



Illinois Angel Investment Tax Credit Program FAQ

For businesses applying for QNBV certification and investor claimants applying for tax credit.

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?

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 2026 program (and received an approval) any investments into your business will not be eligible for tax credits for the 2026 program.

ANGEL INVESTMENT Tax Credit Program

QUALIFIED NEW BUSINESS VENTURE CERTIFICATE
presented to

NOTE: In order for investments to be eligible for tax credits, the investment must be made directly into the business noted above. If the name of the business or entity type changes, your business will need to reapply for registration here.

QNBV #		Eligible as a Minority, Woman or Person with a Disability Owned Business	Yes
NAICS Code		Principal place of business in a county with a population of not more than 250,000	Yes
Eligibility Date*	1/2/25		
QNBV Certification End Date	12/31/25		

*Investments must be made on or after the Eligibility Date and before the QNBV Certification End Date to qualify for a tax credit certificate. Additionally, investors must apply for tax credits here before the QNBV Certification End Date but as soon as possible following investment to avoid applying after the S15M allocation for the calendar year is expended.

The Illinois Department of Commerce and Economic Opportunity (DCEO) registered the Qualified New Business Venture (QNBV) as part of Illinois' Angel Investment Tax Credit Program based on the information listed above. A business desiring registration shall submit a QNBV application to DCEO in each calendar year for which the business desires registration.

If, and only if, this QNBV receives an investment giving rise to the issuance of a tax credit certificate for their investor, this business is required to submit a QNBV annual report (which can be found on the DCEO website) to the Department for three years following the issuance of the last tax certificate and maintain a minimum employment threshold as defined by Section 531.20 of the Joint Committee on Administrative Rules Administrative Code.

Reporting Information			Minimum Employment Threshold
1st QNBV Report	2nd QNBV Report	3rd QNBV Report	*Minimum employment threshold* is defined as: • At least 51% of the business' employee positions are in Illinois; or • The principal place of business is in Illinois. *Principal place of business* means the place where the business' high-level officers direct, control, and coordinate the business' activities.
• Report Due Date: 1/31/27	• Report Due Date: 1/31/28	• Report Due Date: 1/31/29	
• Reporting Period Begin Date: 1/2/25	• Reporting Period Begin Date: 1/1/27	• Reporting Period Begin Date: 1/1/28	
• Reporting Period End Date: 12/31/26	• Reporting Period End Date: 12/31/27	• Reporting Period End Date: 12/31/28	
• Year QNBV Received Certification: 2025	• Year QNBV Received Certification: 2025	• Year QNBV Received Certification: 2025	

A QNBV may be found in noncompliance for failure to submit the QNBV Annual Report or failure to maintain the minimum employment threshold for at least three years from the issue date of the last tax credit certificate, which would require the investor (claimant for tax credits) pay to the Illinois Department of Revenue the amount of the credit that the claimant received related to the investment.

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

Illinois Department of Commerce
 & Economic Opportunity
 OFFICE OF ENTREPRENEURSHIP,
 INNOVATION & TECHNOLOGY
 JB Pritzker, Governor

Figure 1

2. I was approved as a QNBV in 2025 for the program. How do I renew for 2026?

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 using the current year QNBV Application.



- 3. My business does not plan on fundraising in 2026. Do I need to apply for the 2026 program?**
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 on our main page.
- 4. If I do not apply to be a QNBV in 2026 and my investors received tax credits for investments made into my QNBV in 2025, will the investor still be able to utilize the tax credits?**
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 submitted [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?**
Yes, examples can be reviewed [here](#).
- 6. Can DCEO backdate the certification date (approval date) for my QNBV so the investment made before my approval can be eligible?**
No.
- 7. I applied to be a QNBV for the 2026 program. When can I expect to hear back?**
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 on our website.
- 8. Can my QNBV application be expedited?**
We cannot accommodate requests for applications to be expedited as we must review in the order received and reviews are conducted every other Thursday, so please get your applications in as soon as possible! The QNBV Review Committee schedule can be found on our website.



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?

1. Apply to be a QNBV.
2. If your application is approved, make sure to let your investors know you have been approved for the program and can begin accepting 2026 investments as soon as your certification date (which can be found on your QNBV certificate as shown in *Fig 1* above).
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:
This will need to be a bank statement or screenshot from your bank account showing the following:
 - Name of QNBV
 - Date of investment
 - Amount of investment
 - Name of Investor
 - Trace Number, Transfer Memo, Transaction Details, etc.

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 Investor Claimant Application on our website.
 - The Angel Investment Tax Credit Program is limited to awarding \$15 million each 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 allocation schedule can be found on our website.

For Investors:

10. I made an investment into a business in 2025 but forgot to apply. Can I apply in 2026 for the tax credits for this investment?

Yes until 03/31/2026, but your tax credit will only be approved if there are funds remaining in the 2025 program. Tax credits can only be issued for the taxable year in which the investment was made. You may need to file an amended 2025 income tax return if approved.

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

Investments made before the QNBV certification date will **not be eligible** for tax credits. 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?

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 2026?

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?

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

15. Can I make an investment in 2026 in a QNBV that was approved in 2025?

The QNBV would need to be approved for the program in 2026 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)?

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.

[Ill. Admin. Code tit. 86, § 100.2171 - Angel Investment Credit \(IITA 220\), effective 08.02.2022](#)

17. I received tax credits in 2025 but am not sure how to include information when filing my taxes. What documents should I reference?

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

Please contact the Illinois Department of Revenue at 800-732-8866 for tax-related questions or contact a tax accountant before making tax decisions.