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**Information Request: Tax Credits for Angel Investors**

Below is a research table that consists of information relating to tax credits for angel investors throughout the states. All information was gathered from state websites, statutes, and angel investor associations.

State	Program Details	Reference
Arizona	The principal objective of the <a href="#">Angel Investment program</a> is to expand early stage investments in targeted Arizona small businesses. The program accomplishes this goal by currently eliminating Arizona capital gains tax liabilities associated with the disposition of investments in small businesses certified by the Arizona Commerce Authority (ACA). Please <a href="#">click here</a> to visit an in-depth program summary.	The Angel Investment program is established under <a href="#">A.R.S. § 41-1518</a> . The program was amended in 2011, pursuant to <a href="#">HB2001 – Arizona’s Competitiveness Package</a> , and extended in 2014, pursuant to <a href="#">House Bill 2272</a> . Please <a href="#">click here</a> to visit program guidelines.
Arkansas	<a href="#">Act 566 of 2007</a> also known as the “Equity Investment Incentive Act of 2007” provides a tax incentive for equity investments in targeted, early stage, and start-up businesses. The purpose of the equity investment incentives is to encourage capital investment in certain types of businesses that are creating new higher paying jobs for the State of Arkansas.	Arkansas Equity Investment Tax Credit Incentive Program Ark. Code Ann. § 15-4-3303
Connecticut	An individual can participate in the Angel Investor Tax Credit Program if they meet the definition of an accredited investor, or a network of accredited investors, found in Section 183-704d of Public Act 16-3. An investment of \$25,000 to \$1,000,000 qualifies them for a 25% credit on your state income tax. Please <a href="#">click here</a> to visit the program’s webpage.	An act concerning the extension of the Angel Investor Tax Credit and requiring a study concerning the expansion of the business tax credits (PA 16-3 Sec. 183-704d. Credits for angel investors): Click <a href="#">here</a> .

Georgia	<p>There have been two significant changes to the Georgia angel tax credit program in the past two years. First, the Georgia legislature, through <a href="#">House Bill 237</a>, adopted into law in 2015, extended the angel investment tax credit for 2016, 2017, and 2018. The maximum credit to be allowed for all investments made in 2016, 2017, and 2018 and allowed in 2018, 2019, and 2020, respectively, is \$5 million for each year. Second, on May 2, 2016, the Georgia Department of Revenue issued Notice IT-2016-2, amending Georgia Rule 560-7-8-.52, conforming the program to amended law and making some administrative changes as well. Please click here to read a <a href="#">brief summary</a> of their program.</p>	§ <a href="#">48-7-40.30</a>
Indiana	<p>The Venture Capital Investment Tax Credit program improves access to capital for fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana tax liability. Please <a href="#">click here</a> to visit the program's webpage.</p>	The Venture Capital Investment Tax Credit is established by I.C. 6-3.1-24.
Iowa	<p>Angel Investor tax credits are offered to increase the availability and accessibility of venture capital, particularly for ventures at the seed capital investment stage. Two programs – the <a href="#">Qualifying Business tax credit</a> and the <a href="#">Community-Based Seed Capital Fund tax credits</a> – work together to encourage the creation of wealth through high-paid, new jobs while promoting industrial development and innovation. The total amount of tax credits available per fiscal year is \$2 million. Investors can receive up to 20 percent of the equity investment in either a</p>	Tax Credits For Investments In Qualifying Businesses And Community-Based Seed Capital Funds <a href="#">IAC Chapter 261.115</a>

	designated Qualifying Business or Community-Based Seed Capital Fund. Please <a href="#">click here</a> to visit the programs' webpage.	
Kansas	Under the Kansas Angel Investor Tax Act, as codified at K.S.A. 74-8131 — K.S.A. 74-8137, effective January 1, 2005 as amended, an accredited investor is allowed a 50% tax credit on their cash investment of up to \$50,000, in a certified Kansas business. Additionally, for each tax year, an Angel Investor shall not be entitled to claim tax credits under this Act for more than \$250,000. Please <a href="#">click here</a> to visit the program's website.	<a href="#">Kansas Statutes</a> Statutes 74-8131 through 74-8137
Kentucky	The Angel Investment Act incents approved investors who invest in qualified Kentucky small businesses. The process is quick and painless. The minimum investment is \$10,000, and the approved investment allows the investor to claim: 1) A 50 percent tax credit on investments in companies located in enhanced counties. 2) A 40 percent tax credit on investments in companies located in non-enhanced counties The tax credit is transferrable to another individual investor, and for both in-state and out-of-state investors. Please <a href="#">click here</a> to view the program's fact sheet. Please <a href="#">click here</a> to visit the program's webpage.	<a href="#">KRS 154.20-230 through 240.</a>

Louisiana	Louisiana's Angel Investor Tax Credit (AITC) encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital. Provides a 25.2% tax credit on investments by accredited investors who invest in businesses certified by Louisiana Economic Development as Louisiana Entrepreneurial Businesses (LEB). \$3.6 million annual program cap. Investors can invest \$720,000 per business per year and \$1.44 million per business over the life of the program. The AITC Program sunsets on July 1, 2017. Please <a href="#">click here</a> to visit the program's webpage.	<a href="#">LRS 47:6020</a> : Angel Investor Tax Credit Program
Maine	The Maine Seed Capital Tax Credit Program is designed to encourage equity investments in Maine businesses, directly and through private venture capital funds. FAME may authorize state income tax credits to investors for up to 50% of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital. Please <a href="#">click here</a> to visit the program's webpage.	<a href="#">§1100-T. Tax Credit Certificates</a>
Maryland	The Maryland Biotechnology Investment Incentive Tax Credit (BIITC) provides an investor with income tax credits equal to 50%* of an eligible investment in a Qualified Maryland Biotechnology Company (QMBC). The program supports investment in seed and early stage biotech companies to promote and grow the biotech industry in Maryland. Please <a href="#">click here</a> to visit the program's webpage.	<a href="#">§10-725. Biotechnology Investment Tax Credit</a>  <a href="#">BIITC-Regulations</a>  <a href="#">HB 1167</a> (2016)
Massachusetts	In 2016, HB 4569 was signed into law, which created an angel investor credit. A 'taxpayer investor' may earn a credit in the amount of 20 percent of the amount of the taxpayer's investment in a 'qualifying business' and up to 30	<a href="#">HB 4569</a> (2016)

	<p>percent if the qualifying business is located in a gateway municipality. A taxpayer investor is an accredited investor, as defined by the United States Securities and Exchange Commission pursuant to 15 U.S.C. Section 77b(15)(ii), who is not the principal owner of the qualifying business and who is involved in the qualifying business as a full-time professional activity. (<a href="#">RSM US LLP</a>)</p>	
Minnesota	<p>Minnesota's Angel Tax Credit provides a 25-percent credit to investors or investment funds that put money into startup companies focused on high technology, new proprietary technology, or a new proprietary product, process or service in specified fields. The maximum credit is \$125,000 per person, per year (\$250,000 if filing jointly). The credit is refundable. Residents of other states and foreign countries are eligible. Please <a href="#">click here</a> to visit the program's webpage.</p>	<p><a href="#">116J.8737 Small Business Investment Tax Credit</a></p>

Nebraska	<p>As part of the Talent and Innovation Initiative, the Angel Investment Tax Credit Act provides refundable state income tax credits to qualified investors that invest in <a href="#">qualified early-stage companies</a>. Key elements of the Angel Investment Tax Credit Program: 1) DED certifies qualified: a) individual investors - minimum investment of \$25,000 per year b) investment funds - minimum investment of \$50,000 per year, minimum of three investors. 2) DED certifies qualified small businesses: a) Nebraska-based with more than 51% of employees in Nebraska b) Shall have 25 or fewer employees at time of investment. 3) Maximum credits of \$350,000 for couples filing joint return and \$300,000 for single filers. 4) Maximum amount of tax credits allocated for investments in any one business limited to \$1 million. 5) 40% refundable tax credit in Distressed Areas, 35% in Non-distressed. 6) Focus on high-tech businesses. Please <a href="#">click here</a> to visit the program's webpage.</p>	<p>The Nebraska Angel Investment Tax Credit Act (<a href="#">found in Neb. Rev. Stat. §§77-6301 to 77-6310</a>).</p> <p><a href="#">Nebraska Department of Economic Development Angel Investment Tax Credit Program Guidelines</a></p>
New Jersey	<p>Up to \$25 million of Angel Investor Tax Credit may be approved per calendar year. If the cumulative credits claimed by taxpayers exceed the amount available in a given year, then credits will be applied in the order in which applications are received and complete, starting on the first day of the succeeding calendar year in which Angel Investor Tax Credits do not exceed the amount of credits available. Please <a href="#">click here</a> to visit the program's webpage.</p>	<p><a href="#">New Jersey Angel Investor Tax Credit Act, P.L. 2014, c. 14</a></p> <p><a href="#">Current Angel Investor Tax Credit Program Rules, N.J.A.C. 19:31-19.1 through 19.8*</a></p>
New Mexico	<p>A taxpayer who files a New Mexico income tax return and who is a "qualified investor" may take a tax credit of up to \$62,500 (25% of a qualified investment) for an investment made in each of up to</p>	<p><a href="#">7-2-18.17. Angel investment credit.</a></p> <p><a href="#">New Mexico Economic Development Department Angel Investment Tax Credit Instructions (2015)</a></p>

	<p>five New Mexico companies that are engaging in qualified research, as defined by the Internal Revenue Code, or manufacturing. The taxpayer may claim the angel investment credit for one qualified investment per investment round. Any portion of the tax credit remaining unused at the end of the taxpayer's taxable year may be carried forward for five consecutive years. Please <a href="#">click here</a> to visit the program's webpage.</p>	
New York	<p>The Qualified Emerging Technology Company (QETC) Certification and Capital Tax Credit provides a capital tax credit for investors in businesses certified as QETCs. Please <a href="#">click here</a> to visit the program's webpage. Please <a href="#">click here</a> to visit the instructions to claim a credit and further examine the program.</p>	<p>The qualified emerging technology company (QETC) capital tax credit under Tax Law, Article 9-A, section 210-B.8, and Article 22, section 606(r) was created to stimulate investment in a QETC.</p>
North Dakota	<p>An individual, estate, trust, partnership, corporation, or limited liability company is allowed an income tax credit for investing in an angel fund in North Dakota certified by the Department of Commerce Division of Economic Development and Finance. The credit is equal to 45% of the investment, up to a maximum credit of \$45,000 per year. An unused credit may be carried forward up to seven tax years. A taxpayer claiming this credit may not claim an income tax credit passed through to the taxpayer by the angel fund resulting from the angel fund's investment in a qualified business for purposes of the seed capital or agricultural commodity processing facility investment tax credit programs. Lifetime credit limit. For credits based on investments made on or after January 1, 2013, a taxpayer is allowed no more than \$500,000 in cumulative credits over the taxpayer's lifetime. Married individuals are treated as one</p>	<p><a href="#">Reference: N.D.C.C. § 57-38-01.26</a></p> <p><a href="#">Angel Fund Investment Tax Credit Program - Program provisions</a></p>

	taxpayer for this limit. Please <a href="#">click here</a> to visit the program's webpage.	
South Carolina	The High Growth Small Business Job Creation Act, also known as the Angel Investor Act, provides tax credits to angel investors who make qualified investments in qualified businesses. Under the Act, an angel investor may be entitled to a tax credit of up to 35% of its qualified investment in a qualified business. Please <a href="#">click here</a> to visit the program's webpage.	<a href="#">High Growth Small Business Job Creation Act of 2013</a>
Tennessee	For tax years beginning January 1, 2017, an "angel investor" will be allowed a tax credit of 33 percent of the value of an investment that is at least \$15,000 and represents not more than 40 percent of the capitalization of the company. The credit is nonrefundable and nontransferable, and may be carried forward five years from the originating tax year. ( <a href="#">TN General Assembly</a> )	<a href="#">SB 2539</a> (2016)
Virginia	This credit, the Qualified Equity and Subordinated Debt Credit, is available to individual and fiduciary taxpayers making a qualified investment in the form of "equity" or "subordinated debt" in a pre-qualified small business venture. Businesses must file <a href="#">Form QBA</a> by December 31 of the year that they request qualification. The business must reapply each year to maintain qualification. Investors must file <a href="#">Form EDC</a> by April 1 of the year following the investment to apply for their credit. Submitting a late application will disqualify you for the credit. All applications must be sent to the Virginia Department of Taxation, Tax Credit Unit, P. O. Box 715, Richmond, VA 23218 - 0715. The Department of Taxation will notify investors of the amount of their authorized credit by June 30th. Please <a href="#">click here</a> to visit the program's brief summary.	Reference: <a href="#">Virginia Code 58.1 - 339.4</a> .



Wisconsin	<p>Wisconsin’s Early-Stage Business Investment Program and Qualified New Business Venture Program (QNBV) work together to spur investment in early-stage Wisconsin businesses with the potential for significant economic impact and job growth. The programs are as simple as they are effective, creating mutually beneficial outcomes for investors, businesses and Wisconsin’s economy. Early-stage businesses developing innovative products, processes or services may be designated as QNBVs. Investments in QNBVs made by angel investors, angel investment networks and qualified venture capital funds are eligible through the Early-Stage Business Investment Program to receive a tax credit equal to 25 percent of the amount of the equity investment. Please <a href="#">click here</a> to visit the program’s webpage.</p>	<p>About Angel Investment Tax Credits (<a href="#">WI Statute 238.15</a>)</p>
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Source: NCSL Research January 2017.