

HOUSE RESEARCH

Bill Summary

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Overview

Extends the small business investment credit (“angel credit”) through 2018 and increases the annual amount to be allocated in credits from \$12 million to \$15 million, beginning in tax year 2015.

Section

1 **Small business investment credit.** Strikes language specifying the credit amount per year, and provides for the credit to be extended through 2018, with the annual funding increased from \$12 million to \$15 million. Strikes obsolete language relating to initial credit applications in 2010. Effective date: tax year 2015.

Background. The angel investment credit provides qualified investors in certified small businesses with a refundable income tax credit equal to 25 percent of their investments up to a maximum of \$125,000 (\$250,000 for married joint filers). The credit took effect for tax year 2010 and under current law expires for investments made after tax year 2014.