

ASSEMBLY SCIENCE, INNOVATION AND TECHNOLOGY
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5557

STATE OF NEW JERSEY

DATED: JUNE 15, 2023

The Assembly Science, Innovation and Technology Committee reports favorably Assembly Bill No. 5557.

As reported, this bill increases the amount of the tax credits provided under the “New Jersey Angel Investor Tax Credit Act” for qualified investments made in New Jersey emerging technology business ventures. Under current law, taxpayers are allowed credits against the gross income tax and corporation business tax equal to 20 percent of a qualified investment made by the taxpayer in a New Jersey emerging technology business or a qualified venture fund. Taxpayers can also qualify for an additional five percent credit when the qualified investment is made in: (1) an emerging technology business that is located in an opportunity zone or a low-income community; (2) an emerging technology business that is a minority business or women’s business; or (3) a qualified venture fund that commits by contract to invest 50 percent of its funds in diverse entrepreneurs.

The bill increases the amount of the tax credit that may be provided to taxpayers from 20 to 60 percent of the taxpayers’ qualified investments. The bill also increases the total amount of the tax credit provided to taxpayers that qualify for the additional five percent credit from 25 to 65 percent of the taxpayers’ qualified investments. The bill also revises the definitions of “New Jersey based business” and “New Jersey emerging technology business” to lower, from 224 to 149, the maximum number of employees that a business may employ to qualify for the tax credit.