



Illinois Department of Commerce & Economic Opportunity
 JB Pritzker, Governor



Illinois Angel Investment Tax Credit Program FAQ

Updated 1/8/2024

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

For QNBVs:

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 2024?

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 2024 program (and received an approval) any investments into your business will not be eligible for tax credits for the 2024 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 Ventures. 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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I was approved as a QNBV in 2023 for the program. How do I renew for 2024?

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](#).

My business does not plan on fundraising in 2024. Do I need to apply for the 2024 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 [here](#).

If I do not apply to be a QNBV in 2024 and my investors received tax credits for investments made into my QNBV in 2023, will the investor still be able to utilize the tax credits?

Yes. 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 report can be found [here](#).

The administrative rules note that in order 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 found [here](#).

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

No.

I applied to be a QNBV for the 2024 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 [here](#).

Can my QNBV application be expedited?

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 review schedule can be found [here](#).

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 [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).



QUALIFIED NEW BUSINESS VENTURE CERTIFICATE

presented to
[REDACTED]

QNBV #	[REDACTED]
NAICS Code	[REDACTED]
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 in their application.

- This will need to be a screenshot from your bank account showing the following:
 - Name of your business
 - Date of investment
 - Amount of investment
 - Name of the investor
 - *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 allocation schedule can be found [here](#).

For Investors:

I made an investment into a business in 2023 but forgot to apply. Can I apply for the tax credits for this investment in 2024?

Yes, but your tax credit will only be approved if there are funds remaining in the 2023 program. You will find the 2023 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 2023 income tax return if approved.

Can I make an investment into a business in 2024 while they wait for their approval?

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.)

Can I apply for multiple investments made into one QNBV in 2024?

Yes.

Can I apply for multiple investments made into various QNBVs in 2024?

Yes.

I applied for and received tax credits on two separate QNBVs in 2024. Do I re-apply again in 2025 to receive the tax credits again?

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

Can I make an investment in 2024 in a QNBV that was approved in 2023?

The QNBV would need to be approved for the program in 2024 for an investment to be considered eligible.

I received tax credits in 2023 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](#).