

Nebraska Department of Economic Development

Angel Investment Tax Credit

Qualified Investor Checklist

NOTE: TAX CREDITS MAY ONLY BE UTILIZED BY NEBRASKA RESIDENTS. ONLY NEBRASKA RESIDENTS WHO ARE OTHERWISE ELIGIBLE TO UTILIZE AN ALLOCATION OF TAX CREDITS WILL BE ALLOCATED ANGEL INVESTMENT TAX CREDITS.

Before completing a Qualified Investor Certification Application, investors should complete this checklist to determine whether they might qualify for certification as a qualified investor and allocation of tax credits under the Nebraska Angel Investment Tax Credit Program (“Program”). If an investor can answer “No” to each question, the investor *may* qualify as a qualified investor.

1. Does the investor control fifty percent or more of the qualified small business in which the investor will invest and apply for tax credits under the Program? Yes or No
2. Is the investor a venture capital company? Yes or No
3. Is the investor a bank, savings and loan association, insurance company, or similar entity whose normal business activities include venture capital investments? Yes or No
4. Will investor’s investment in the qualified small business be less than \$25,000? Yes or No

Note: If investors are certified as Qualified Investors and make an investment in a Qualified Fund, the Qualified Investor is not required to make a minimum investment of \$25,000, but the Qualified Fund will be required to make a minimum investment in a qualified small business of \$50,000.

5. Is the investor anything other than an individual, trust, or pass-through entity? Pass-through entities include subchapter S corporations, general partnerships, limited partnerships, limited liability partnerships, trusts, and limited liability companies. Yes or No
6. Does the investor receive more than forty-nine percent of its gross annual income from the qualified small business for which the investor will apply for tax credits under the Program? Yes or No
7. Has the investor made the investment in the qualified small business for which the investor will apply for allocation of tax credits under the Program **PRIOR** to submitting a Qualified Investor Certification Application under the Program? Yes or No

In order to qualify for allocation of tax credits under the program, investors must be certified by the Nebraska Department of Economic Development as “Qualified Investors” for the calendar year in which the qualified investment will be made **prior** to making the qualified investment for which they request tax credits. “Accredited Investors,” as defined in Rule 501(a) of Regulation D under the Securities Act of

1933, as in effect on January 1, 2011, may make their application for certification as Qualified Investors within thirty calendar days of making the qualified investment. Accredited investors will include:

- (1) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- (2) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- (3) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000;
- (4) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (5) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in §230.506(b)(2)(ii); and
- (6) Any entity in which all of the equity owners are accredited investors.