



Instructions for Transferring Tax Credits:

Those eligible to claim a credit under the Early Stage Seed Investment Credit or the Angel/ Angel Entity 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 owner of the tax credits or transferor 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.
- A copy of the Verification of Angel Investment Tax Credits Document.
- 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 Angel/ Angel Entity or Qualified Venture Fund (QVF) selling or transferring the credit.

Credits Earned: The total credits earned by an Angel/ Angel Entity or QVF in a period.

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

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

Total Credits Verified for the Period: The total of credits earned by the investor, per company, per year. If one is selling credits from multiple tax years or from multiple companies, please use additional lines.

QNBV Name: The name of the Qualified New Business Venture (QNBV) that was invested in.

Eligible Transfer Amount: The amount of credits that remain from the original issued allotment, before the transfer.

Total Amount to be Transferred: The number of credits to be sold in this sale per company will be listed.

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Section III

In order for a credit to be sold or transferred by an Angel/Angel Entity or member/partner of a fund the transferor must complete the transfer request document and complete the attestation in this section. WEDC must also have issued to the individual or entity 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 transferor documenting credits earned in a period. A transferor 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.

A transferor 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.

Please email all forms and questions related to the transfer to qnbvcredits@wedc.org,

For information on how to pay the transfer fee please email finance@wedc.org

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