



Innovation Programs March 2024 Office Hours

Innovation Programs

Team

- ▶ Clark Smith – Director
- ▶ Monika Athwal – Manager
- ▶ Sara Cadeddu – Senior Officer
- ▶ Christopher Shyers – Senior Officer
- ▶ Fariha Sheikh – Analyst
- ▶ Abdelrhman Seliman – Intern
- ▶ Sumaiyya Asim – Intern
- ▶ Daniela Diaz – Intern

Programs

- ▶ Angel Investor Tax Credit
- ▶ Technology Business Tax Certificate Transfer Program (NOL)
- ▶ NJ Entrepreneur Support Program
- ▶ Angel Match Program
- ▶ NJ Accelerate
- ▶ NJ Ignite
- ▶ Edison Innovation Fund

NJEDA's Targeted Industries

- ▶ Advanced transportation
- ▶ Advanced logistics
- ▶ Advanced manufacturing
- ▶ Aviation
- ▶ Autonomous vehicle
- ▶ Zero-emission vehicle
- ▶ Clean energy
- ▶ Life sciences
- ▶ Hemp processing
- ▶ Information technology
- ▶ High technology
- ▶ Finance and insurance
- ▶ Professional services
- ▶ Film and digital media
- ▶ Non-retail Food and Beverages

Angel Tax Credit (ATC) Program – Refundable Tax Credit

Program Overview

Investors in a qualifying NJ emerging technology or life science business may benefit from a 20%-25% investment tax credit. Annual program allocation of \$35 million.

- ▶ Full-time employees (FTE)
 - ▶ at least 1, fewer than 225
 - ▶ 75% in New Jersey
- ▶ Must be an emerging technology – commercializing an eligible technology
- ▶ Investment must be a non-refundable transfer of cash
- ▶ Fully submitted application within 6 months of closing investment
- ▶ Bonus for W/MBE or Opportunity Zone companies

3000+
angel
investments

**\$900
Million+**
in investment

**\$113
Million+**
in tax credits

130+
technology
businesses

NOL Program – Sellable Tax Credit

Program Overview

Enables unprofitable NJ-based technology or biotechnology companies to sell a percentage of accrued losses to unrelated profitable corporations.

\$75M allocated annually

\$1B+ to **over 570** companies since
program start



Tech or biotech companies with:

- ▶ At least 1/5/10 FTE working in NJ
 - ▶ Fewer than 225 FTE in the US
- ▶ Protected, Proprietary Intellectual Property (PPIP)
- ▶ 2 consecutive years of operating losses
- ▶ CPA prepared financial statements
- ▶ Taxable corporate structure

NJ Entrepreneur Support Program (ESP) – Loan Guarantee

Program Overview

Provides a guarantee of up to 80% to investor loans/convertible notes advanced for working capital to businesses. Multiple guarantees per company up to the \$400,000 cap may be eligible.

- ▶ Up to \$400K
- ▶ 1 year term
- ▶ 80% Note /Loan Amount
- ▶ Note/loan maturity must be at least 1 year
- ▶ Angels & Funds
- ▶ No Revenue Requirement
- ▶ FT Employees – 50% in NJ
- ▶ \$5 million allocation

**Launched
March
2023!**

Angel Match Program - Direct Investment

Program Overview

Matches investors' direct investment in early-stage, product-based technology companies within targeted industries on a 1-to-1 basis with unsecured convertible notes ranging from \$100,000 to \$500,000. Investments must be made by at least two external investors and be structured as preferred equity with a defined price per share.

- ▶ \$100K-\$500K Notes
- ▶ 10-year term, 3% interest rate
- ▶ No payments for first 7 years
- ▶ 1-to-1 match
- ▶ Unsecured
- ▶ Angels & Funds eligible
- ▶ Product based sales revenue – Min \$100K
- ▶ FT Employees – 50% & 2 Founders in NJ

**Launched
March
2023!**

www.njeda.gov/angelmatch/

Other NJEDA Highlighted Initiatives

Venture Programs

- ▶ NJ Founders & Funders
- ▶ Golden Seeds
- ▶ NJ Innovation Evergreen Fund
- ▶ SEDI and Black & Latino Seed Funds

Clean Energy

- ▶ NJ Clean Energy Loans (NJ CELs)
- ▶ NJ ZIP

Commission on Science Innovation & Technology (CSIT)

- ▶ Catalyst Seed Grants
- ▶ Catalyst R&D Vouchers



Supporting early-stage entrepreneurs / academics developing (R&D) innovation-based companies

Encouraging collaboration and connectivity between industry and academia

Grant Programs - www.njeda.com/csit	Eligibility Requirements (Standard)	Timeline
Catalyst R&D Voucher - \$40K	<ul style="list-style-type: none"> < 50 employees 50% of employees work in NJ 1-2 Full-time employees < \$5 million in prior yr. revenue In good standing to do business in NJ (Tax Clearance) 	Rolling
Catalyst Seed Grant - \$75K - \$150K		Yearly 2 nd Quarter
Clean Tech R&D Voucher -\$40K		Rolling
Clean Tech Seed Grant -\$75K		Yearly – 4th Quarter
Clean Tech Pilot Demonstration - \$250K		Yearly – 2 nd Quarter
Food / Agriculture Seed Grant - \$75K		Yearly – 2 nd Quarter
Maternal / Infant Health Seed Grant - \$75K		Yearly – 1st Quarter
SBIR/STTR Matching Grant - \$25K - \$50K		Rolling



Information on capabilities at NJ universities www.researchwithnj.com

Grant submission assistance for federal SBIR/STTR - NJSBDC - <https://njsbdc.com/techtteam/>



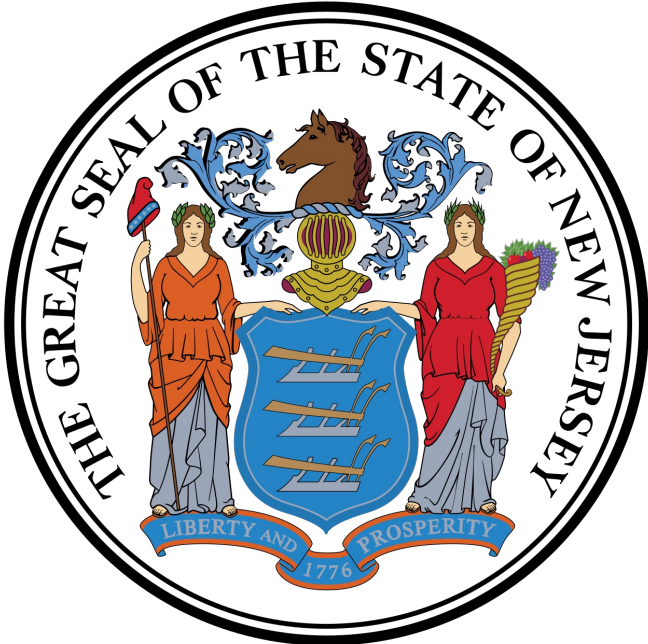
Business Formation & Registration Basics

Welcome to the New Jersey Business Community

Greetings!



Tahesha Way, Esq.
Lt. Governor

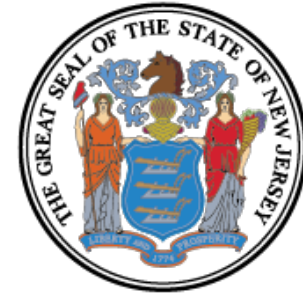


Greetings!



Melanie Willoughby

Ex. Director, NJ Business Action Center



NJBAC

New Jersey Business Action Center



NJBAC

**New Jersey
Business
Action Center**

About the NJ Business Action Center

Mission

To provide exceptional technical assistance, customer service, resources, and information as advocates and mentors for New Jersey businesses of all sizes, categories, and ethnicities.

Vision

We envision a flourishing business community, in which all stakeholders – entrepreneurs, business owners, business leaders, exporters, municipalities, state agencies, elected officials, and organizations – are able to access the vital resources that ultimately strengthen every aspect of doing business in New Jersey.

NJ Business Action Center Business Units

Office of Business Advocacy

Office of Export Promotion

Office of Planning Advocacy

Business Enhancement Special Projects (New)

Office of Small Business Advocacy

NJ Cannabis Academy

NJBAC in Action

Small Business Advocacy

From startups to main street, we help small businesses access a variety of resources tailored to meet their needs including:

- Mentoring/Technical Assistance
- Financial Resources
- Licensing & Professional Certifications
- Government Procurement Assistance
- Certification as a M/WBE, SBE, VOB, DVOB, LBGQTQ+
- Navigating regulatory processes

How to Ask for Help from NJBAC?

Contact Us At www.business.nj.gov or *1-800-Jersey-7*

- Plan, Start, Operate, Grow content crafted around where you are in your journey as a business
- Live Chat, powered by NJBAC Business Experts –making contact with state government is easy. Agents are available 8 AM to 5 PM M-F
- Personalized Business Starter Kit from the Navigator
 - You can form and register your business from within this “Navigator”

Before You Begin (cont.)

Not a “legal Entity”

Sole Proprietorship

General Partnership

These are extensions of the owner and can not independently be a party in the same activities of a legal entity

Legal Entities

Limited Liability Company

For Profit Corporation

Non profit Corporation

Limited Liability Partnership

Professional Corporation

Limited Partnership

A Legal Entity is permitted to enter into a contract for the purchase or sale of real property, can be a party to a legal action, and can be an employer



Before You Begin (cont.)

Check Name Availability

Sole proprietorship & General Partnerships only

Need a Tradename Certificate form the County Clerk's Office in each of the counties where you will conducting business (cost \$50 per county)

Legal Entities

Before you begin check the availability of the name you wish to use.

<https://www.njportal.com/DOR/BusinessNameSearch/Search/Availability>

It is typically not necessary to "Reserve a business name!"

Restricted Words – Special Permission Needed

BANK

BANKER

BANKING

BLIND

CEMETERY

CITIUS ALTIUS FORTIUS

CON-CON

DBA

E-COM

EXPRESS MAIL

HANDICAPPED

INSURANCE

LITTLE LEAGUE

MAIL

OLYMPIA

OLYMPIAD

OLYMPIAN

OLYMPIC

OLYMPUS

REALTOR

SAVINGS

TRUST

UNITED STATES OLYMPIC COMMITTEE

URBAN RENEWAL

USPS

ZIP CODE



Getting Started- Obtaining an Employer Identification Number (EIN)

An EIN is a 9 digit number used for filing Federal Taxes and is issued by the IRS

You will be issued an *SS-4 Letter* with your EIN Number

It is the first of three important numbers you will want to keep on file

[IRS.gov](https://www.irs.gov)

www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

Getting Started-

The next Steps

Legal Entities Only

You need to designate a Registered Agent

A Registered Agent (a.k.a. Registered Representative or Statutory Representative) is a person or business authorized by the company to accept service of process on behalf of the company.

Business owners can serve as the registered agent for their company. Any trusted individual located in NJ can serve. A business that represents another company as its registered agent (as a paid service) must be on file with the Division of Revenue and be in good standing in the state.

Getting Started-

The next Steps

Look up your NAICS Code www.census.gov/naics

The *North American Industry Classification System*- NAICS

A NAICS code is a international 6 digit code used to collect statistical information for analysis and publication by government agencies.

Use the search tool to find the code that best describes your business

NAICS Code: **541714 Biotechnology research and development laboratories or services (except nanobiotechnology research and development)**



Getting Started-

The next Steps (Foreign Corporations Only)

A Certificate of Good Standing from your Home State or its equivalent

This is not required for Foreign Limited Liability Companies

You are ready to Form an Entity- This is "Step 1" in a 2 Step Process

Complete the first step by follow the link on this webpage
<https://nj.gov/treasury/revenue/gettingregistered.shtml>

Certificate of Formation for a New Domestic Legal Entity or
Certificate of Authorization for a Foreign (out of state) Legal
Entities

*As a result of this process you will be issued a **10 digit Entity ID number** The 2nd of the important numbers you should keep in your business records*

You are ready to Register the Entity- Registering for State Tax & Employer Purposes is “Step 2” in the Process

Complete the second step by following the link on this webpage to the NJREG form <https://nj.gov/treasury/revenue/gettingregistered.shtml>

Completing the NJREG is also required for proprietorships and general partnerships

You will be issued a *Business Registration Certificate (BRC)*

*As a result of this process you will be issued a **12 digit State Tax ID**
The 3rd of the important numbers you should keep in your business
records*

What You Will Have When Finished

1. *SS-4 Letter* form the IRS with your 9 Digit Employer Identification Number (EIN)
2. Certificate of Formation or Certificate of Authorization with an 10 digit Entity ID
3. Business Registration Certificate with a 12 digit NJ Tax ID Number consisting of your EIN with a 3 digit location code added to the end

Quick Comment on Licenses

Certain regulated professions, occupations, industries or products may require additional licenses or certifications to operate in NJ

This licensing guide can be helpful in determining if you need a license

<https://business.nj.gov/licensing-and-certification-guide> or contact my office for assistance

Have a Business Question? We Have the Answer!

New Jersey Business Action Center

<https://www.nj.gov/state/bac/>

Business Assistance Line: 1-800-JERSEY-7

New Business Website and Live Chat

<https://www.business.nj.gov>

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Thank You!

NJEDA