



Instructions for Transferring Tax Credits:

Those eligible to claim a credit under the Early Stage Seed Investment Credit may sell or otherwise transfer the credit (subject to all applicable taxes and fees) no more than once annually.

To effectuate a transfer, the certified fund manager must notify WEDC and the Department of Revenue of the transfer and must submit the following information to WEDC:

Section I

- A transfer form, as provided by WEDC, attesting to the transfer of the tax credit.
- A copy of the transfer documents showing the transfer of tax credits from the seller to the buyer.
- A fee based on the amount of the tax credit sold or otherwise transferred.
- \$0-\$200,000 in credits sold 5%
- Above \$200,000 in credits 1% or \$10,000 whichever is greater
- Any other documents as required by the Division to verify the sale or transfer of tax credits.

Please complete the information for the entity/person that is purchasing or receiving the tax credits.

Section II

Please complete this information for the Fund and/or the entity selling or transferring the credit.

Credits Earned means total credits earned by QVF in a period.

Transferor Eligible Amount means the pro rata share of the credits that is attributable to the Transferor (should match k-1 form)

Amount To be Transferred means the total credit the Transferor is selling or transferring as a part of this transaction.

Section III

In order for a credit to be sold or transferred by a member/partner of a fund the fund manager must complete the transfer request document and complete the attestation in this section. WEDC must also have issued to the fund manager a verification form for the credit to be sold or transferred.

Note that there should be one or more verification forms that were provided by WEDC to the fund manager documenting that credits earned in a period. A fund manager may pass those credits to the members/partners through a K-1 distribution. Please provide a copy of the k-1 form distributing the credit earned through its investment activities to the member/partner who is selling or transferring the credit.

LOOK FORWARD ➤

A fund manager the manager may sell the credit on behalf of its members/partners. However, it must have the legal authority within its organizational documents to transfer or sell the tax credits on behalf of the partners or members.