



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

new jersey

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New Jersey Angel Investor Tax Credit Program

Application Deadline:

Applications must be submitted within one year of date of investment.

Effective 1/1/2017: Investments made on or after January 1, 2017 require applications to be submitted within six months of date of investment.

Please note that completed applications, with all required documentation, must be submitted by November 15, 2016 in order to be considered for approval for a 2016 tax credit certificate. Any applications received after this date will be considered and reviewed for a potential tax credit certificate for 2017.

If You Are:

A taxpayer, filing in New Jersey, who invests in calendar year 2012 or after, in a qualifying New Jersey emerging technology business with fewer than 225 employees, at least 75% of whom work in New Jersey.

You Can Apply For:

A tax credit against New Jersey corporation business or gross income tax.

In The Amount Of:

Ten percent (10%) of the qualified investment made in a New Jersey emerging technology business, up to a maximum allowed credit of \$500,000 for each qualified investment.

Benefits:

The New Jersey Angel Investor Tax Credit establishes credits against corporation business or gross income taxes for the purposes of stimulating investment in New Jersey emerging technology businesses.

Program Details:

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.

Eligibility:

To be eligible, the New Jersey emerging technology business must meet the following four criteria:

- Employs fewer than 225 full-time employees, at least 75% of whom work in New Jersey
- Does business, employs or owns capital or property, or maintains an office in New Jersey
- Conducts at least one of the following activities in New Jersey:
 - Incurs qualified research expenses in the State
 - Conducts pilot scale manufacturing in the State

continued

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- Commercializes one or more of the following eligible technologies in the State: Advanced Computing, Advanced Materials, Biotechnology, Electronic Devices, Information Technology, Life Sciences, Medical Devices, Mobile Communications, and Renewable Energy Technology.
- Has as its primary business an eligible technology (as listed above.)
- Qualified investments include non-refundable transfers of cash made directly to the New Jersey emerging technology business in connection with at least one of the items listed below. To be considered non-refundable, these items must be held or not expire for at least 2 calendar years from the date of the transfer of cash, with an exception being made for initial public offerings (IPOs), mergers and acquisitions, damage awards for the business's default of an agreement, or other return of initial cash outlay beyond the investor's control.
 - stock, interests in partnerships or joint ventures, licenses (exclusive or non-exclusive), rights to use technology, marketing rights, warrants, options, or any similar items, including but not limited to options or rights to acquire any of the listed
 - a purchase, production, or research agreement.
- Credits may be treated as an overpayment and refunded (but no interest on the overpayment will be paid.), For corporate taxpayers, the tax credits may be carried over up to 15 tax years following the tax year for which the credit was allowed. Individuals cannot carryforward the tax credits.
- Credits may not be carried forward in a tax year in which the taxpayer was a target for corporate acquisition or in which the taxpayer was party to a merger or consolidation unless the taxpayer can demonstrate to the New Jersey Division of Taxation the identity of the acquiring corporation.
- Credits may be claimed on the taxpayer's New Jersey tax return in the tax year applicable to the effective date of approval.
- Applications should be submitted by the angel investor entity, if applicable, or the individual angel investor. The New Jersey emerging technology business also will need to fill out a section of the application and provide certain information with the submission, though the angel investor is responsible for all application information.

Fees:

- Application fee (non-refundable):
 - \$500 for investment amounts of \$50,000 or less
 - \$1,000 for investment amounts over \$50,000
- Approval fee for qualified investments over \$50,000
 - 5% of the amount of the tax credit or \$2,500, whichever is greater. The application fee is credited toward the approval fee.

[Application](#)

[Sample Application](#) (for illustrative purposes only - see application link above to apply)

[Definitions](#)

[Frequently Asked Questions](#)

[Activity Report](#)

[Comparison of Angel Investor - Technology Tax Credit State Programs](#)

New Jersey Angel Investor Tax Credit Program

For more information on the NJ Angel Investor Tax Credit Program, visit www.njeda.com.

*All fees are non-refundable.