

Contact: 913.219.1199

2006 Kansas Angel Investor Tax Credit Program Commences
\$2 million in tax credits to be granted in newly formatted 2006 process

Topeka (January 4, 2006) – The second term of the Kansas Angel Investor Tax Credit Program officially commences this week. The tax credit program was developed as part of the 2004 Kansas Economic Growth Act and is administered through the Kansas Technology Enterprise Corporation (KTEC). Under this program, a Kansas Angel-accredited investor will be allowed a 50% tax credit on cash investments of up to \$50,000 in a qualified Kansas business.

The program was so well received in its inaugural year that the \$2 million dollar tax credits were issued within 41 days of the program start date. As a result of this demand, the legislation has changed to empower the state, through KTEC, to qualify businesses that have the potential for providing the greatest economic impact to the state. Additionally, KTEC was given the ability to reserve partial credits.

The goal of the Kansas Angel Investor Tax Credit Program is to provide investors with tax credits against Kansas Income Tax liability, thereby fostering investments in seed and early-stage capital financing for emerging Kansas businesses. The program cultivates the development, implementation and commercialization of innovative technologies, products and services in Kansas. The Kansas Angel Tax Credit is limited to a \$2,000,000 Annual Allocation cap and a \$20,000,000 Cumulative Allocation cap.

“Response to the Angel Tax Credit program has been extremely enthusiastic since we rolled it out in 2005. We have already received applications from 10 start-up businesses across the state for 2006 qualification,” Michele Weigand, Vice President of Investments & Investment Portfolio Management of KTEC said. “Demand has necessitated that we now have the ability to strategically decide which companies have the best chance of a positive impact on our economy. Along with the change to allow partial credits, I am confident we have a top notch economic development tool for the state in this program.”

“Access to capital is one of the most important elements of successful economic development initiatives,” said Tracy Taylor, President and CEO of KTEC. “The tremendous response to the Kansas Angel Investor Tax Credit Program in its initial year demonstrates the need for such a program in our state. KTEC is certainly excited for what this program, as well as the many KTEC programs, is doing to further the Kansas economy.”

For companies interested in qualifying as a Kansas Business, or for information on how to apply for the credits, please visit <http://www.kansasangels.com/>

For more information about Kansas Angels, visit www.kansasangels.com
For more information about KTEC, visit www.ktec.com