

The Illinois Angel Investment Credit Offers Significant Tax Savings

The Illinois Angel Investment Credit Program is designed to offer a tax credit to interested taxpayers who make an investment in one of Illinois' qualified new business ventures. The program can offer a tax credit to qualifying taxpayers in an amount equal to 25% of their investment made directly in a qualified new business venture. The maximum amount of an investment that may be used as the basis for a credit under this section is \$2 million for each investment directly in a qualified new business venture. While the tax credit may not exceed the taxpayer's Illinois income tax liability for the taxable year, the credit may be carried forward for up to five years following the excess credit year.

Business desiring to register as a qualified new business must meet the following requirements:

- Locate its headquarters in Illinois
- Employ at least 51% of its workforce in Illinois
- Have the potential for increasing jobs and capital investment in Illinois
- Be principally engaged in innovation
- Have less than 100 employees at initial time of registration
- Be in operation in Illinois for not more than 10 consecutive years prior to the year of certification
- Received not more than \$10 million in aggregate private equity investment or \$4 million in investments that qualify for tax credits

Taxpayers interested in using the tax credit must submit an application to the Illinois Department of Commerce and Economic Opportunity. If the application is approved, the Department provides them with a tax credit certificate. Since the amount of tax credits issued under the Illinois program is capped at \$10 million per year, credits are awarded on a first-come, first-serve basis.

The Department of Commerce and Economic Opportunity has a current list [here](#) of qualified business on its website. For additional information, please contact us.