NJ EDA
ECONOMIC DEVELOPMENT AUTHORITY

New Jersey Angel Investor Tax Credit Program

Investors can receive **tax credits** worth up to **$500,000** by investing in eligible **Emerging Technology Businesses**

Tax credits amount **increased to 35%** of qualified investment for applications **submitted after 12/31/25**

Tax Credit **can increase to 40%** if the business is

- MBE/ WBE certified **or**
- Located in a qualified Opportunity Zone **or**
- Located in a New Markets Tax Credit census tract.

Program Details:

New Jersey's Angel Investor Tax Credit encourages investment in emerging technology companies by offering tax credits to qualifying investors.

Taxpayers investing in qualifying New Jersey emerging technology businesses may be eligible for a tax credit against New Jersey corporation business or New Jersey gross (Personal) income tax.

Available Tax Credit of **up to** $500,000:

Thirty-Five percent (35%) of the qualified investment made in a New Jersey emerging technology business, with potential increase to forty percent (40%) of the qualified investment if the emerging NJ technology business is a certified minority business enterprise (MBE) or women business enterprise (WBE), or is located in a qualified Opportunity Zone or New Markets Tax Credit census tract.

Up to $25 million of Angel Investor Tax Credit may be approved per calendar year. Additionally, the value of any unused tax credits from the Technology Business Tax Certificate Transfer (NOL) Program shall be added to increase this maximum cumulative total annually.

Applicants have **six months** from **date of investment** to apply:

This is a dual application consisting of an investor section and a technology company section. The investor starts the application. An application is not considered submitted until both the investor and technology company representative have completed and submitted their respective sections. This includes paying the non-refundable application fee by the investor.

Eligible Companies are NJ based, under 150 employees and working in certain sectors:

Has as its primary business an eligible technology as listed below

LIFE SCIENCES	ADVANCED MATERIALS
MEDICAL DEVICE TECHNOLOGY	ADVANCED COMPUTING
MOBILE COMMUNICATIONS TECHNOLOGY	BIOTECHNOLOGY
RENEWABLE ENERGY TECHNOLOGY	ELECTRONIC DEVICE TECHNOLOGY
CARBON FOOTPRINT REDUCTION TECHNOLOGY	INFORMATION TECHNOLOGY

continued

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What Qualifies as an Eligible Business?

Category	Requirement
Employee Requirements	Must employ **at least one** full-time employee in NJ and have **fewer** than 150 full-time employees.
NJ-Based Workforce	At least **75% of** employees must work in NJ (at least **80% of** the time / 35 hrs/week).
Definition of Full-Time Employee	• Works full-time and has NJ tax withholding **or** • Is a full-time LLC partner sharing in gains/losses **or** • Is employed under a formal written agreement with a higher-education institution.
Presence in New Jersey	Must do business, employ people, own capital/property, or maintain an office in New Jersey.
Primary Business Activity	Must have an **eligible technology** as its **primary** business.
Required NJ Activities	**At least** one of the following in New Jersey: • Incurs qualified research expenses • Conducts pilot-scale manufacturing • Commercializes one or more eligible technologies

What Qualifies as an Eligible Investment?

Category	Rule
Eligible Forms of Investment	Stock, partnership/joint venture interests, licenses, rights to use technology, marketing rights, warrants, options, or other similar instruments used for purchase, production, or research.
Non-Refundable Requirement	Investment instruments must be **held for at least 2 years** or must **not expire** for at least 2 years after the investment.
Exceptions (Allowed Liquidity Events)	Early return of cash is allowed ONLY in cases of IPOs, mergers/acquisitions, damage awards for breach by the business, or other returns of capital **outside the investor's control**.

Minority / Women Owned Business Enterprise Certification:

*Early-stage businesses interested in becoming a certified M/WBE must complete an application with the **New Jersey Department of the Treasury** - Division of Revenue. There is a $100 application fee (non-refundable), and M/WBE certifications are valid for 3 years. A link to the application for M/WBE certification can be found at www.njeda.com/angeltaxcredit. For more information on M/WBE certification, please call the Division's Business Registration and Certification Office at (609) 292-2146.*

Fees*:

Fee Type	Description
Application Fee	- $500 for investment amounts of 50,000 or less - $2,500 for investment amounts over $50,000
Approval Fee	- Approval fee is for qualified investments over $500,000 - 5% of the amount of the tax credit or $2,500, whichever is greater - The application fee is credited toward the approval fee
Tax Certificate Reissuance	- A non-refundable fee of $150.00 shall be paid to the Authority for each request for reissuance per tax certificate previously issued pursuant to NJ.A.C. 19:31-19.6.

*All fees are non-refundable

Please call 609-858-6767 or visit www.njeda.com/angeltaxcredit for more information.
Questions about the program can be emailed to Innovation@NJEDA.gov.