

Venture Capital Tax Credits by State



Updated August 2017

Venture Capital State Tax Credit Program Status

States with Active Programs:

- Arizona, Arkansas, Colorado, Connecticut, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Virginia & Wisconsin

States with Expired or No Historical Programs:

- Alabama, Alaska, California, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New York, Ohio, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia & Wyoming

Arizona

Angel Investment Incentive

<http://www.azcommerce.com/incentives/angel-investment>

Main objective is to expand early stage investments in targeted Arizona small businesses.

Tax Credit %	30% of Investment / 35% if investment is in rural or bioscience company
Total Amount Available	\$2.5million/year
Amount Limited per Company	Maximum amount of qualified investments that generate tax credit = \$2 million for all years
Refundability	Non-refundable
Carry Forward Period	3 years
Salability	Cannot be transferred or sold
Residency Requirement	Business must maintain a portion of operations in AZ and have at least 2 principal non-administrative employees who are AZ residents
Expiration	June 30th, 2021

Arkansas

Arkansas Equity Investment Incentive Act of 2007

<https://www.angelcapitalassociation.org/data/arkansas.pdf?rev=F798>

Tax incentive for equity investments in targeted, early stage, and start-up businesses. Encourages capital investment in certain types of businesses that are creating new higher paying jobs

Tax Credit %	33 1/3% of approved amount invested
Total Amount Available	Cannot exceed 50% of the net AK state income tax liability
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	9 years
Salability	May be sold within 1 yr of it being issued (limited to one sale)
Residency Requirement	N/A
Expiration	2019

Colorado

Colorado - Enterprise Zone (EZ) Tax Credits

<https://choosecolorado.com/doing-business/incentives-financing/ez/>

Designed to promote a business-friendly environment in economically distressed areas - Businesses investing in Enterprise Zones through business personal property

Tax Credit %	3% (limited to \$750,000 and to \$5,000 + 50% of taxpayer's tax in excess of \$5,000)
Total Amount Available	N/A
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	7 years
Salability	N/A
Residency Requirement	N/A
Expiration	N/A

Connecticut

Connecticut Angel Investor Tax Credit

<https://www.angelcapitalassociation.org/data/Documents/Public%20Policy/State/Raised%20Bill%205435%20CT%20Angel%20Tax%20Credit.pdf>

Tax Credit %	25% of cash investment up to \$125,000
Total Amount Available	\$3million/year
Amount Limited per Company	Can't receive more than \$4million cash investments eligible for tax credits
Refundability	N/A
Carry Forward Period	5 years
Salability	May be sold
Residency Requirement	Employees of business must reside in CT
Expiration	July 1st, 2020

Indiana

Venture Capital Investment Tax Credit (VCI)

<https://www.iedc.in.gov/incentives/venture-capital-investment-tax-credit/home>

This program improves capital for fast growing Indiana businesses

Tax Credit %	20% or \$500,000
Total Amount Available	\$12.5million/year
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	5 years
Salability	N/A
Residency Requirement	Business headquarters is in IN
Expiration	N/A

Iowa

Iowa Angel Investor Tax Credit

<https://www.iowaeconomicdevelopment.com/programDetails?pid=92&ppid=26>

The Iowa Venture Capital Tax Credit is allowed for equity investments approved by the Economic Development Authority (EDA).

Tax Credit %	25%
Total Amount Available	\$2million/year
Amount Limited per Company	\$500,000 worth of credits in any one business
Refundability	Refundable to investors who files personal net income tax / non-refundable for investors filing corporate income tax, franchise tax, taxes on gross premiums or moneys and credits taxes
Carry Forward Period	3 years
Salability	N/A
Residency Requirement	Business must have 50% of employees reside in IA
Expiration	N/A

Kansas

Kansas Angel Investor Tax Credit

<https://www.ksrevenue.org/prtaxcredits-angel.html>

Tax Credit %	50% up to \$250,000 per investor each year
Total Amount Available	\$6 million/year through 2016
Amount Limited per Company	\$50,000 worth of credits per business in one year
Refundability	N/A
Carry Forward Period	Until full amount is used
Salability	May be transferred
Residency Requirement	Business operates primarily in KS
Expiration	January 1st, 2022 unless investment was made after 2016 (no tax credits allowed for investments made after 2016)

Kentucky

Angel Investment Tax Credit

<http://www.thinkkentucky.com/Entrepreneurship/KAITC.aspx>

This program promotes small business growth and development

Tax Credit %	Up to 50% up to \$200,000
Total Amount Available	\$3million/year
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	15 years
Salability	May be transferred
Residency Requirement	Has 50% of company assets, operations and employees within the Commonwealth
Expiration	N/A

Louisiana

Angel Investor Tax Credit

<https://www.opportunitylouisiana.com/business-incentives/angel-investor-tax-credit>

Louisiana's Angel Investor Tax Credit encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital.

Not primarily engaged in business of retail sales, real estate, professional services, gaming or gambling, natural resource extraction, or financial services

Tax Credit %	25%
Total Amount Available	\$3.6 million/year
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	Investment is divided into equal portions for 5 years
Salability	May be sold or transferred
Residency Requirement	Principal business operations are in LA
Expiration	July 1st, 2021

Maine

Seed Capital Tax Credit Program

<http://www.famemaine.com/business/programs/equity-capital/maine-seed-capital-tax-credit-program/>

The Maine Seed Capital Tax Credit Program is designed to encourage equity investments in Maine businesses, directly and through private venture capital funds.

Tax Credit %	Up to 50%
Total Amount Available	\$5 million/year
Amount Limited per Company	\$5,000,000 investment limit per business for which a tax credit may be received
Refundability	Refundable
Carry Forward Period	15 years
Salability	N/A
Residency Requirement	Business must be located in ME
Expiration	N/A

Maryland

Biotechnology Investment Incentive Tax Credit

<http://commerce.maryland.gov/fund/programs-for-businesses/bio-tax-credit>

The Maryland Biotechnology Investment Incentive Tax Credit provides an investor with income tax credits on an eligible investment in a Qualified Maryland Biotechnology Company (QMBC). The program supports investment in seed and early stage biotech companies to promote and grow the industry in Maryland

Tax Credit %	50% up to \$250,000 per investor
Total Amount Available	Credits issued cannot exceed the budget amount
Amount Limited per Company	N/A
Refundability	Refundable if investor has no MD income tax liability
Carry Forward Period	N/A
Salability	May be sold or transferred
Residency Requirement	Businesses base operations must be in MD
Expiration	N/A

Minnesota

Angel Tax Credit

<https://mn.gov/deed/business/financing-business/tax-credits/angel-tax-credit/>

Minnesota' Angel Tax Credit helps incentivize investors to put money into startup companies focused on high technology and new proprietary technology/products.

Tax Credit %	25%
Total Amount Available	\$125,000 per investor
Amount Limited per Company	N/A
Refundability	Refundable
Carry Forward Period	N/A
Salability	N/A
Residency Requirement	Investor must be a state resident
Expiration	12/31/2017

Nebraska

Angel Investment Tax Credit

<https://opportunity.nebraska.gov/program/angel-investment-tax-credit/>

Primary business activity must be using technology to add value in a qualified technology field, OR researching, developing, or producing a product, process, or service in a qualified high technology field

Business cannot be engaged in: political consulting, leisure, hospitality, or professional services provided by attorneys, accountants, physicians, or health care consultants

Tax Credit %	35% / 40% if investments located in economically distressed areas
Total Amount Available	\$4 million per year
Amount Limited per Company	\$1 million
Refundability	Refundable
Carry Forward Period	Cannot be carried forward
Salability	Cannot be sold for up to 3 years
Residency Requirement	For businesses: 51% of employees and 51% of payroll must be located and paid in Nebraska
Expiration	2022

New Jersey

Angel Investor Tax Credit

http://www.njeda.com/technology_lifesciences/angel_investor_tax_credit_program

For emerging NJ technology businesses

Tax Credit %	10% up to \$500,000 per investor
Total Amount Available	\$25 million per year
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	15 years
Salability	N/A
Residency Requirement	75% of business employees must work in NJ
Expiration	N/A

New Mexico

Angel Investment Tax Credit

<https://legiscan.com/NM/text/HB123/id/602857>

Tax Credit %	2 credits equal to 25% (\$25,000 max) per investment
Total Amount Available	\$750,000/year
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	3 years
Salability	N/A
Residency Requirement	N/A
Expiration	N/A

North Carolina

Qualified Business Investments Tax Credit

[http://www.dornnc.com/practitioner/individual/bulletins/income_bulletins_09-10.pdf#search="qualified business investment tax credit"](http://www.dornnc.com/practitioner/individual/bulletins/income_bulletins_09-10.pdf#search=)

Pg. 69

Business engages primarily in manufacturing, processing, warehousing, wholesaling, research, and development

Tax Credit %	25% or \$50,000 for individuals / 25% or \$750,000 for entities
Total Amount Available	\$7,500,000/year
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	5 years
Salability	N/A
Residency Requirement	N/A
Expiration	N/A

North Dakota

Angel Fund Investment Credit

<http://www.nd.gov/tax/user/businesses/exemptionsrefundscredits---businesses/income-tax-incentives/angel-fund-investment-credit>

Tax Credit %	45% up to \$45,000/year - maximum \$500,000 in your lifetime
Total Amount Available	\$3,500,000/year
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	7 years
Salability	N/A
Residency Requirement	ND residents as majority of employees, principal office is in ND
Expiration	N/A

Oklahoma

Small Business Capital Credit

<http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=213011>

Provides credits against Oklahoma income taxes, privilege taxes levied against banking associations and credit unions, and insurance premium taxes for qualified investments in qualified small business capital companies

Tax Credit %	20%
Total Amount Available	N/A
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	10 years
Salability	N/A
Residency Requirement	Principal place of business must be in OK
Expiration	N/A

Oregon

Oregon University Venture Development Fund Tax Credit

<https://www.oregonlaws.org/ors/315.521>

This tax credit provides support for the commercialization of promising university discoveries and campus-based entrepreneurial education by contributing to university venture development funds

Tax Credit %	60% up to \$50,000
Total Amount Available	\$14million/year
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	3 years
Salability	N/A
Residency Requirement	Must pay OR income state tax to receive credit
Expiration	N/A

Rhode Island

Innovation Tax Credit

<http://commerceri.com/finance-business/taxes-incentives/>

Company must be categorized as one of the following innovation industries: biotechnology and life sciences; communication and information technology; financial services; marine and defense manufacturing; professional, technical and educational services; and industrial and consumer product manufacturing and design.

Tax Credit %	Up to 50% with maximum of \$100,000
Total Amount Available	N/A
Amount Limited per Company	N/A
Refundability	N/A
Carry Forward Period	3 years
Salability	N/A
Residency Requirement	N/A
Expiration	N/A

South Carolina

Bill Wylie Entrepreneurship Act

http://www.scstatehouse.gov/sess119_2011-2012/bills/3044.htm

Encourage individual investors to invest in early stage, high-growth, job-creating businesses as well as expand the economy and enlarge number of high-paying jobs within the state.

Tax Credit %	25%
Total Amount Available	\$3million/year
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	10 years (50% applied in year of investment, 50% applied in years following)
Salability	Non-transferrable
Residency Requirement	Headquarters located in SC
Expiration	N/A

Virginia

Qualified Equity and Subordinated Debt
Investments Credit

<https://www.tax.virginia.gov/business-development-credits>

Available to individual and fiduciary taxpayers making a qualified investment in the form of equity or subordinated debt in a pre-qualified small business venture.

Tax Credit %	50% up to \$50,000
Total Amount Available	\$5million/year
Amount Limited per Company	N/A
Refundability	Non-refundable
Carry Forward Period	15 years
Salability	N/A
Residency Requirement	Principal business office must be in VA
Expiration	N/A

Wisconsin

Early-stage Business Investment Program
and Qualified New Business Venture
Program

<http://inwisconsin.com/inside-wedc/transparency/programs/qnbv/>

Wisconsin's Early-Stage Business Investment Program and Qualified New Business Venture Program (QNBV) help to spur investment for business in their early-stages with potential for significant economic impact and job growth.

Tax Credit %	25%
Total Amount Available	\$30million/year
Amount Limited per Company	Can receive up to \$8million in tax eligible cash investments
Refundability	N/A
Carry Forward Period	15 years
Salability	May be sold or transferred
Residency Requirement	Business must be HQ in WI & have 51% of employees based in the state
Expiration	N/A