

# ANGEL TAX CREDIT

**M**innesota's **Angel Tax Credit** stimulates private investment in emerging businesses and encourages job creation. It provides tax incentives to investors or funds that invest in startup businesses that are focused on high technology or new proprietary technology.

## Key features of the Angel Tax Credit include:

- A 25 percent tax credit for investments in small, emerging businesses.
- A maximum credit of \$125,000 per person per year (\$250,000 if married filing jointly).
- Program funding of \$12 million in credits annually from 2011 through 2014.
- A state refund if credits exceed tax liability.

Investors, funds and businesses must be certified by the Minnesota Department of Employment and Economic Development (DEED) in order to participate in the program. The minimum qualifying investment is \$10,000 (investors) and \$30,000 (funds), and the maximum credit per business is \$1 million. In 2011, the program's second year, 114 businesses received over \$64 million in investments.

## Three types of business qualify for angel investments:

- 1 Those using proprietary technology to add value to a product, process or service in a qualified high-technology field.
- 2 Those researching or developing a proprietary product, process or service in a qualified high-technology field.
- 3 Those researching, developing or producing a new proprietary technology for use in agriculture, tourism, forestry, mining, manufacturing or transportation.

Qualifying businesses must be headquartered in Minnesota and have fewer than 25 employees, with at least 51 percent of the workers and total payroll based in the state. Businesses must have been operating for no more than 10 years and cannot have received previous equity investments exceeding \$4 million.

## How to apply:

Certification applications as well as complete information about the program, are available at: [www.PositivelyMinnesota.com/angelcredit](http://www.PositivelyMinnesota.com/angelcredit)



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