High Growth Development Fund, LLC; Limestone Fund, LLC; Tri-Star Technology Fund, LLC; Innova Fund II, LP; and Council & Enhanced Tennessee Fund, LLC.

Each TNInvestco fund was awarded a \$20 million allocation of premium insurance tax credits by the Tennessee Department of Economic and Community Development (ECD) and the Department of Revenue. The insurance companies who purchased the tax credits deposited funds into an escrow account administered by the Treasury Department of the state of Tennessee. The funds are then distributed to the TNInvestcos for investment in Tennessee companies and are subject to annual audit. The legislation creating the TNInvestco program requires ECD and Revenue to submit a report on the program annually to the Tennessee General Assembly.

Businesses interested in seeking capital investment from the TNInvestco funds can do so online at [www.tninvestco.gov](http://www.tninvestco.gov). The web site also has FAQ's and additional information about the TNInvestco program.

#### **About the Tennessee Department of Economic and Community Development**

The Tennessee Department of Economic and Community Development's mission is to create higher skilled, better paying jobs for all Tennesseans. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth. To find out more, go to [www.tn.gov/e cd](http://www.tn.gov/e cd) or [www.investtennessee.org](http://www.investtennessee.org).

#### **About the Tennessee Department of Revenue**

The Department of Revenue is responsible for the administration of state tax laws and motor vehicle title and registration laws established by the legislature and the collection of taxes and fees associated with those laws. The Department of Revenue collects approximately 92 percent of total state tax revenue. During the 2008-2009 fiscal year, the department collected \$10.2 billion in state taxes and fees. In addition to collecting state taxes, \$1.9 billion of local sales tax was collected by the department for local governments during the 2008-2009 fiscal year. Besides collecting taxes, the department enforces the revenue laws fairly and impartially in an effort to encourage voluntary taxpayer compliance. The department also apportions revenue collections for distribution to the various state funds and local units of government. To learn more about the department, log on to [www.tn.gov/revenue](http://www.tn.gov/revenue).

###