

**Nebraska Department of Economic Development  
Angel Investment Tax Credit**

**Program Guidelines**

**Calendar Year 2019**

**Revised September 2018**

# Nebraska Department of Economic Development

## Angel Investment Tax Credit

### Application Guidelines

This publication consists of information and instructions concerning the submission of applications for businesses, investors, and investment funds for the Nebraska Angel Investment Tax Credit program, including internet links to the following:

- A. [Form NDEDQI-I](#) Application for Certification as a Qualified Investor-Individual
- B. [Form NDEDQI-T](#) Application for Certification as a Qualified Investor-Trust
- C. [Form NDEDQI-PT](#) Application for Certification as a Qualified Investor-Pass-Through Entity
- D. [Form NDEDQF](#) Application for Certification as a Qualified Fund/Certification of Fund Investors
- E. [Form NDEDQSB](#) Application for Certification as a Qualified Small Business
- F. [Form NDEDALLTC](#) Application for Allocation of Tax Credits
- G. [Form NDEDINVNOT](#) Notification of Qualified Investment
- H. [Form NDEDNFTMINV](#) Notification of Failure to Make Qualified Investment
- I. [Form NDEDANNRPTQSB](#) Annual Report of Qualified Small Business
- J. [Form NDEDANNRPTQI](#) Annual Report of Qualified Investor
- K. [Form NDEDANNRPTQF](#) Annual Report of Qualified Fund
- L. [Form NDEDNOTINSLV](#) Notification of Qualified Small Business Insolvency
- M. United States Citizenship Attestation Form

### Timing of Applications for Allocation of Tax Credits

**For calendar year 2019**, applications for allocation of Tax Credits will be accepted beginning November 1, 2018 and ending the earlier of January 1, 2019 or the date that all 2019 Tax Credits that can be allocated pursuant to the Nebraska Angel Investment Tax Credit Act have been allocated for the calendar year. Applications received after the 2019 calendar year allocation has been depleted and prior to December 1, 2019 will be held and deemed submitted as of January 1, 2019 for the 2019 calendar year, unless the applicant requests that the application not be considered for the 2019 calendar year.

**For calendar year 2019**, investors wishing to make qualified investments on January 1, 2019 for the 2019 calendar year should submit applications for allocation of Tax Credits on or before December 1, 2018 to ensure Department review and approval prior to investment.

**Qualified Investments must be held, and cannot be transferred, including by sale or otherwise, for the applicable three-year holding period, consisting of the calendar year of the investment and the following two calendar years. The three-year holding period does not apply only in the following situations:**

- **The Qualified Investment becomes worthless;**
- **80% or more of the assets of the Qualified Small Business are sold;**
- **The Qualified Small Business is sold or merges with another business; or**
- **The Qualified Small Business' common stock, or other equity interests, begin trading on a public securities exchange; or**
- **In the case of an individual qualified investor, if such investor becomes deceased before the end of the three-year period.**

All Qualified Investments and applicable three-year holding periods shall be subject to review and verification for a period of six years after Tax Credits have been allocated. **If during such six-year period it is determined that the applicable three-year holding period requirement was not met, 100% of the Tax Credits allocated for such Qualified Investment shall be subject to recapture.**

The Department will review and issue a written decision within 30 calendar days of application receipt or will request additional information from applicant within such 30 calendar day period. If additional information is requested to be provided by applicant, the Department will review and issue a written decision within 30 calendar days of its receipt of the additional information.

**THE DEPARTMENT WILL NOT REVIEW ANY REQUESTS FOR CERTIFICATION OR APPLICATIONS, NOTIFICATIONS, OR ANNUAL REPORTS FILED IN CONJUNCTION WITH THE NEBRASKA ANGEL INVESTMENT TAX CREDIT PROGRAM THAT ARE FILED AFTER THE DATE SUCH REQUESTS FOR CERTIFICATION, APPLICATIONS, NOTIFICATIONS, OR ANNUAL REPORTS ARE REQUIRED TO BE FILED. NO EXTENSIONS OF TIME TO FILE SUCH DOCUMENTS WILL BE GRANTED BY THE DEPARTMENT.**

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**<https://opportunity.nebraska.gov/program/angel-investment-tax-credit/>**

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## INTRODUCTION

In 2011, Nebraska passed the Nebraska Angel Investment Tax Credit Act, pursuant to which the Nebraska Department of Economic Development was authorized to issue up to \$3,000,000 in refundable Tax Credits in each year commencing in 2011 and continuing through 2022. LB156, which went into effect on May 28, 2015, raised the annual maximum allocation to \$4,000,000. The Department cannot allocate any Angel Investment Tax Credits after 2022.

The Act provides a refundable tax credit of up to 40% of a Qualified Investor's or Qualified Fund's investment in a Qualified Small Business.

Tax Credits related to investments by Qualified Funds will be provided directly and ratably to the owners of the Qualified Fund, who shall each have been certified as Qualified Investors by the Department. Tax Credits related to investments by Pass-Through Entities certified as Qualified Investors will be provided directly to the investors investing through the Pass-Through Entity that have each been certified as Qualified Investors by the Department. The total maximum amount of Tax Credits that can be allocated in a calendar year to a Qualified Investor for the investor's cumulative Qualified Investments is \$350,000 for married couples filing jointly and \$300,000 for all other filers. This is the maximum amount of Tax Credits that can be allocated, not the maximum cumulative Qualified Investment. The Department will not certify more than a total of \$1,000,000 in Tax Credits to all Qualified Investors and Qualified Funds in any one Qualified Small Business over the life of the Angel Investment Tax Credit program.

Because the Tax Credits are refundable, investors will not be limited in their use of the Tax Credits by the amount of their Nebraska taxable income. Provided, however; only Nebraska residents, and Nebraska resident and non-resident estates and trusts, may claim the Tax Credit on a Nebraska state income tax return. The Department will only issue Tax Credit Certificates for Qualified Investments made by Qualified Investors that are Nebraska residents, or Nebraska resident or non-resident trusts. Because the Tax Credits are refundable, Qualified Investors may apply for a refund to the extent any Tax Credits issued to them for a calendar year (and for which a corresponding Qualified Investment is made) exceed the amount of their Nebraska income tax liability, but Tax Credits cannot be carried-forward or carried-back to prior or subsequent tax years. See "Determining Residency Status for Nebraska Individual Income Tax Filing" to assist you with determining residency status (<http://www.revenue.ne.gov/info/8-645.pdf>).

## KEY DEFINITIONS

**Act:** The Nebraska Angel Investment Tax Credit Act (found in Neb. Rev. Stat. §§77-6301 to 77-6310).

**Department:** The Nebraska Department of Economic Development. The Department's website concerning the Angel Investment Tax Credit Program is located at <https://opportunity.nebraska.gov/program/angel-investment-tax-credit/>.

**Full-time Equivalent (FTE) Employees:** The number of employees calculated by dividing the total hours paid in a year by the product of forty times the number of weeks of payroll incurred in a year. NOTE: The number of Full-time Equivalent (FTE) Employees does not equal the number of people employed in many cases. For example, part-time employees, employees who work overtime, seasonal employees, or an individual employed for only part of the year may cause the number of Full-time Equivalent (FTE) Employees to differ from the actual number of employees employed during a calendar year. For example, if a company paid 10,400 hours of work time (including 10,000 regular hours and 400 vacation hours) over the course of a 52-week payroll, the Full-time Equivalent (FTE) Employee calculation would be  $(10,400 \text{ hours}) / (40 \times 52)$ . In this case the company would have five Full-time Equivalent (FTE) Employees.

**Qualified Fund:** A Pass-Through Entity that has been certified by the Department as eligible for the allocation of Tax Credits and which has at least three owners who have been certified by the Department as Qualified Investors.

**Qualified Investment:** A cash investment in a Qualified Small Business made in exchange for common stock, a partnership or membership interest, preferred stock, debt with mandatory conversion to equity, or an equivalent ownership interest (as determined by the Department), in the Qualified Small Business, which meets the requirements for allocation of Tax Credits. Qualified Investors must invest at least \$25,000 in a Qualified Small Business, and Qualified Funds must invest at least \$50,000 in a Qualified Small Business.

**Qualified Investor:** An individual, trust, or Pass-Through Entity that has been certified by the Department as eligible for allocation of Tax Credits pursuant to the Act.

**Qualified Small Business:** A small business that has been certified by the Department as eligible to receive Qualified Investments pursuant to the Act.

**Pass-Through Entity:** A business organization that, for the calendar year in which a Qualified Investment is to be made, is a subchapter S corporation, general partnership, limited partnership, limited liability partnership, trust, or limited liability company, and which for such calendar year is not taxed for federal or state income tax purposes as a corporation.

**Tax Credit:** A tax credit allocated to angel investors pursuant to the Nebraska Angel Investment Tax Credit Act. Tax Credits may be allocated to investors as "Qualified Investors" or as Qualified Investors in "Qualified Funds."

**Venture Capital Company:** A business that specializes in equity financing provided by investors to business enterprises that have the potential for high growth and in which the risk for loss and the potential for profit may be considerable ("**Venture Capital Investments**").

## APPLICATION PROCESS AND TIMELINE

1. Applications for certification of Qualified Small Businesses, Qualified Investors, and Qualified Funds are accepted on an ongoing basis.

**Application for Certification as a Qualified Small Business:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_small\\_business.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_small_business.pdf)

**Application for Certification as a Qualified Investor-Individual:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/NDED\\_Angel\\_Tax\\_Credit\\_Qualified\\_Investor\\_INDIVIDUAL\\_Certification\\_Application.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/NDED_Angel_Tax_Credit_Qualified_Investor_INDIVIDUAL_Certification_Application.pdf)

**Application for Certification as a Qualified Investor-Trust:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_investor\\_trust.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_investor_trust.pdf)

**Application for Certification as a Qualified Investor-Pass-Through Entity:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_investor\\_passthrough\\_entity.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_investor_passthrough_entity.pdf)

**Application for Certification as a Qualified Fund:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_fund.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_fund.pdf)

2. Investors seeking certification as Qualified Investors or Qualified Funds must be (1) certified as a Qualified Investor or Qualified Fund, and (2) receive an allocation of Tax Credits by the Department, **PRIOR** to making any Qualified Investment in a Qualified Small Business. All investors seeking certification as Qualified Funds must be (1) certified as Qualified Funds, and (2) receive an allocation of Tax Credits from the Department **PRIOR** to making any Qualified Investment in a Qualified Small Business.

**NOTE: TAX CREDITS MAY ONLY BE UTILIZED BY NEBRASKA RESIDENTS AND NEBRASKA RESIDENT AND NON-RESIDENT TRUSTS. ONLY QUALIFIED INVESTORS WHO ARE NEBRASKA RESIDENTS, AND RESIDENT AND NON-RESIDENT TRUSTS, WILL BE ISSUED TAX CREDIT CERTIFICATES FOR ANY PORTION OF ANGEL INVESTMENT TAX CREDITS ALLOCATED TO A PASS-THROUGH ENTITY CERTIFIED AS EITHER A QUALIFIED INVESTOR OR QUALIFIED FUND.**

3. The Nebraska Department of Economic Development will review each application received for completeness, eligibility, and compliance, and will make a determination to certify or to deny certification of Qualified Small Businesses, Qualified Investors, and Qualified Funds within 30 calendar days after receipt of an application.

4. The Angel Investment Tax Credit Coordinator will contact applicants and discuss deficiencies found in incomplete applications received. Applicants will be allowed to correct deficiencies and then have their application reviewed. If additional information is required in order to make a final determination on a certification, the Department will, within 30 calendar days of receiving an application, contact an applicant

and identify and request such required additional information. The Department will then make its final determination to certify or deny certification within 30 calendar days of the Department's receipt of all requested additional information from the applicant.

5. For calendar year 2019, Applications for Allocation of Tax Credits will be accepted beginning November 1, 2018 and ending the earlier of January 1, 2019 or the date that all Tax Credits that can be allocated pursuant to the Nebraska Angel Investment Tax Credit Act for the 2019 calendar year have been allocated.

**Application for Allocation of Tax Credits:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_allocation\\_of\\_tax\\_credits.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_allocation_of_tax_credits.pdf)

6. Applications for Allocation of Tax Credits will be considered for allocation during the calendar year they are filed as long as Tax Credits remain to be allocated for such calendar year. If Tax Credits for such calendar year have been fully allocated and the Application for Allocation of Tax Credits is postmarked or received **PRIOR TO** December 1<sup>st</sup>, the Application for Allocation of Tax Credits will be considered filed as of December 1<sup>st</sup> for allocation of Tax Credits for the following calendar year, unless the applicant requests that the application not be considered for the following calendar year.

7. Tax Credits will be allocated in the order in which complete applications are received, including receipt of all additional information requested by the Department. The dates that required certifications are obtained are irrelevant in determining the amount of Tax Credits to be allocated.

8. Applications for Allocation of Tax Credits will be reviewed and Tax Credits allocated, in the order filed (with all required additional information submitted). Applications for Allocation of Tax Credits will be considered filed on the date they are postmarked or hand-delivered. All applications for allocation filed on the same day are treated as being filed at the same time. If two or more Applications for Allocation of Tax Credits are filed on the same day and there are not enough Tax Credits to be allocated to satisfy the amount of Tax Credits requested, the available Tax Credits will be allocated pro-rata among the Applications filed on that day. The Department will have a minimum of 30 calendar days from the date Applications for Allocation of Tax Credits are filed with the Department to review the Applications. If additional information is required in order to make a final determination on an allocation, the Department will contact an applicant and identify and request any required additional information. The Department will then make its final determination to allocate or deny allocation of Tax Credits within 30 calendar days of the Department's receipt of all requested additional information from the applicant.

9. Once an Application for Allocation of Tax Credits has been approved by the Department and Tax Credits have been allocated to a Qualified Investor or Qualified Fund, the Qualified Investor or Qualified Fund will have 90 calendar days in which to complete its Qualified Investment in the Qualified Small Business identified in the Application for Allocation of Tax Credits. If the Qualified Investment is not made within such 90-calendar day period, the Tax Credits allocated will be cancelled and available for reallocation.

10. Within 120 calendar days of the date in which Tax Credits are allocated to a Qualified Investor or a Qualified Fund for a Qualified Investment, a Qualified Investor or Qualified Fund, as applicable, shall submit a Notification of Qualified Investment to the Department confirming that the investment was made, and providing documentation as to the amount and the date of investment. A Pass-Through Entity certified as a Qualified Fund or Qualified Investor must also include in the Notification of Qualified Investment the amount of the Qualified Investment that was made by each of its respective Qualified

Investors. A Qualified Small Business may submit the Notification of Qualified Investment on behalf of its investing Qualified Investor or Qualified Fund, as applicable, but it is the responsibility of such Qualified Investor or Qualified Fund to ensure that the Notification of Qualified Investment is filed with the Department. If a Qualified Investor or Qualified Fund fails to make a Qualified Investment, or fails to make the full amount of its Qualified Investment, within 90 calendar days after it has been allocated Tax Credits by the Department, it shall file a Notification of Failure to Make Qualified Investment within five business days of the expiration of such 90-calendar day period. If a Qualified Investor or Qualified Fund, as applicable, is required to file a Notification of Failure to Make Qualified Investment and does not do so within the specified time period, the Department reserves the right to sanction the Qualified Investor or Qualified Fund from allocations of additional Tax Credits for the current and following calendar years. A Notification of Qualified Investment or Notification of Failure to Make Qualified Investment will be considered filed on the date postmarked or hand received.

**Notification of Qualified Investment:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_qualified\\_investment.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_qualified_investment.pdf)

**Notification of Failure to Make Qualified Investment:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_failure\\_to\\_make\\_qualified\\_investment.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_failure_to_make_qualified_investment.pdf)

11. Within 30 calendar days of the receipt of a timely and correctly filed Notification of Qualified Investment, the Department will issue Tax Credit certificates to the Qualified Investor, each eligible Qualified Investor that invested as part of a Pass-Through Entity certified as a Qualified Investor, or each eligible Qualified Investor who is an investor in a Qualified Fund, which will summarize the applicable required three-year holding period for each Qualified Investment.

12. Beginning July 1, 2012, and each July 1 through 2022, each Qualified Small Business will submit an Annual Report of Qualified Small Business identifying the amount of money that has been invested in the Qualified Small Business during the previous calendar year and certifying that the Qualified Small Business continues to satisfy the requirements of the Act. Each Annual Report will be considered filed on the date postmarked or hand-received. Qualified Small Businesses that fail to timely file any Annual Report may be subject to a \$200.00 fine.

**Annual Report of Qualified Small Business:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_small\\_business.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_small_business.pdf)

13. Beginning July 1, 2012, and each July 1 through 2022, each Qualified Investor and Qualified Fund will submit an Annual Report of Qualified Investor and/or Qualified Fund (as applicable) indicating the amount of money that has been invested by it in the previous calendar year in accordance with the requirements of the Act. The report shall also certify that the filer of such report continues to satisfy the requirements of the Act. Each Annual Report will be considered filed on the date postmarked or hand-received. Qualified Investors and Qualified Funds that fail to timely file any Annual Report may be subject to a \$200.00 fine. A Qualified Investor who invests solely through a Qualified Fund is required to submit a separate Annual Report of Qualified Investor in addition to the Annual Report of Qualified Fund which must be submitted by the Qualified Fund. A Qualified Investor who invests solely through a Pass-Through Entity certified as a Qualified Investor is required to submit a separate Annual Report of

Qualified Investor in addition to the Annual Report of Qualified Investor which must be submitted by the Pass-Through Entity certified as a Qualified Investor.

**Annual Report of Qualified Investor:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_investor.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_investor.pdf)

**Annual Report of Qualified Fund:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_fund.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_fund.pdf)

14. Qualified Investments must be held, and cannot be transferred, including by sale or otherwise, for the applicable three-year holding period, consisting of the calendar year of the investment and the following two calendar years. The three-year holding period does not apply only in the following situations:

- The Qualified Investment becomes worthless;
- 80% or more of the assets of the Qualified Small Business are sold;
- The Qualified Small Business is sold or merges with another business; or
- The Qualified Small Business' common stock, or other equity interests, begin trading on a public securities exchange; or
- In the case of an individual qualified investor, if such investor becomes deceased before the end of the three-year period.

15. All Qualified Investments and applicable three-year holding periods shall be subject to review and verification for a period of six years after Tax Credits have been allocated. **If during such six-year period it is determined that the applicable three-year holding period requirement was not met, 100% of the Tax Credits allocated for such Qualified Investment shall be subject to recapture.**

16. If any Qualified Small Business in which a Qualified Investment is made by a Qualified Investor or Qualified Fund becomes insolvent during the applicable three-year holding period for such Qualified Investment, the Qualified Small Business shall file a Notification of Qualified Small Business Insolvency with the Department within 30 calendar days of the earlier of the date of an accountant's opinion of the Qualified Small Business' insolvency or the date of court judgment of bankruptcy of the Qualified Small Business.

**Notification of Qualified Small Business Insolvency:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_qualified\\_small\\_business\\_insolvency.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_qualified_small_business_insolvency.pdf)

## QUALIFIED SMALL BUSINESS GUIDELINES

The following are guidelines for businesses to follow when applying for certification as a Qualified Small Business under the Act.

Companies seeking to be eligible to receive Qualified Investments pursuant to the Act, for which investors may seek allocation of Tax Credits, **MUST BE CERTIFIED BY THE DEPARTMENT AS A QUALIFIED SMALL BUSINESS PRIOR TO RECEIPT OF INVESTMENTS**. Applicants for certification as a Qualified Small Business must submit a properly completed Application for Certification as a Qualified Small Business, located at [https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_small\\_business.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_small_business.pdf)

### **The requirements for certification of a Qualified Small Business include:**

1. The applicant must be headquartered in Nebraska ;
2. At all times during the applicable three-year holding period for any Qualified Investment, at least 51% of the applicant's Full-time Equivalent (FTE) Employees and at least 51% of its total payroll paid or incurred must be located and paid in Nebraska;
3. The applicant's primary business activity must be to engage in, or committed to be engaged in, innovation in Nebraska one or more of the following activities:
  - a. Using proprietary technology to add value to a product, process, or service in a qualified high-technology field, or
  - b. Researching, developing, or producing a proprietary product, process, or service in a qualified high-technology field;
4. The applicant cannot be engaged in the following fields: political consulting, leisure, or hospitality or professional services provided by attorneys, accountants, physicians, or health care consultants; and
5. At the time of the qualified investment, the qualified business must have 25 or fewer total Full-time Equivalent (FTE) Employees, in all locations both within and outside of Nebraska.
6. The applicant must attach a certificate or letter of good standing issued by the Nebraska Secretary of State within 30 calendar days of the date of the application certifying that it is currently in good standing and authorized to conduct business in the State of Nebraska. See the Nebraska Secretary of State's website for further details: <http://www.sos.state.ne.us>.

Beginning July 1, 2012, and each July 1 through 2022, each Qualified Small Business receiving a Qualified Investment will be required to submit an Annual Report of Qualified Small Business to the Department. Each Annual Report of Qualified Small Business will be considered filed on the date postmarked or hand-delivered.

### **Annual Report of Qualified Small Business:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_small\\_business.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_small_business.pdf)

**How will the Department determine where an applicant company is “headquartered?”** The Department will review the facts and circumstances surrounding each applicant. Generally, the Department will determine the state in which the applicant is effectively controlled and managed. This could involve, for example, an evaluation of where the company executive or management team is located, where the company maintains property, where the company is incorporated or organized, and where a majority of the company workforce is located.

**How will the Department measure the total number of employees and their corresponding locations for purposes of determining whether an applicant maintains at least 51% of its employees and total payroll in the State of Nebraska?** The Department will utilize a Full-time Equivalent (FTE) Employee calculation to measure the total number of employees. The location of payroll will be based upon where an employee performs his or her work, without regard to state of residence. The requirements regarding location of employees and payroll in Nebraska must continue to be satisfied during the duration of the applicable three-year holding period for any Qualified Investment for which Tax Credits are allocated.

**What is a proprietary technology, product, process, or service?** Proprietary technologies, products, processes, and services will include technologies, products, processes, and services that are legally enforceable and owned by and unique to the applicant, including, without limitation, technology, products, processes, and services that are patented, patent pending, the subject of trade secrets, or copyrighted.

**What is a qualified high-technology field?** Qualified high-technology fields include: aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biosolutions, medical device products, pharmaceuticals, diagnostics, biological, chemistry, veterinary science, and similar fields.

**What if a business accepts an investment prior to being certified as a Qualified Small Business?** If a business accepts an investment prior to being certified as a Qualified Small Business, the investors that made the investment in the business will not be eligible for a Tax Credit for the investment. The business is prohibited from returning the investment to the investors for the purposes of attempting to make the investment qualify for Tax Credits. Any Qualified Small Businesses that attempt to undo a prior investment for the purposes of attempting to make the investment qualify for Tax Credits may be subject to revocation of their certification as a Qualified Small Business.

**When is an investment deemed to be accepted?** The date in which an investment is deemed to be accepted will be determined as the facts and circumstances require. An investment may be deemed to be accepted on the date it is deposited in the bank account of the receiver of the investment, or, if the investment is made in exchange for the issuance of stock, the investment may be deemed to be accepted on the later of either the date in which the investment is deposited in the bank account of the receiver, or the date in which the stock is issued to the investor as a result of the investment. The Department will evaluate the facts and circumstances surrounding an investment, and may apply applicable state and federal securities laws, in determining the date in which an investment is deemed to be accepted for purposes of the Act.

## QUALIFIED INVESTOR GUIDELINES

The following are guidelines for investors to follow when applying for certification as a Qualified Investor under the Act.

**NOTE: TAX CREDITS MAY ONLY BE UTILIZED BY NEBRASKA RESIDENTS AND NEBRASKA RESIDENT AND NON-RESIDENT TRUSTS. ONLY QUALIFIED INVESTORS WHO ARE NEBRASKA RESIDENTS, AND RESIDENT AND NON-RESIDENT TRUSTS, WILL BE ISSUED ANGEL INVESTMENT TAX CREDIT CERTIFICATES FOR ANY PORTION OF A QUALIFIED INVESTMENT.**

Investors seeking certification as Qualified Investors must be (1) certified as Qualified Investors and (2) receive an allocation of Tax Credits from the Department, **PRIOR** to making any Qualified Investment in a Qualified Small Business. All Qualified Funds must (1) be certified as Qualified Funds and (2) receive an allocation of Tax Credits from the Department, **PRIOR** to making any Qualified Investments in Qualified Small Businesses.

Applicants for certification as a Qualified Investor must submit an Application for Certification as a Qualified Investor. The precise application form to be utilized will depend on whether the applicant is an individual, trust, or Pass-Through Entity.

**Application for Certification as a Qualified Investor-Individual:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/NDED\\_Angel\\_Tax\\_Credit\\_Qualified\\_Investor\\_INDIVIDUAL\\_Certification\\_Application.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/NDED_Angel_Tax_Credit_Qualified_Investor_INDIVIDUAL_Certification_Application.pdf)

**Application for Certification as a Qualified Investor-Trust:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_investor\\_trust.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_investor_trust.pdf)

**Application for Certification as a Qualified Investor-Pass-Through Entity:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_investor\\_passthrough\\_entity.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_investor_passthrough_entity.pdf)

Certification as a Qualified Investor means that an investor is **eligible** to make Qualified Investments. It is not a guarantee that Tax Credits will be allocated to the Qualified Investor with respect to any investment in a Qualified Small Business.

There are specific requirements relating to certification of Pass-Through Entities as Qualified Investors. In particular, the Department will issue Tax Credit Certificates only to investors that are certified as either a Qualified Investor-Individual or Qualified Investor-Trust. If an investor or owner in a Pass-Through Entity certified as a Qualified Investor wishes to obtain a Tax Credit Certificate for their portion of the investment made in a Qualified Small Business, such investor must also obtain certification as a Qualified Investor for the calendar year in which the investment is made. **NOTE:** A Tax Credit Certificate issued by the Department will be required in order to claim the Tax Credit on a Nebraska state income tax return.

**The requirements for certification of a Qualified Investor include:**

1. The applicant must intend to make a minimum Qualified Investment in a Qualified Small Business of \$25,000. Qualified Investors who invest in a Qualified Fund will not be required to make a minimum Qualified Investment of \$25,000, but the Qualified Fund will be required to make a minimum \$50,000 Qualified Investment in a Qualified Small Business. Similarly, Qualified Investors who invest as part of a Pass-Through Entity certified as a Qualified Investor will not each be required to make a minimum Qualified Investment of \$25,000, but the Pass-Through Entity Qualified Investor will be required to make a minimum \$25,000 Qualified Investment in a Qualified Small Business.
2. Prior to completion of the Qualified Investment, the Qualified Investor must not control 50% or more of the stock or other equity in the Qualified Small Business that will be receiving the Qualified Investment;
3. The Qualified Investor must not be a Venture Capital Company, bank, savings and loan association, insurance company, or similar entity whose normal business activities include Venture Capital Investments; and
4. The Qualified Investor must not receive more than 49% of its annual gross income from the Qualified Small Business in which the Qualified Investment is proposed to be made by the Qualified Investor.

The total maximum amount of Tax Credits that can be allocated in a calendar year (or for which Tax Credit Certificates will be issued), to a Qualified Investor for the Qualified Investor's cumulative Qualified Investments is \$350,000 for married couples filing jointly and \$300,000 for all other filers. This is the maximum amount of Tax Credits that can be allocated, not the maximum cumulative Qualified Investment. The Department will not certify more than a total of \$1,000,000 in Tax Credits by all Qualified Investors and Qualified Funds in any one Qualified Small Business over the life of the Angel Investment Tax Credit program.

The Department will not allocate Tax Credits to a Qualified Investor if the investor receives greater than 49% of its gross annual income from the Qualified Small Business in which a Qualified Investment is proposed to be made. A family member of an individual disqualified due to receipt of greater than 49% of such individual's gross annual income is not eligible for an allocation of Tax Credits with respect to an investment in such Qualified Small Business. For a married couple filing a joint return, the limitations apply collectively to the investor and spouse. For purposes of determining the ownership interest of an investor under this guideline, the rules under Section 267(c) and (e) of the Internal Revenue Code of 1986, as amended, apply.

Once Tax Credits have been allocated to a Qualified Investor or Qualified Fund, the Qualified Investor or Qualified Fund will have 90 calendar days in which to complete its Qualified Investment in the Qualified Small Business. If the Qualified Investment is not made within such 90-calendar day period, the Tax Credits allocated will be cancelled and available for reallocation.

Within 120 calendar days of the date in which Tax Credits are allocated to a Qualified Investor or a Qualified Fund for a Qualified Investment, a Qualified Investor or Qualified Fund, as applicable, shall submit a Notification of Qualified Investment to the Department confirming that the investment was made, and providing documentation as to the amount and the date of investment. A Qualified Small

Business may submit the Notification of Qualified Investment on behalf of its investing Qualified Investor or Qualified Fund, as applicable, but it is the responsibility of such Qualified Investor or Qualified Fund to ensure that the Notification of Qualified Investment is filed with the Department. If a Qualified Investor or Qualified Fund fails to make a Qualified Investment, or fails to make the full amount of its Qualified Investment, within 90 calendar days after it has been allocated Tax Credits by the Department, it shall file a Notification of Failure to Make Qualified Investment within five business days of the expiration of such 90-calendar day period. If a Qualified Investor or Qualified Fund, as applicable, is required to file a Notification of Failure to Make Qualified Investment and does not do so within the specified time period, the Department reserves the right to sanction the Qualified Investor or Qualified Fund from allocations of additional Tax Credits for the current and following calendar years. A Notification of Qualified Investment or Notification of Failure to Make Qualified Investment will be considered filed on the date postmarked or hand received.

**Notification of Qualified Investment:**

[http://opportunity.nebraska.gov/files/businessdevelopment/talentinnovation/angelinvestment/notification\\_of\\_qualified\\_investment.pdf](http://opportunity.nebraska.gov/files/businessdevelopment/talentinnovation/angelinvestment/notification_of_qualified_investment.pdf)

**Notification of Failure to Make Qualified Investment:**

[http://opportunity.nebraska.gov/files/businessdevelopment/talentinnovation/angelinvestment/notification\\_of\\_failure\\_to\\_make\\_qualified\\_investment.pdf](http://opportunity.nebraska.gov/files/businessdevelopment/talentinnovation/angelinvestment/notification_of_failure_to_make_qualified_investment.pdf)

Qualified Investors must hold, and cannot transfer, including by sale or otherwise, their Qualified Investments for which they have been allocated Tax Credits for a period of three years, consisting of the calendar year of the investment and the following two calendar years. The three-year holding period does not apply only in the following situations:

- The Qualified Investment becomes worthless;
- 80% or more of the assets of the Qualified Small Business are sold;
- The Qualified Small Business is sold or merges with another business; or
- The Qualified Small Business' common stock, or other equity interests, begin trading on a public securities exchange; or
- In the case of an individual qualified investor, if such investor becomes deceased before the end of the three-year period.

All Qualified Investments and applicable three-year holding periods shall be subject to review and verification for a period of six years after Tax Credits have been allocated. If during such six-year (6) period it is determined that the applicable three-year holding period requirement was not met, 100% of the Tax Credits allocated for such Qualified Investment shall be subject to recapture.

**“Individuals” who “control” 50% or more of a Qualified Small Business cannot be certified by DED. Venture Capital Companies are likewise disqualified. Can a trust or Pass-Through Entity, even a single member LLC, own 50% or more of the Qualified Small Business?** Statutes, regulations, and other laws governing tax credits and exemptions are narrowly construed. Applicants for certification as a Qualified Investor (or Qualified Fund) are not permitted to control, prior to the completion of a Qualified Investment, 50% or more of a Qualified Small Business in which it will invest and for which it will request an allocation of Tax Credits.

**How is “control” defined for purposes of determining whether an investor controls 50% or more of the stock or other equity in the Qualified Small Business? Does control refer solely to equity/stock ownership, or will other factors be indicative of control, including but not limited to power to appoint the board, holding of executive positions, contractual arrangements, or other indirect means of control?** Statutes, regulations, and other laws governing tax credits and exemptions are narrowly construed. The Department would look at all factors to determine if an applicant controls 50% or more of the stock or other equity in a Qualified Small Business.

**What is a “public securities exchange?”** Public securities exchanges provide a marketplace for the exchange by securities professionals of stocks, bonds, and other securities. Prominent U.S. public securities exchanges include The New York Stock Exchange (NYSE), NYSE Amex Equities (AMEX), Chicago Stock Exchange (CHX), and NASDAQ. Over-the-counter securities exchanges are not currently considered “public securities exchanges” for purposes of the Act.

**What if a non-resident of the State of Nebraska applies for certification as a Qualified Investor?** A non-resident of the State of Nebraska may apply for certification as a Qualified Investor, but that non-resident will not be able to claim the Tax Credit on a Nebraska state income tax return. Qualified Investors who are not Nebraska residents may join with other Qualified Investors to create a Qualified Fund, but only the Qualified Fund investors who are Nebraska residents or Nebraska resident or non-resident trusts may receive any allocation of Tax Credits made in respect of the Qualified Fund. The allocation amount will be limited to the amount invested by those eligible to claim the Tax Credit on a Nebraska state income tax return (i.e. Nebraska residents and resident and non-resident trusts), not the total amount invested by the Qualified Fund.

**Do the individual members or owners of a Pass-Through Entity that applies for certification as a Qualified Investor each have to individually obtain certification as Qualified Investors?** All individual members or owners in a Pass-Through Entity that wish to receive a Tax Credit must individually apply for and obtain certification as a Qualified Investor for the calendar year in which the Qualified Investment is made. Owners or members in a Pass-Through Entity certified as a Qualified Investor that do not wish to receive a Tax Credit Certificate for their portion of the Qualified Investment do not need to be certified as Qualified Investors.

**What if a Qualified Investor invests in a business prior to the business obtaining certification as a Qualified Small Business?** If an investor makes an investment in a business prior to the business being certified as a Qualified Small Business, even if the investor is certified as a Qualified Investor or Qualified Fund, the investment will not be eligible for Tax Credits. Should an investor make an investment in a business prior to the business being certified as a Qualified Small Business, the investor is prohibited from obtaining the funds invested in the business back from the business and then re-investing in the business once the business is certified as a Qualified Small Business. In other words, an investor may not attempt to undo a prior investment for the purposes of attempting to make the investment qualify for Tax Credits. The Department will not allocate Tax Credits for these types of investments, and the Department may revoke the certification of investors involved these types of investments.

**Does the Nebraska law that requires verification of lawful presence for public benefits eligibility apply to the Angel Investment Tax Credit Program?** The Department of Economic Development is prohibited

by state law (Neb. Rev. Stat. §4-108) from providing public benefits to a person not lawfully present in the United States.

Public benefits are statutorily defined broadly (see Neb. Rev Stat. §4-109). For the purposes of the Angel Investment Tax Credit Program, the Department has determined that individual persons applying for Tax Credits for their investments made in Qualified Small Businesses, will be considered to be applying for and receiving public benefits from the State of Nebraska, under the statutory definition of public benefits provided in §4-109.

As a consequence, such individuals will be required to complete the United States Citizenship Attestation Form, available on the State of Nebraska Department of Administrative Services website at [www.das.state.ne.us](http://www.das.state.ne.us). **Completion, and submission to the Department of Economic Development, of such form is a required prerequisite to any approval of Tax Credits for an individual.** The attestation form is available on the website listed above, and links to the form are also provided below. The attestation form serves as the applicant's attestation that he or she is a U.S. citizen or a qualified alien under the federal Immigration and Nationality Act, 8 U.S.C. 1101 et seq. (as such federal statute existed on January 1, 2009, or as it may be subsequently amended).

**United States Citizenship Attestation Form (English):**

[http://www.das.state.ne.us/lb403/attestation\\_form.pdf](http://www.das.state.ne.us/lb403/attestation_form.pdf)

**United States Citizenship Attestation Form (Spanish):**

[http://www.das.state.ne.us/lb403/attestation\\_form\\_Spanish.pdf](http://www.das.state.ne.us/lb403/attestation_form_Spanish.pdf)

## QUALIFIED FUND GUIDELINES

The following are guidelines for investors to follow when applying for certification as a Qualified Fund under the Act.

**ONLY QUALIFIED INVESTORS WHO ARE NEBRASKA RESIDENTS AND RESIDENT AND NON-RESIDENT TRUSTS WILL BE ISSUED TAX CREDIT CERTIFICATES FOR ANY PORTION OF ANGEL INVESTMENT TAX CREDITS ALLOCATED TO A QUALIFIED FUND.**

In addition to certification as Qualified Investors, investors who have been certified as Qualified Investors may also combine and be certified as a Qualified Fund. A Qualified Fund must be certified as such **PRIOR TO** making any investment in a Qualified Small Business for which an allocation of Tax Credits will be requested.

Qualified Fund applicants must submit an Application for Certification as a Qualified Fund. [https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_certification\\_as\\_a\\_qualified\\_fund.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_certification_as_a_qualified_fund.pdf).

**The requirements for certification of a Qualified Fund include:**

1. The Qualified Fund must invest or intend to invest in a Qualified Small Business.
2. A Qualified Fund must have at least three separate Qualified Investors at all times during the applicable three-year holding period for any Qualified Investment made by the Qualified Fund. At least three investors in a Qualified Fund must individually have been certified as Qualified Investors by the Department for the calendar year in which any Qualified Investment will be made by the Qualified Fund.
3. The ownership of the Qualified Fund must be solely in the form of equity investments or notes that pay interest or other fixed amounts, or any combination of both.
4. No owner/investor in the Qualified Fund may receive more than 49% of its gross annual income from the Qualified Small Business in which the Qualified Investment is to be made.
5. Prior to completion of the Qualified Investment, the Qualified Fund must not control, directly or indirectly, 50% or more of the stock or other equity of the Qualified Small Businesses receiving the Qualified Investment.

**What forms of investors are eligible for certification as a Qualified Fund?** Pass-Through Entities that invest or intend to invest in Qualified Small Businesses, and that have at least three separate investors, all of whom are Qualified Investors, are eligible for certification as Qualified Funds. Pass-Through Entities include subchapter S corporations (C corporations are not eligible), trusts, general partnerships, limited partnerships, limited liability partnerships, and limited liability companies that, for the applicable taxable year, are not taxed as a corporation.

**Do investors in a Qualified Fund have to be eligible for certification as Qualified Investors, go through and be approved during the certification process?** At least three investors in Qualified Funds must be

certified as Qualified Investors by the Department. For example, if a Qualified Fund has four owners, all four must be certified as Qualified Investors.

**What if a Qualified Fund has a non-resident of the State of Nebraska as one of its Qualified Investors?**

A non-resident of the State of Nebraska may be certified as a Qualified Investor, but only Nebraska residents, and Nebraska resident and non-resident trusts, will be issued tax credit certificates for any portion of Angel Investment Tax Credits allocated to a Pass-Through Entity certified as a Qualified Fund (or Qualified Investor).

For example, if three Qualified Investors each own 1/3 of a Qualified Fund and only two of those Qualified Investors are Nebraska residents and eligible to receive an allocation of Tax Credits, only the two Nebraska resident Qualified Investors would receive an allocation of Tax Credits made in respect of the Qualified Fund. The allocation amount will be limited to the amount invested by the Nebraska resident investors, not the total amount invested by the Qualified Fund.

**Does the Nebraska law that requires verification of lawful presence for public benefits eligibility apply to the Angel Investment Tax Credit Program?** The Department of Economic Development is prohibited by state law (Neb. Rev. Stat. §4-108) from providing public benefits to a person not lawfully present in the United States.

Public benefits are statutorily defined broadly (see Neb. Rev Stat. §4-109). For the purposes of the Angel Investment Tax Credit Program, the Department has determined that individual persons applying for Tax Credits for their investments made in Qualified Small Businesses, will be considered to be applying for and receiving public benefits from the State of Nebraska, under the statutory definition of public benefits provided in §4-109.

As a consequence, such individuals will be required to complete the United States Citizenship Attestation Form, available on the State of Nebraska Department of Administrative Services website at [www.das.state.ne.us](http://www.das.state.ne.us). **Completion, and submission to the Department of Economic Development, of such form is a required prerequisite to any approval of Tax Credits for an individual.** The attestation form is available on the website listed above, and links to the form are also provided below. The attestation form serves as the applicant's attestation that he or she is a U.S. citizen or a qualified alien under the federal Immigration and Nationality Act, 8 U.S.C. 1101 et seq. (as such federal statute existed on January 1, 2009, or as it may be subsequently amended).

**United States Citizenship Attestation Form (English):**

[http://www.das.state.ne.us/lb403/attestation\\_form.pdf](http://www.das.state.ne.us/lb403/attestation_form.pdf)

**United States Citizenship Attestation Form (Spanish):**

[http://www.das.state.ne.us/lb403/attestation\\_form\\_Spanish.pdf](http://www.das.state.ne.us/lb403/attestation_form_Spanish.pdf)

## **QUALIFIED INVESTMENT GUIDELINES**

The following are guidelines for businesses and investors to follow when seeking Tax Credits for Qualified Investments made under the Act.

Investors seeking to be eligible to be issued Tax Credits pursuant to the Act must be certified by the Department as a Qualified Investor or Qualified Fund. The Qualified Investor Guidelines and Qualified Fund Guidelines contained in this document should be consulted for information on how to obtain these certifications. Investors must also submit a properly completed Application for Allocation of Tax Credits.

**Application for Allocation of Tax Credits:** [https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application\\_for\\_allocation\\_of\\_tax\\_credits.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/application_for_allocation_of_tax_credits.pdf)

### **The requirements for a Qualified Investment include:**

1. The business must be certified by the Department as a Qualified Small Business PRIOR to receiving the investment.
2. The investors must obtain certification as Qualified Investors and/or a Qualified Fund, as applicable, and seek and obtain an allocation of Tax Credits PRIOR to making the investment.
3. The investment must be a cash investment made by the Qualified Investor or Qualified Fund that received the allocation of Tax Credits from the Department, and must be made in exchange for an ownership interest in the Qualified Small Business.
4. A Qualified Investor that received an allocation of Tax Credits from the Department must invest at least \$25,000 in the Qualified Small Business identified in the Application for Allocation of Tax Credits. A Qualified Fund that received an allocation of Tax Credits from the Department must invest at least \$50,000 in the Qualified Small Business identified in the Application for Allocation of Tax Credits.
5. Within 120 calendar days of the date in which Tax Credits are allocated to a Qualified Investor or a Qualified Fund for a Qualified Investment, a Qualified Investor or Qualified Fund, as applicable, shall submit a Notification of Qualified Investment to the Department confirming that the investment was made, and providing documentation as to the amount and date of the investment.

### **Notification of Qualified Investment:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_qualified\\_investment.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_qualified_investment.pdf)

6. If a Qualified Investor or Qualified Fund fails to make a Qualified Investment, or fails to make the full amount of its Qualified Investment, within 90 calendar days after it has been allocated Tax Credits by the Department, it shall file a Notification of Failure to Make Qualified Investment within five business days of the expiration of such 90-calendar day period.

**Notification of Failure to Make Qualified Investment:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_failure\\_to\\_make\\_qualified\\_investment.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_failure_to_make_qualified_investment.pdf)

**Timing of a Qualified Investment:**

The date in which an investment is deemed to be accepted will be determined as the facts and circumstances require. An investment may be deemed to be accepted on the date it is deposited in the bank account of the receiver of the investment, or, if the investment is made in exchange for the issuance of stock, the investment may be deemed to be accepted on the later of either the date in which the investment is deposited in the bank account of the receiver, or the date in which the stock is issued to the investor as a result of the investment. The Department will evaluate the facts and circumstances surrounding an investment, and may apply applicable state and federal securities laws, in determining the date in which an investment is deemed to be accepted for purposes of the Act.

The date of a Qualified Investment must be **(ALL of the following)**:

- a. On or after January 1, 2019;
- b. On or after the date the business receiving the investment was certified by the Department as a Qualified Small Business for 2019;
- c. On or after the date the Department certified the Qualified Investor and/or Qualified Fund and allocated Tax Credits to the Qualified Investor or Qualified Fund. **AND**
- d. No later than 90 days after the Department allocated Tax Credits to the Qualified Investor or Qualified Fund.

## **REPORTING REQUIREMENTS**

### **Investments in Qualified Small Business**

Within 120 calendar days of the date in which Tax Credits are allocated to a Qualified Investor or a Qualified Fund for a Qualified Investment, a Qualified Investor or Qualified Fund, as applicable, shall submit a Notification of Qualified Investment to the Department confirming that the investment was made, and providing documentation as to the amount and the date of investment. Qualified Funds and Pass-Through Entities certified as Qualified Investors must also include in the Notification of Qualified Investment the amount invested by each of its respective Qualified Investors. A Qualified Small Business may submit the Notification of Qualified Investment on behalf of its investing Qualified Investor or Qualified Fund, as applicable, but it is the responsibility of such Qualified Investor or Qualified Fund to ensure that the Notification of Qualified Investment is filed with the Department.

#### **Notification of Qualified Investment:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_qualified\\_investment.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_qualified_investment.pdf)

If a Qualified Investor or Qualified Fund fails to make a Qualified Investment, or fails to make the full amount of its Qualified Investment, within 90 calendar days after it has been allocated Tax Credits by the Department, it shall file a Notification of Failure to Make Qualified Investment within five business days of the expiration of such 90-calendar day period.

#### **Notification of Failure to Make Qualified Investment:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification\\_of\\_failure\\_to\\_make\\_qualified\\_investment.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/notification_of_failure_to_make_qualified_investment.pdf)

### **Annual Reporting**

Beginning July 1, 2012, and each July 1 through 2022, each Qualified Small Business will submit an Annual Report of Qualified Small Business identifying the amount of money that has been invested in the Qualified Small Business during the previous calendar year and certifying that the Qualified Small Business continues to satisfy the requirements of the Act. Each Annual Report will be considered filed on the date postmarked or hand-received. Qualified Small Businesses that fail to timely file any Annual Report may be subject to a \$200.00 fine.

#### **Annual Report of Qualified Small Business:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_small\\_business.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_small_business.pdf)

Beginning July 1, 2012, and each July 1 through 2022, each Qualified Investor and Qualified Fund will submit an Annual Report of Qualified Investor and/or Qualified Fund (as applicable) indicating the amount of money that has been invested by it in the previous calendar year in accordance with the requirements of the Act. The report shall also certify that the filer of such report continues to satisfy the requirements of the Act. Each Annual Report will be considered filed on the date postmarked or hand-received. Qualified Investors and Qualified Funds that fail to timely file any Annual Report may be subject to a \$200.00 fine. A Qualified Investor who invests solely through a Qualified Fund is required

to submit a separate Annual Report of Qualified Investor in addition to the Annual Report of Qualified Fund which is required to be submitted by the Qualified Fund. A Qualified Investor who invests solely through a Pass-Through Entity certified as a Qualified Investor is required to submit a separate Annual Report of Qualified Investor in addition to the Annual Report of Qualified Investor which must be submitted by the Pass-Through Entity certified as a Qualified Investor.

**Annual Report of Qualified Investor:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_investor.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_investor.pdf)

**Annual Report of Qualified Fund:**

[https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual\\_report\\_of\\_qualified\\_fund.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2018/05/annual_report_of_qualified_fund.pdf)