

May 10, 2023

**TO: Chairman Rulli, Vice Chair Schuring, Ranking Member DeMora and members of the Committee**

On behalf of Advantage Capital I write in support of expanding the Ohio New Markets Tax Credit (OHNMTC) to meet the ever-increasing demand for affordable growth capital for Ohio small businesses.

Each year since the OHNMTC program launched in 2009, \$10 million in tax credits leveraged private capital to return \$307 million in total investment. The existence of a state NMTC has also made Ohio a magnet for the federal NMTC, increasing the average annual amount by 229%.

With current demand for the credits at three times the supply, the time is right to expand the program from \$10 million to \$30 million annually, while raising the per-business investment limit from \$2.56 million to \$5 million.

An expanded OHNMTC can benefit more businesses in low-income communities that are primed for growth but starved for capital. Failed banks, tightening regulations, inflation, and rising interest rates have made it increasingly difficult for small businesses to qualify for traditional bank loans, but an investment through the OHNMTC features below-market interest rates and flexible terms, making it affordable to finance new equipment, expand manufacturing facilities, or fund R&D.

Advantage Capital has used the program to invest more than \$20 million in nine Ohio businesses, 70% located in rural communities. An analysis of our portfolio's ROI calculated that every \$1 in tax credits produces \$2.67 in revenue back to the state.

Our investments include Mirac, a manufacturer of electronic components and the largest employer in the Lynchburg area. A total of \$7.3 million invested since 2018 has grown their workforce from 90 to 141 and provided the working capital needed to process a significant backlog of customer demand built up during the pandemic. In Athens, Stirling Ultracold, a leading manufacturing of state-of-the-art freezers, has used \$6.4 million from the program to expand their business and support 195 jobs.

Advantage Capital strongly supports the expansion of the OHNMTC and we look forward to the opportunity to continue to participate in driving growth capital Ohio small businesses.

Thank you for your consideration.

Sincerely,



Ryan Dressler  
Principal  
Advantage Capital