

NJ Angel Investor Tax Credit Program

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At a Glance

Program Goals

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

Financing Instrument

Tax Credit of up to 500,000 for a qualified investment. Tax credit of 35% with the potential to increase to 40% if M/WBE or located in qualified Opportunity Zone or New Markets Tax Credit census tract.

Program Eligibility

Company

- Headquartered in New Jersey (including at least one C suite member with a principal office in New Jersey)
- Employs between 1-150 Full Time Employees (FTE), 75% of whom work in New Jersey
- Must do business in New Jersey and in good tax standing with the state
- Conducts at least one of the following activities as primary business in New Jersey:
 - Incurs qualified research expenses in the State
 - Conducts pilot scale manufacturing in the State
- In one of the targeted Industries as defined by the NJEDA

Investment Eligibility

- Non-Refundable transfer of cash made directly via one of the following
 - Stock, interests in partnerships or joint ventures, licenses, 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
- Investment must be held for 2 calendar years from date of transfer of cash
- Exceptions are IPOs, M&A, damage award for business default or other reasons for return of capital beyond the Investor's control

Investor Eligibility

- All investors, including founders, can apply for the Angel Investor Tax Credit Program, if the investors own less than 80% of the business
- Investor can be an individual or a pass-through entity
- Company or individual applicants must file Tax returns in the State of NJ to receive the credit

Deadline

Applicants have six months from the date of investment to apply to NJEDA.

Note: This is a dual application consisting of an investor section and a section for the technology company.



For more information,
please scan the code or visit
njeda.gov/angeltaxcredit/

