

# Illinois Angel Investment Tax Credit Program



**Illinois**  
**Department of Commerce**  
& Economic Opportunity

JB Pritzker, Governor

# Angel Investment Tax Credit Program



Tax incentive program which encourages investments in innovative, early-stage, technology-focused companies by providing their investors with a state tax credit.



Website: [bit.ly/ilangeltax](http://bit.ly/ilangeltax) (case-sensitive)



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# What would constitute a qualifying investment?



Investment cannot be less than \$10,000

Investment cannot be more than \$2,000,000



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Set-Aside Businesses

\$2,500,000 Minority-Owned Businesses

\$1,250,000 Woman-Owned, Person with a Disability-Owned Businesses\*

\$1,250,000 Rural Businesses\*

\*as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act - <https://bit.ly/2EGTixs>

\*principal place of business in a county with population not more than 250,000.

This includes all counties aside from Cook, DuPage, Lake, Will, Kane, McHenry, Winnebago, St. Clair and Madison.

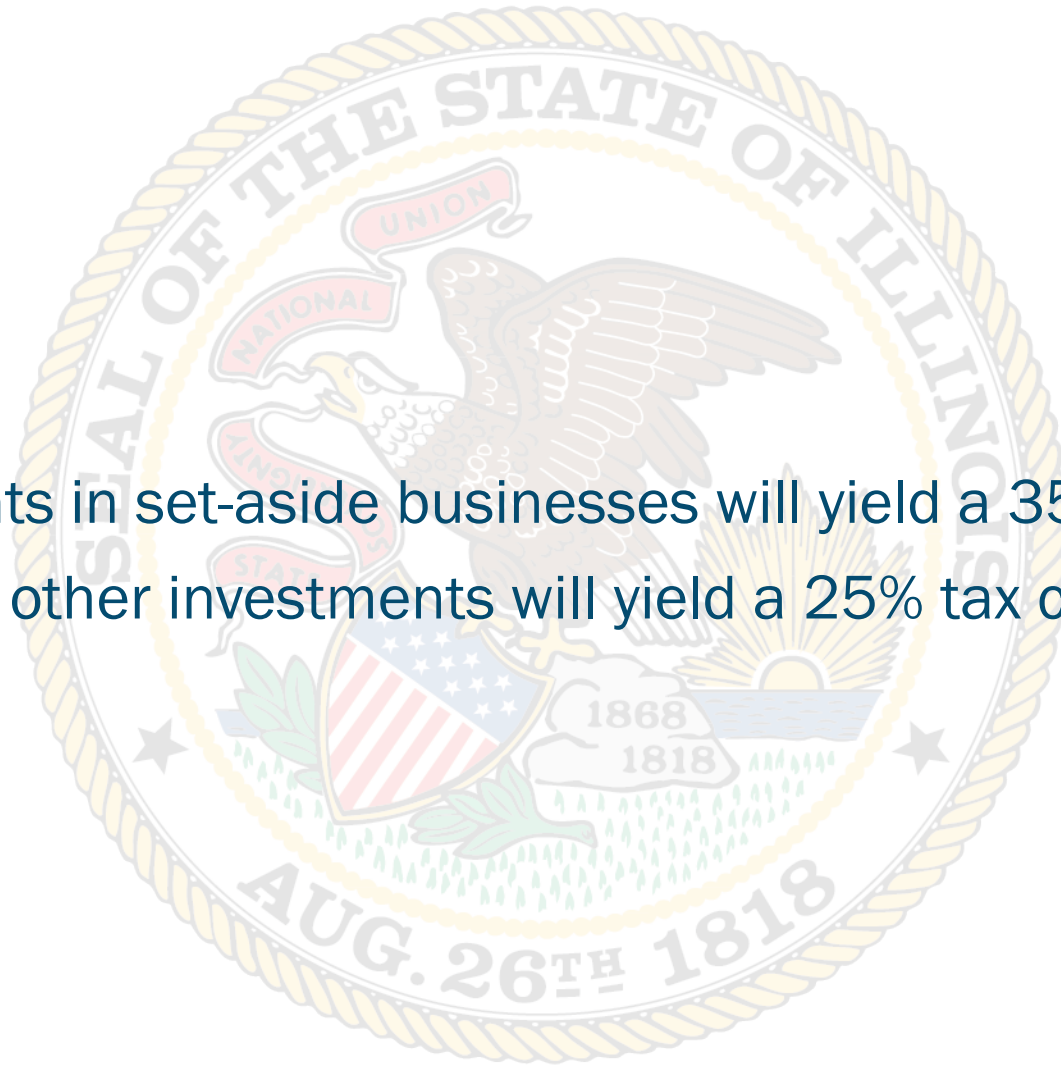


**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor





Investments in set-aside businesses will yield a 35% tax credit.  
All other investments will yield a 25% tax credit.



# 2025 Quarterly Set-Aside Allocation Goals

Any credits remaining for the set-asides after Q3 will be made available for All QNBVs in Q4.

\*As those terms are used and defined in the Business Enterprise for Minorities, Women, & Persons with Disabilities Act.

\*\*Principal place of business in counties with a population of not more than 250,000.

Dates			Set-Asides			All Other QNBVs	Total
			Minority-Owned QNBVs*	Women-, Persons with a Disability-owned QNBVs*	Rural QNBVs**		
Q1	1/1/2025	3/31/2025	\$875,000.00	\$437,500.00	\$437,500.00	\$3,500,000.00	\$5,250,000.00
Q2	4/1/2025	6/30/2025	\$875,000.00	\$437,500.00	\$437,500.00	\$3,500,000.00	\$5,250,000.00
Q3	7/1/2025	9/30/2025	\$750,000.00	\$375,000.00	\$375,000.00	\$1,650,000.00	\$3,150,000.00
Q4	10/1/2025	12/31/2025				\$1,350,000.00	\$1,350,000.00
			\$2,500,000.00	\$1,250,000.00	\$1,250,000.00	\$10,000,000.00	\$15,000,000.00



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Qualified New Business Venture (QNBV) Information



All business, once accepted into the program, are called Qualified New Business Ventures.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

A business must apply to be certified as a Qualified New Business Venture (QNBV) through the online application form.

## Calendar Year 2025 Application Documents

- 
- [2025 QNBV Application](#)
  - [2025 Investor Claimant Application](#)

(If applying as an investor using a trust as an investor's financial vehicle, your application must include the trust identification and disclosure form found at the bottom of this page.)

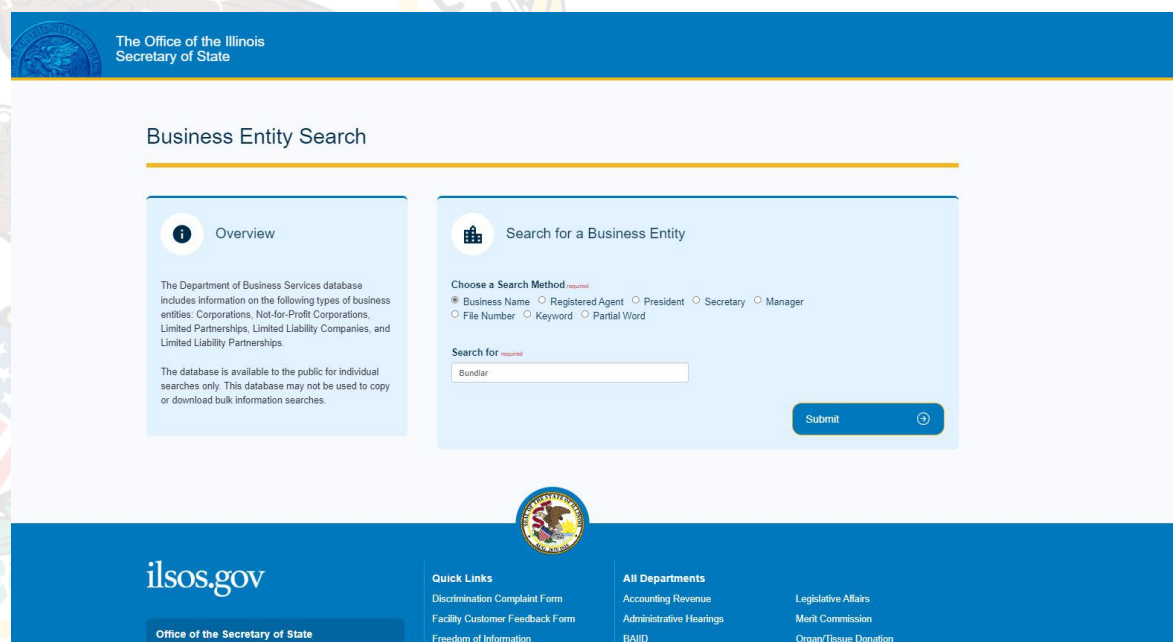
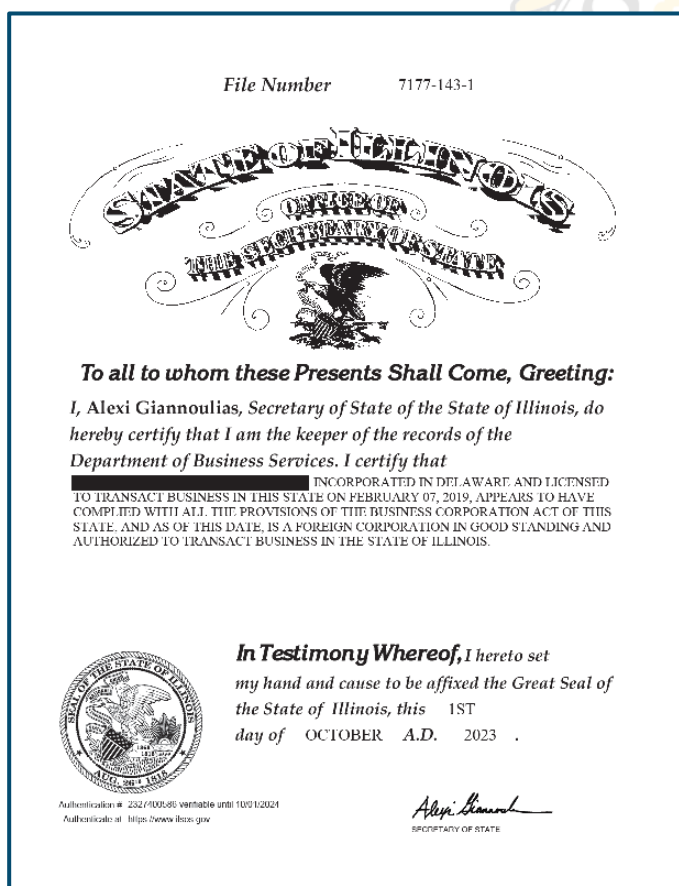


**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Documents Needed for QNBV Application

A copy (left) or a screenshot (right) of a current and active Illinois Secretary of State Certificate of Good Standing.



**Illinois**  
**Department of Commerce**  
**& Economic Opportunity**  
JB Pritzker, Governor

# Documents Needed for QNBV Application

[ENTER BUSINESS NAME HERE]		
Shareholder (Founder, employee, investor, etc.)	% Ownership	Total Amount Invested To Date
[ENTER SHAREHOLDER NAME HERE]	[ENTER % OWNERSHIP HERE]	[ENTER TOTAL AMOUNT INVESTED BY SHAREHOLDER]
	0.00%	\$0.00
	^This will need to equal 100%	^This will need to equal your entry for total aggregate investments to date in the application

A current capitalization table.

Applicants must use the template provided.



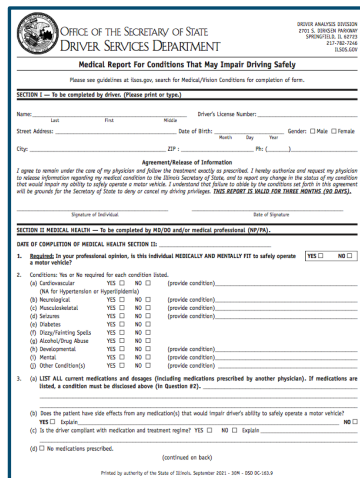
**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Documents Needed for QNBV Application

If the business qualifies as a minority-owned, woman-owned, or person with a disability-owned business, documentation attesting to this status.

This could include, but is not limited to, any of the following:

- Passport
- State ID
- Driver's License
- Any certifications obtained



OFFICE OF THE SECRETARY OF STATE  
DRIVER SERVICES DEPARTMENT

**Medical Report For Conditions That May Impair Driving Safety**

Please use guidelines at Illinois.gov for Medical/Driver Conditions for completion of form.

**SECTION I — To be completed by driver. (Please print or type.)**

Name: \_\_\_\_\_ Last First Middle Driver's License Number: \_\_\_\_\_  
Street Address: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Month Day Year Gender: ☐ Male ☐ Female  
City: \_\_\_\_\_ ZIP: \_\_\_\_\_

**Agreement/Release of Information**  
I agree to remain under the care of my physician and follow his treatment exactly as prescribed. I hereby authorize and request my physician to submit information regarding my medical condition to the Illinois Secretary of State, and to request any change in the status of my condition that would require my ability to safely operate a motor vehicle. I understand that failure to comply with the conditions set forth in this agreement will be grounds for the Secretary of State to deny or cancel my driving privileges. THIS REPORT IS VALID FOR THREE MONTHS (90 DAYS).

Signature of Individual: \_\_\_\_\_ Date of Signature: \_\_\_\_\_

**SECTION II MEDICAL HEALTH — To be completed by MD/DO and/or medical professional (MD/DO).**

**DATE OF COMPLETION OF MEDICAL HEALTH SECTION IS:** \_\_\_\_\_

1. Based on your professional opinion, is this individual MEDICALLY AND MENTALLY FIT to safely operate a motor vehicle? YES ☐ NO ☐

2. Conditions: Has or has not been required for each condition listed.

(a) Condition	YES <input type="checkbox"/> NO <input type="checkbox"/>	(b) Provide condition:
(a) Cardiovascular	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(b) Diabetes	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(c) Epilepsy/Seizures	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(d) Glaucoma	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(e) Hearing	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(f) Kidney	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(g) Lungs/Respiratory	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(h) Mental	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)
(i) Other (condition)	YES <input type="checkbox"/> NO <input type="checkbox"/>	(provide condition)

3. (a) LIST ALL current medications and dosages (including medications prescribed by another physician). If medications are listed, a condition must be disclosed above (in question 2).

(b) Does the patient have side effects from any medication(s) that would impair their ability to safely operate a motor vehicle?  
YES ☐ NO ☐ Explain: \_\_\_\_\_

(c) Is the driver compliant with medication and treatment regimen? YES ☐ NO ☐ Explain: \_\_\_\_\_

(d) No medications prescribed. (continued on back)

Printed by authority of the State of Illinois, September 2021 • 10M • 100-DC-103.9



**Illinois**  
Department of Commerce  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Businesses (to be certified QNBVs)



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Businesses



Must have the potential for increasing jobs in Illinois, increasing capital investment in Illinois, or both.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Eligibility Requirements for Businesses



At least 51% of the employees (employed by the business) are employed in Illinois.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Eligibility Requirements for Businesses



Must be principally engaged in innovation in a qualifying sector as defined in the statute OR undertaking pre-commercialization activity related to proprietary technology that includes one of the following:

- Conducting research
- Developing a new product or business process
- Developing a service that is principally reliant on applying proprietary technology



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Businesses



Must not be principally engaged in a disqualifying sector as defined by statute (outlined on the next slide).



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Businesses

## Qualifying sectors for innovation:

- Manufacturing
- Biotechnology
- Nanotechnology
- Communications
- Agricultural sciences
- Clean energy creation or storage technology
- Processing or assembling products including any of the following:
  - Medical devices
  - Pharmaceuticals
  - Computer Software
  - Computer Hardware
  - Semiconductors
  - Other innovative technology products
  - Products that are produced using manufacturing methods that are enabled by applying proprietary technology
- Providing services that are enabled by applying proprietary technology

## Disqualifying sectors for innovation:

- Real estate development
- Insurance
- Banking
- Lending
- Lobbying
- Political consulting
- Professional services provided by:
  - Attorneys
  - Accountants
  - Business consultants
  - Physicians
  - Health care consultants
- Wholesale or retail trade
- Leisure
- Hospitality
- Transportation
- Construction (except construction of power production plants that derive energy from a renewable energy resource as defined in Section 1 of the Illinois Power Agency Act)



# Eligibility Requirements for Businesses



Must have  
fewer than 100  
employees.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Eligibility Requirements for Businesses



Must have been in operation in Illinois for less than 10 consecutive years.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Businesses



Has received not more than \$10,000,000 in aggregate investments.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Businesses



At least 51% business' employee positions must be in Illinois or the 'principal place of business' must be in Illinois.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Eligibility Requirements for Businesses



Must have received not more than \$4,000,000 in investments that qualified for Angel tax credits.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Applying for QNBV Certification

A business is given a determination within 2 weeks (10 business days). Every two weeks a committee meets, via the [schedule](#) posted on the program website, to approve QNBVs.

Top Causes for Delay:	Capitalization table that does not clearly and directly reflect the dollar amount invested by each investor and a total equaling the entry for Total Aggregate Investments Received to Date entered in the application form itself.
If Approved:	The applicant will receive an email stating the business has been approved as a QNBV and the email will include an attached QNBV certificate which should be shared with their investors.
If Denied:	The applicant will receive an email stating the business has been denied and will provide reasoning for such determination. If the applicant would like to appeal the determination, they can do so by following the instructions provided in the denial email.

There is no renewal process for QNBVs. Each calendar year is its own program.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# QNBV Report

Each business certified as a QNBV which receives an investment leading to the issuance of a tax credit certificate needs to submit a QNBV Annual Report to Illinois Department of Commerce and Economic Opportunity for each of the 3 years following the last tax credit certificate issued.

## Calendar Year 2024 Reporting Documents

- [QNBV Annual Report](#)
- [Investor Claimant Annual Attestation of Investment](#)

## Calendar Year 2025 Application Documents



- [2025 QNBV Application](#)
- [2025 Investor Claimant Application](#)

(If applying as an investor using a trust as an investor's financial vehicle, your application must include the trust identification and disclosure form found at the bottom of this page.)



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# QNBV Report

The report asks questions about terms of any liquidity event, number of employees, average employee salary, and capital raised.

Reporting Period Start Date	Reporting Period End Date	Report Number	Due Date
QNBV Certification Date (2025)	12/31/2026	1 <sup>st</sup> Report	1/31/2027
1/1/2026	12/31/2026	2 <sup>nd</sup> Report	1/31/2027
1/1/2027	12/31/2027	3 <sup>rd</sup> Report	1/31/2028



# Claimant/Investor Information



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Claimant Application (3 Documents Filed by Investor)

1. The complete and executed legal document detailing the investment.
2. **Proof funds were transferred AND received** by the business.  
Acceptable documentation may include front and back of check or incoming wire documentation from the QNBV.  
Proof for both transferred and received funds must include dates. “Pending” will not be accepted.
3. The complete application form.

## Calendar Year 2024 Reporting Documents

- [QNBV Annual Report](#)
- [Investor Claimant Annual Attestation of Investment](#)

## Calendar Year 2025 Application Documents

- [2025 QNBV Application](#)
- [2025 Investor Claimant Application](#)

(If applying as an investor using a trust as an investor’s financial vehicle, your application must include the trust identification and disclosure form found at the bottom of this page.)



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Eligibility Requirements for Investors

Eligible applicants are any of the following who has made an investment in a QNBV and has a direct or indirect ownership interest of LESS THAN 51% in the profits, capital, or value of the QNBV receiving the investment and is NOT a “related member”:

Corporation  
Partnership  
Limited Liability Company  
Natural person

Ineligible applicants are as follows:

- Any investor who has a direct or indirect ownership interest of 51% OR MORE in the profits, capital, or value of the QNBV receiving the investment.
- A “related member”



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Investors

## “Related Member”

### Individual

An individual, if the individual and the members of the individual’s family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively in the aggregate, at least 50% of the value of the outstanding profits, capital, stock, or other ownership interest in the QNBV that is the recipient of the applicant’s investment.

The Internal Revenue Code defines members of family as follows:

A spouse (other than a spouse who is legally separated from the individual under a decree of divorce or separate maintenance), and

Children, grandchildren and parents.

(A legally adopted child of an individual shall be treated as a child of such individual by blood.)

### Partnership, Estate, or Trust

A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or other ownership interest in the QNBV that is the recipient of the applicant’s investment.



# Eligibility Requirements for Investors

## “Related Member”

### Corporation

A corporation and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the applicant and any other related member own, in the aggregate, directly, indirectly, beneficially, or constructively, at least 50% of the value of the outstanding stock of the QNBV that is the recipient of the applicant’s investment.

The Internal Revenue Code notes attribution from corporations as follows:

If 50 percent or more in value of the stock in a corporation is owned, directly or indirectly, by or for any person, such person shall be considered as owning the stock owned, directly or indirectly, by or for such corporation, in that proportion which the value of the stock which such person so owns bears to the value of all the stock in such corporation.

A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own, in the aggregate, at least 50% of the profits, capital, stock or other ownership interest in the QNBV that is the recipient of the applicant’s investment.



# Eligibility Requirements for Investors

## “Related Member”

### Person

A person to or from whom there is an attribution of ownership of stock in the QNBV that is the recipient of the applicant’s investment in accordance with Section 1563(e) of the Internal Revenue Code, except that for purposes of determining whether a person is a related member under this paragraph, “20%” shall be substituted for “5%” whenever “5%” appears in Section 1563(e) of the Internal Revenue Code.






**Eligible investments are  
those that meet the  
following five requirements:**



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Eligibility Requirements for Investors



1. Investments must be made in a certified QNBV.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Eligibility Requirements for Investors

2. Investments must be made on, or after the date the QNBV was certified to participate in the program and within the eligible calendar year.



# Eligibility Requirements for Investors

3. Investment must be a minimum of \$10,000 (and the basis for any single investment cannot exceed \$2,000,000).



# Eligibility Requirements for Investors

4. Investment must remain (except in the event of a “qualifying liquidity event”) in the QNBV for a minimum of 3 years.





# Eligibility Requirements for Investors

5. The investment must be given at a risk of loss and in consideration for an equity interest of the QNBV. An investment is at risk of loss if its repayment depends entirely upon the success of the business operations of the QNBV. A contingent equity investment is an investment.



# Applying for the Investor Tax Credit

DCEO hosts an easy-to-complete digital application portal.

Tax credits are issued on a first-come, first-serve basis and will be 25% (35% for set-asides) of the investment made into a QNBV so long as the investor and investment meet eligibility criteria, and the program has not reached its issuance limit of \$15,000,000 in tax credits.

Tax credits will be issued at the end of each quarter.



# Applying for the Investor Tax Credit

<b>Top Causes for Delay:</b>	<p>Using a QNBV number from a previous year. (For 2025, all QNBV numbers end with “P”.)</p> <p>Date of Investment entered in application not matching date shown in proof for transfer of funds to QNBV.</p> <p>Not including proof for <u>BOTH</u> transferring and receiving of funds.</p> <p>Submission of incomplete agreement.</p> <p>Rounding dollar amount when entering Investment Amount in application. (Example: Entering \$125,000.00 when actual investment is \$124,999.01.)</p> <p>Not including a mandatory 3 year conversion clause for a SAFE.</p>
<b>If Approved:</b>	<p>The applicant will receive an email stating the investor application has been approved and the email will include an attached tax credit certificate stating the amount of the tax credit to which the applicant is entitled.</p>
<b>If Denied:</b>	<p>The applicant will receive an email stating the application has been denied and will provide reasoning for such determination. If the applicant would like to appeal the determination, they can do so by following the instructions provided in the denial email.</p>



# Investor Attestation

Each investor who received tax credits through the Program must submit an *Annual Attestation of Investment* to the Illinois Department of Commerce and Economic Opportunity for each of the 3 years following the date of their investment into the QNBV. The *Attestation* can be found on the website.

## Calendar Year 2024 Reporting Documents

- [QNBV Annual Report](#)
- [Investor Claimant Annual Attestation of Investment](#)

## Calendar Year 2025 Application Documents

- [2025 QNBV Application](#)
- [2025 Investor Claimant Application](#)

(If applying as an investor using a trust as an investor's financial vehicle, your application must include the trust identification and disclosure form found at the bottom of this page.)



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Claiming the Tax Credit



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Claiming the Investor Tax Credit

The tax credit can be applied toward the investor's Illinois income tax liability for the taxable year in which the investment was made.



# Claiming the Investor Tax Credit

Although the credit may  
not exceed the  
taxpayer's Illinois  
income tax liability for  
the taxable year...



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor

# Claiming the Investor Tax Credit

...should the amount of the credit exceed the Illinois income 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.





# Claiming the Investor Tax Credit

The credit shall be applied to the earliest year for which there is a tax liability.



# Claiming the Investor Tax Credit

If there are credits from more than one tax year that are available to offset a liability, the earlier credit shall be applied first.



# Claiming the Investor Tax Credit

In the case of a partnership or Subchapter S Corporation, the credit is allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.



# Claiming the Investor Tax Credit

A claimant may not sell or otherwise transfer a credit award for this program to another person or entity.



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
JB Pritzker, Governor



# Program Compliance

If the Illinois Department of Commerce and Economic Opportunity determines that a claimant who has received tax credits through the program OR a QNBV that was the recipient of an investment through the program is not in compliance with the requirements of the program, the claimant shall pay to Illinois Department of Revenue, in the manner prescribed by Illinois Department of Revenue, the amount of the credit that the claimant received related to the investment.



