



# VENTURE CAPITAL INVESTMENT TAX CREDIT

## DESCRIPTION

The Venture Capital Investment Tax Credit program improves access to capital for fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana tax liability. The Venture Capital Investment Tax Credit is established by I.C. 6-3.1-24.

## CALCULATION OF CREDITS

The maximum amount of tax credits available for qualified investment capital to a particular qualified Indiana business equals the lesser of: The total amount of investment capital provided to the qualified Indiana business in the calendar year, multiplied by 20 percent or \$1,000,000. If the amount of credit exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry over the excess credit for a period not to exceed the taxpayer's following five taxable years. A taxpayer is not entitled to a carryback or a refund of any unused credit amount.

## ELIGIBILITY

This credit is open to approved taxpayers and pass through entities. A business must first be certified by the IEDC as a Qualified Indiana Business. Next, the investor must submit a capital investment application for approval by the IEDC prior to making an investment. After the investment application is approved, the taxpayer may make a qualifying investment and submit supporting documentation to the IEDC for the investment to be certified. The taxpayer's investment must be made within two years after the date on which the IEDC approves the investment plan.