



Illinois
Department of Commerce
 & Economic Opportunity
 JB Pritzker, Governor



Illinois Angel Investment Tax Credit Program FAQ
Updated 12/17/2024

*Investor FAQs can be found [here](#).

For QNBVs:

1. I was approved as a QNBV last year for the program. Do I need to reapply or am I still good to accept investments that can qualify for tax credits in 2025?

1. As shown below, your certification is only good through the end of the calendar year for which you applied. This means if you have not applied to be a QNBV for the 2025 program (and received an approval) any investments into your business will not be eligible for tax credits for the 2025 program.



QUALIFIED NEW BUSINESS VENTURE CERTIFICATE

presented to

██████████

QNBV #	██████
NAICS Code	██████
Eligibility Date ¹	1/15/2020
QNBV Certification End Date	December 31, 2020

¹ Investments must be made on or after the Eligibility Date to qualify for a tax certificate.

2020 Special Eligibility

Eligible as a Minority, Woman or person with Disability Owned Business	No
Principal place of business in a county with a population of not more than 250,000	No

The Illinois Department of Commerce and Economic Opportunity registered the Qualified New Business Venture as part of Illinois' Angel Investment Tax Credit Program based on the information listed above. A business desiring registration shall submit a registration form to the Department in each taxable year for which the business desires registration. The certified business must submit annual reports to the department for three years following the issuance of the last tax certificate.

The State of Illinois has not investigated the operations and does not endorse the quality of management, technologies, or the potential for earnings of the registered, Qualified New Business Venture. Qualified New Business Ventures are not affiliated or sponsored by the State of Illinois or the Illinois Department of Commerce and Economic Opportunity. Furthermore, the Qualified New Business Venture's use of the phrase "registered" and/or "qualified new business venture" is not a recommendation or endorsement of the investment or the company by the Illinois Department of Commerce.


 Deputy Director


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2. I was approved as a QNBV in 2024 for the program. How do I renew for 2025?

2. There is no renewal process for this program. All QNBVs, regardless of whether they have been part of the program before or not, must apply [here](#) for the 2025 QNBV Application.

3. My business does not plan on fundraising in 2025. Do I need to apply for the 2025 program?

3. No. HOWEVER- if there is any chance you think you may, you should absolutely apply as soon as possible. Should your plans change, you don't want to be caught in a situation later where you are attempting to apply last minute so you can secure investments and needing to wait for your QNBV approval to do so. The schedule for QNBV reviews can be found [here](#).

4. If I do not apply to be a QNBV in 2025 and my investors received tax credits for investments made into my QNBV in 2024, will the investor still be able to utilize the tax credits?

4. Yes. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. Once the tax credits are issued to the investor, the QNBV is not required to apply to be part of the program, unless they choose to do so to further utilize the program themselves. HOWEVER – if, and only if, the QNBV received investments which qualified for tax credits- the QNBV shall, for each of the three years following the investment, submit an annual report. The QNBV annual report can be found [here](#).

5. The administrative rules note that for contingent equity investments (including SAFEs) to be considered for the program, they must convert within three years from the investment and must include a mandatory and unconditional conversion clause stating such. Are there any examples of these clauses?

5. Yes, examples can be found [here](#).

6. Can DCEO backdate the certification date (approval date) for my QNBV so the investment made before my approval can be eligible?

6. No.

7. I applied to be a QNBV for the 2025 program. When can I expect to hear back?

7. The QNBV Review Committee meets every other Thursday to review applications. A schedule, including expected date to hear back from DCEO about a QNBV application, can be found [here](#).

8. Can my QNBV application be expedited?

8. We cannot accommodate requests for applications to be expedited as we have to review in the order we receive them and reviews are conducted every other Thursday, so please get your applications in as soon as possible! The 2025 Committee review schedule can be found [here](#).

9. I want to be sure I'm helping to make the process as seamless as possible for my investors to apply for tax credits. How can I do this?

9. 1. Apply to be a QNBV [here](#).

2. If your application is approved, make sure to let your investors know you have been approved for the program and can begin accepting investments in 2024 as soon as your certification date (which can be found on your QNBV certificate as shown highlighted below).



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QNBV #	██████████
NAICS Code	██████████
Eligibility Date ¹	1/7/2021
QNBV Certification End Date	12/31/2021

¹ Investments must be made on or after the Eligibility Date to qualify for a tax certificate.

2021 Special Eligibility

Eligible as a Minority, Woman or person with Disability Owned Business	Yes
Principal place of business in a county with a population of not more than 250,000	No

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3. If these are “contingent equity investments,” you will need to ensure the agreement includes a mandatory and unconditional three-year conversion clause for the investment to be eligible.

- Examples of clauses can be found [here](#).

4. Following any investments received, you will need to provide your investor(s) with the incoming proof of funds so they can include it in their application.

- This will need to be a screenshot from your bank account showing the following:
 - o Name of your business
 - o Date of investment
 - o Amount of investment
 - o Name of the investor
 - o *NOTE: Screenshots of “pending” transactions cannot be accepted and will need to clear so you can show the exact date.*

5. Encourage your investor(s) to apply for the tax credits as soon as possible through the application [here](#).

- The Angel Investment Tax Credit Program is limited to awarding \$15 million in tax credits for the year, so if investors wait to apply for the tax credit they can run the risk of not receiving them if all have already been awarded. The \$15 million allocation is broken into quarters and the full 2025 allocation schedule can be found [here](#).

For Investors:

10. I made an investment into a business in 2024 but forgot to apply. Can I apply for the tax credits for this investment in 2025?

10. Yes, but your tax credit will only be approved if there are funds remaining in the 2024 program. You will find the 2024 investor application [here](#). Tax credits can only be issued for the taxable year in which the investment was made. You may need to file an amended 2024 income tax return if approved.

11. Can I make an investment into a business in 2025 while they wait for their approval?

11. Investments made before the QNBV certification date will **not be eligible** for tax credits. In order for an investment to be considered as eligible for the program, it must be on or after their certification (approval) date and within the same calendar year. (This is one of many reasons it is important that businesses interested in being a QNBV through the program apply as soon as possible.)

12. Can I apply for multiple investments made into one QNBV in 2025?

12. Yes, but you would have to apply with separate applications for each separate investment. Investments cannot be combined into one application.

13. Can I apply for multiple investments made into various QNBVs in 2025?

13. Yes.

14. I applied for and received tax credits on two separate QNBVs in 2025. Do I re-apply again in 2026 to receive the tax credits again?

14. No. You can only receive tax credits once for investments made into QNBVs through the program.

15. Can I make an investment in 2025 in a QNBV that was approved in 2024?

15. The QNBV would need to be approved for the program in 2025 for an investment to be considered eligible for tax credits.

16. How can we claim Illinois state tax credits when investing through an SPV (Special Purpose Vehicle)?

16. If the investors are investing into the Angel Program through an SPV (Special Purpose Vehicle), then DCEO provides the Illinois State Tax Credits to the SPV. The SPV can then provide Illinois State K-1 forms to their investors to claim the Illinois State Tax Credits. Upon receiving the K-1 forms, then investors would file a Schedule 4255 with their individual tax return. **It is recommended that you contact the Illinois Department of Revenue call center at 800-732-8866 for tax questions or contact a tax accountant before making tax decisions.** However, as per statute Ill. Admin. Code tit. 86, § 100.2171 - Angel Investment Credit (IITA 220):

f) Documentation of the Credit. A claimant shall attach to its Illinois income tax return a copy of the Tax Credit Certificate and/or annual certification (if any) issued by DCEO and, in the case of a partner in a partnership or shareholder of a subchapter S corporation that earned the credit, a Schedule K-1-P or other written statement from the partnership or subchapter S corporation stating the portion of the total credit shown on the Tax Credit Certificate that is allowed to that partner or shareholder and the taxable year of the partnership or subchapter S corporation in which the Tax Credit Certificate was issued.

16. I received tax credits in 2024 but am not sure how to include information when filing my taxes. What documents should I reference?

16. Please reference the Illinois Department of Revenue's Schedule 1299-C instructions found [here](#).