

122:24-1-05

**Validation of Qualifying Investment.**

- (A) Within thirty days of the Time of Investment, or for an Investment of Money made prior to the effective date of these rules, on a date determined by the Director, the Eligible Investor must supply to the Director evidence that the transfer of the Investment of Money has been made. The Time of Investment must occur within thirty days of the date supplied in the Application. Items which may be considered evidence of an Investment of Money can be found in rule 122:24-1-11(C) of the Administrative Code.
- (B) Within thirty days of the date in which the Small Business Enterprise completes its expenditures pursuant to Section 122.86(A)(1)(c)(i)-(v) of the Revised Code, or for expenditures made prior to the effective date of these rules, on a date determined by the Director, the Small Business Enterprise identified in the transaction must supply to the Director evidence of such expenditures. The Director shall prescribe guidelines for what constitutes reasonable evidence of an allowed expenditure. Regardless of when the expenditures are made within the six month period described in Section 122.86(A)(1)(c) of the Revised Code, the Small Business Enterprise must supply to the Director evidence of such expenditures no later than seven months from the date of the Investment of Money.
- (C) On or before the date described in division (A) of this rule, any Eligible Investor that is a Pass-through Entity that wishes to receive a small business investment certificate must provide to the Director a list of partners or members, including the correct legal name, taxpayer identification number, and proportion of ownership interest in the entity. To the extent that any of the parties denoted on this list are themselves a Pass-through Entity, the Eligible Investor that is participating in the InvestOhio Program must supply a list of partners or members, including the correct legal name, mailing address, email address, taxpayer identification number, and proportion of ownership interest in the entity. This process shall continue until all listed parties are individuals subject to the tax found in Chapter 5747 of Revised Code. This allocation of ownership in the Eligible Investor shall determine the amount of tax credit that each owner is entitled to claim, subject to the limitations imposed by Section 122.86(C)(1) of the Revised Code.
- (D) The Director may, from time to time and as necessary, request in writing additional information from the qualifying applicants in order to ascertain whether the parties to the transaction qualifying as Small Business Enterprises, as defined in Section 122.86(A)(1) of the Revised Code, and Eligible Investors, as defined in Section 122.86(A)(3) of the Revised Code.
- (E) To the extent that the Qualifying Investment is validated, the Application may still be disqualified subject to the provisions of rule 122:24-1-10 of the Administrative Code.
- (F) The cash comprising an Investment of Money cannot be derived from a loan made to the Eligible Investor by or through the Small Business Enterprise when the Eligible

Investor intends to make an Investment of Money in that same Small Business Enterprise. Such an arrangement shall be determined to be a subversion of the purpose of the InvestOhio Program pursuant to Section 122.86(F)(5).

Replaces: 122:24-1-05

Effective:

R.C. 119.032 review dates:

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Certification

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Date

Promulgated Under: 119.03  
Statutory Authority: 122.86 (F)  
Rule Amplifies: 122.86, 5747.81  
Prior Effective Dates: 11/8/2011 (EMR)