



February 2, 2016

Representative Marvin Kleeb  
Chair, Committee on Taxation  
Kansas House of Representatives  
Kansas State Capitol Building  
300 SW 10th St., Room 185-N  
Topeka, KS 66612

Re: Support for House Bill [2405]. Extension of Kansas Angel Investment Tax Credit

Dear Representative Kleeb:

I am Dr. Wayne Carter, President and Chief Executive Officer of the Kansas City Area Life Sciences Institute. My institute represents a 300 mile region that spans from Manhattan, KS to Columbia, MO. The Kansas City Area Life Sciences Institute is a 501(c)(3) non-profit organization that works within this region to support and grow the human, animal and plant sciences.

In 2015 we completed a strategic assessment of the life sciences with Deloitte consulting. Four drivers for building our life science ecosystem were identified; one of those drivers, capital formation, was recognized as a significant weakness in our region.

Very few companies in the life science sector have enough money to go from discovery to successful concept to commercialization. They will usually start with their own money add friends and family and then go to angel investors and then to venture capital firms.

Angel investors are generally putting hundreds of thousands of dollars of their own money at risk to help fund these start-up companies. The angel investors are doing the due diligence and taking the risk. The tax credit provides a strong incentive for these companies to plant their roots in Kansas as they attract investors.

With the planned privatization of the Kansas Bioscience Authority, and the legislative loss of the Angel Investor Tax Credit, there are fewer and fewer reasons for a company to start in Kansas. The state of Missouri annually allocates millions of dollars to attract companies to Missouri through the Missouri Technology Corporation. Without an angel investor tax credit, Kansas will have little ability to keep Kansas-grown technologies in the state or attract new companies to the state.

Representative Marvin Kleeb

February 2, 2016

Page 2

The success of the companies testifying before you today represents a small fraction of the benefit to the state of Kansas from the previous Angel Investor Tax Program. I urge you to extend the Angel Investor Tax Credit to attract high growth companies to Kansas and bring high quality knowledge-based jobs to the state.

Thank you for your attention,

A handwritten signature in blue ink, appearing to read 'W. O. Carter', with a stylized flourish at the end.

Wayne O. Carter, DVM, PhD, DACVIM  
President and Chief Executive Officer