

781—4.6(12) LIFT—small business program.

4.6(1) New and existing small businesses are eligible for the LIFT small business program. An existing small business is defined as a business that has annual gross sales of \$2 million or less at the time of application.

4.6(2) A borrower is ineligible if the borrower has received financial assistance from the LIFT program prior to July 1, 2006.

4.6(3) All owners of the business or borrowers must not have a combined net worth exceeding \$975,000. Combined net worth, as defined by this program, shall equal assets less liabilities for each owner of the business and persons borrowing for the business combined. Married individuals may divide their total net worth and assign one half of the total to each individual. If both individuals are owners of the business or borrowers, then their combined net worth must be used to determine net worth requirements.

4.6(4) Proceeds of loans under this program shall be used for business expenses including land, improvements, fixtures, machinery, inventory, supplies, equipment, information technology, or licenses, or patent, trademark, or copyright fees and expenses.

4.6(5) The maximum amount that a borrower or business may borrow from this program is \$200,000. Once the borrower or business has received LIFT funds totaling \$200,000, the borrower or business is ineligible for additional LIFT proceeds.

4.6(6) Proceeds shall not be used to speculate in real estate or for real estate held for investment purposes. Proceeds shall not be used to buy real estate for the purposes of renting or leasing.

4.6(7) A home-based business qualifies as a LIFT small business only if the person whose home is used for operation of the small business qualifies for a tax deduction for that portion of a home used for business pursuant to regulations of the Internal Revenue Service. An applicant who wishes to borrow from the LIFT small business program, who otherwise qualifies, and who has a home-based business or wishes to begin a home-based business must establish to the satisfaction of the lender that the applicant qualifies for a tax deduction for that portion of the applicant's home that the applicant uses or intends to use for the business pursuant to regulations of the Internal Revenue Service.

4.6(8) If the business holds a class "C" liquor license, sales of liquor, beer, and wine must not exceed 20 percent of annual sales.

[ARC 9214B, IAB 11/3/10, effective 12/8/10]