

AN ALERT FROM THE BDO TECHNOLOGY & LIFE SCIENCES PRACTICE

MONEY ON THE TABLE: NEW JERSEY ANGEL INVESTOR TAX CREDIT PROGRAM ACCEPTING APPLICATIONS

New Jersey technology and life sciences businesses seeking to coax investors might be overlooking a huge selling point: a refundable state tax credit of up to \$500,000 per qualified investment.

The state's revised [Angel Investor Tax Credit Program](#) is now available for 2015 to investors in qualified emerging technology businesses in New Jersey.

To date, only a small portion of the program's total \$25 million available for this year has been tapped. The NJ Economic Development Authority (EDA), however, which administers the program in consultation with the New Jersey Division of Taxation, has begun outreach promoting the application, which means those funds may not last for long. Applications for the 2015 year must be filed by November 15, 2015.

The program allows individual and corporate investors to receive a **refundable** tax credit equal to 10 percent of the qualified investment up to a maximum of \$500,000 for each investment in a New Jersey emerging technology business. Eligible emerging technology businesses must meet certain employment requirements, have a physical presence in New Jersey and conduct research, manufacturing, or technology commercialization in the state.

The credit is available to **all taxpayers**, including out-of-state investors, who make a qualified investment in a New Jersey emerging technology business focused on advanced computing, advanced materials, biotechnology, electronic devices, information technology, life sciences, medical devices, mobile communications, and renewable energy technology. Investors based outside the state do not need to have a New Jersey tax liability, however, they will be required to register and file a New Jersey tax return to claim the refundable tax credit.

Investors may be C-corporations, S-corporations, limited liability companies, partnerships, trusts and individuals (including company founders) provided that the investor owns less than 80 percent of the New Jersey emerging technology business prior to making the qualified investment.

Applications must be submitted to the EDA by November 15, 2015, and within one year of the date of investment. Applications submitted after this deadline may be considered for the 2016 tax year. To learn more about your organization's eligibility for this and other state tax credit programs, please reach out to the BDO Technology and Life Sciences team, whose contact information is to the right.



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