

# ANGEL INVESTMENT CREDIT

## Application for Qualified Business

**Who must file this form:** This application is for a business who is seeking a credit for a qualified investment made on or after January 1, 2019 through December 31, 2025. This application must be filled out by the Qualified Business, the Accredited Investor should fill out the TRD-41404b, refer to page 4 of this document, see instructions for more information. **Note:** You can apply for the Angel Investment Credit online using our website, please see instructions for more information.

## Section I: Application type

<input type="checkbox"/> Qualified Business		
BUSINESS/RECIPIENT NAME	FEIN/SSN	NMBTIN
NAICS CODE	CONTACT E-MAIL	
MAILING ADDRESS (NUMBER AND STREET)	STATE, CITY, ZIP	
CONTACT NAME	CONTACT PHONE	

## Section II: Qualified Business (Complete all applicable fields, see instructions.)

## Section A: Qualifying the business

1. Indicate the type of ownership: <input type="checkbox"/> Corporation <input type="checkbox"/> Estate <input type="checkbox"/> General Partnership <input type="checkbox"/> LLC or Similar Organization <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Subchapter <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____	
2. Is the business registered with the New Mexico Secretary of State or the New Mexico Public Regulation Commission's Corporations Bureau? <input type="checkbox"/> Yes <input type="checkbox"/> No	3. Date of incorporation or organization:  Month _____ Day _____ Year _____
4. Date business began in New Mexico:  Month _____ Day _____ Year _____	5. Has the small business operated under any other name since January 2007? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the name: _____
6. Specify the calendar year you are requesting approval for: _____	
7. What is the Investment Round for the Calendar Year in question 6 and how much do you plan on raising?	
8. Do you anticipate rounds of Angel Investment this calendar year? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many? _____	

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### Application for Qualified Business

Answer the following questions about the small business:

Yes

No

9. Is the small business primarily engaged in or organized as any of the following types of businesses: Credit or finance services, including banks, savings and loan association, credit unions, small loan companies or title loan companies; financial brokering or investment; professional services, including accounting, legal services, engineering and any other service the practice of which requires a license; insurance; real estate; construction or construction contracting; consulting or brokering; mining; wholesale or retail trade; providing utility services, including water, sewerage, electricity, natural gas, propane or butane; publishing, including publishing newspapers or other periodicals; broadcasting; or providing internet operating services? ☐ Yes ☐ No
10. Has the small business issued securities registered pursuant to Section 6 of the federal Securities Act of 1933, as amended? ☐ Yes ☐ No
11. Has the small business issued securities traded on a national securities exchange? ☐ Yes ☐ No
12. Is the small business subject to reporting requirements of the federal Investment Company Act of 1940, as amended, at the time of the investment? ☐ Yes ☐ No
13. Does the small business have 100 or fewer employees calculated on a full-time equivalent basis at the time of the investment? ☐ Yes ☐ No
14. Does the small business have gross revenues in excess of five million dollars in any fiscal year ending on or before the date of the investment? ☐ Yes ☐ No

15. Describe the principle business activity

16. Enter the physical address where the qualifying principal activity described in 15 is performed. If the qualifying business activity is performed in more than one location, enter all locations. If more space is needed, include an attached statement.

Physical Address \_\_\_\_\_

Physical Address \_\_\_\_\_

City \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_

County \_\_\_\_\_

17. Does the small business perform other non-qualifying business activities? ☐ Yes ☐ No

If yes, describe the other non-qualifying business activities and indicate the address(es) where those activities are performed. If additional space is needed, attach a statement

18. If the principal business activity that qualifies the small business is performed at a location where other business activities are performed, indicate the address and the percent of the qualifying business activity performed at that location to the total business activities performed at that location. If additional space is needed, attach a statement.

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19. What is the percent of the qualifying business activity performed everywhere to the total business activities performed everywhere?

Percentage: \_\_\_\_\_

Describe how the percent of business activity performed, in question 18 and 19 was computed (Example: based on total revenues, number of employees working at the location, square foot of the facility, and etc.)?

20. List all owners/partners/officers/members of the small business and the percent of ownership. Attach additional pages if needed.

First Name	Last Name	Percent Ownership

21. How many jobs have been created by the business to date? \_\_\_\_\_

22. How many part-time employees do you employ? \_\_\_\_\_

23. How many full-time employees do you employ? \_\_\_\_\_

24. What is the annual average wage of your employees? \_\_\_\_\_

**Section B: About the qualifying cash investment received**

25. Complete the following for each qualifying cash investment in equity made by an accredited investor. Use an attachment for more than one qualifying cash investment received with this application.

- Amount of cash investment made? \_\_\_\_\_
- Date the cash investment was received? \_\_\_\_\_
- Name of the accredited investor \_\_\_\_\_
- Contact name and phone number of the accredited investor? \_\_\_\_\_
- What was received by the accredited investor in exchange for the cash investment? If stock, describe the type of stock (for example common or preferred) including any option, how many shares were received, and the official name of the business under which the stock is listed. If you received an interest in the business, please describe.

26. Has the accredited investor or a member of the immediate family or an entity affiliated with the accredited investor received or will receive compensation from the business in exchange for services provided to the qualified business within one year of the investment in the qualified business? If yes, please explain.

**Signature required** to evaluate for credit

Under penalty of perjury, I declare I have examined this application, including accompanying attachments. To the best of my knowledge and belief this application is true, correct and complete.

Print Name

Signature

Title

Date

## ANGEL INVESTMENT CREDIT

### Application for Accredited Investor

**Who must file this form:** This application is for a taxpayer who is seeking a credit for a qualified investment made on or after January 1, 2019 through December 31, 2025. This application must be filled out by the Accredited Investor, the Qualified Business should fill out the TRD-41404a, refer to page 1 of this document, see instructions for more information. **Note:** You can apply for the Angel Investment Credit online using our website, please see instructions for more information.

Section I: Application type		
<input type="checkbox"/> Accredited Investor		
ACCREDITED INVESTOR NAME	FEIN/SSN	NMBTIN
MAILING ADDRESS (NUMBER AND STREET)	STATE, CITY, ZIP:	
CONTACT NAME	CONTACT PHONE	
	CONTACT E-MAIL	
Section II: Accredited Investor (Complete all applicable fields, see instructions.)		

#### Section A: Qualifying the investor

1. If the cash investment was made from a trust, IRA or an entity with a federal identification number that is different from the individual completing this form, the name of the accredited investor should reflect the ownership information of the trust, IRA or other entity below. If yes, indicate the type of ownership below. If not, go to step 28
Name of entity: _____ Contact Name (if different): _____
FEIN: _____ Contact Phone: _____
Percent Ownership: _____ Contact E-mail: _____
Mailing Address: _____ City, State, Zip: _____
Indicate the type of ownership:
<input type="checkbox"/> Corporation <input type="checkbox"/> Estate <input type="checkbox"/> General Partnership <input type="checkbox"/> LLC or Similar Organization
<input type="checkbox"/> Limited Partnership <input type="checkbox"/> Subchapter <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
2. Is the investor an accredited investor as defined under the Securities Act of 1933, Rule 501 of Regulation D?
<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, under which definition of accredited investor (documentation is required)?
<input type="checkbox"/> Income of \$200,000 or more per year
<input type="checkbox"/> Income of yourself and spouse is \$300,000 or more per year
<input type="checkbox"/> Net worth of greater than \$1 million, excluding home
<input type="checkbox"/> A trust of \$5 million or more
<input type="checkbox"/> Other (Please describe) _____

#### Section B: About the qualifying cash investment made

(Attachments required, see instructions.)

3. What is the amount of the cash investment?
_____
4. What was the date of the cash investment?
Month _____ Day _____ Year _____

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### Application for Accredited Investor

5. If the cash investment was made to a middle party for the sake of investment purpose, such as into a trust, LLC, or an entity with a federal identification number that is different from the individual completing this form, and the entity subsequently made an investment into a qualified company, the name and type of the entity should be stated below. If so, indicate the type of ownership below (The entity will have to fill out a separate Angel Investment Credit Application). If not, go to 6.

Name of entity: \_\_\_\_\_ Contact Name (if different): \_\_\_\_\_

FEIN: \_\_\_\_\_ Contact Phone: \_\_\_\_\_

Percent Ownership: \_\_\_\_\_ Contact E-mail: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Indicate the type of ownership:

☐ Corporation ☐ Estate ☐ General Partnership ☐ LLC or Similar Organization  
☐ Limited Partnership ☐ Subchapter ☐ Trust ☐ Other: \_\_\_\_\_

6. Provide the below information about the qualified business to whom the investment was made:

Business Name	NMBTIN
Contact Name	Contact Phone Number

7. Describe what was received in exchange for the cash investment? If stock, describe the type of stock (for example common or preferred) including any options, warrants, how many shares were received, and the official name of the business under which the stock is listed. If you received an interest in the business, please describe. Do not include any future obligations from a convertible note. If you received units of an LLC or partnership, please state the number of units and percent ownership following the investment.

8. Have you or a member of your immediate family or an entity affiliated with the accredited investor received or will receive compensation from the business in exchange for services provided to the qualified business within one year of the investment in the qualified business? If yes, please explain

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### Application for Accredited Investor

#### Section III: Program Effectiveness (Complete all applicable fields, see instructions.)

<p>9. How important a factor was the Angel Investment program in the company's decision to develop the technology, idea, process or application in New Mexico?</p> <p><input type="checkbox"/> Very Important</p> <p><input type="checkbox"/> Important</p> <p><input type="checkbox"/> Not Important</p>	<p>10. How important was the received qualified investment to the success of your company?</p> <p><input type="checkbox"/> Very Important</p> <p><input type="checkbox"/> Important</p> <p><input type="checkbox"/> Not Important</p>
<p>11. Have you received any non-dilutive funding (grants, foundation funds, etc)?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, how much?</p>	<p>12. How effective is the Angel Investment Tax Credit?</p>
<p>13. What can we do to improve the program?</p>	<p>14. Please share comments regarding your experience with the Angel Investment program:</p>

Signature **required** to evaluate for credit

Under penalty of perjury, I declare I have examined this application, including accompanying attachments. To the best of my knowledge and belief this application is true, correct and complete.

Print Name

Signature

Title

Date

## ANGEL INVESTMENT CREDIT

### Instructions

#### New Legislation:

Effective May 20, 2020 under new legislation the review and approval of the Angel Investment Credit has been transferred from the Economic Development Department to the Taxation and Revenue Department.

#### Purpose of this Application:

Form TRD-41404a, Angel Investment Credit Application for Qualified Business and the TRD-41404b, Angel Investment Credit Application for Accredited Investor has been created to replace the Angel Investment Applications previously used by the Economic Development Department. This form needs to be filled out by the Qualified Business **or** the Accredited Investor.

This application is to be used by a taxpayer who files a New Mexico income tax return, is not a dependent of another taxpayer, is an accredited investor and makes a qualified investment. The taxpayer may apply for, and the department may allow, a claim for a credit in an amount not to exceed twenty-five percent (25%) of the qualified investment; provided that a credit for each qualified investment shall not exceed sixty-two thousand five hundred dollars (\$62,500). Accredited investors may claim the angel investment credit for not more than one qualified investment per investment round. A taxpayer may claim the angel investment credit for qualified investments for no more than five qualified businesses per tax year. Any unused angel investment credits may be carried forward for five consecutive years.

A taxpayer may apply for an angel investment credit by submitting a completed application to the Taxation and Revenue Department using the TRD-41404a or TRD-41404b no later than one year following the end of the calendar year in which the qualified investment is made. Complete all sections specified based on application type selected in Section I. A complete application is required. Should you need assistance completing this application, please contact the Department

Phone: 1-505-795-1735

E-mail: [TRD-BusinessCredit@state.nm.us](mailto:TRD-BusinessCredit@state.nm.us).

Once the completed forms and attachments have been reviewed and processed and the Department determines the taxpayer to be an accredited investor and the investment to be a qualified investment, a dated Certificate of Eligibility will be mailed to the address provided.

**Note:** Please see the *Attachments Needed for the Angel Investment Credit* table on the next page and provide applicable attachments to avoid delays in processing your application.

#### Apply for the Angel Investment Credit Online:

You can submit your Angel Investment Credit Application online using the Departments website, Taxpayer Access Point (TAP) <https://tap.state.nm.us>. From the TAP homepage, select account type (PIT or FID), click on Apply for Tax Credit, and follow the steps to complete the Angel Investment Credit Application. **NOTE:** You must have a TAP account to apply for the credit online.

#### Completing the Application:

**Qualified Business** must fill out TRD-41404a, Angel Investment Credit Application for Qualified Business. Please see the table at the bottom of page 7 for a list of required documentation.

**Accredited Investors** must fill out TRD-41404b, Angel Investment Credit Application for Accredited Investor. Please see the table at the bottom of page 8 for a list of required documentation.

**NOTE:** To ensure that the application is processed timely be sure to fill out all applicable fields and provide all required documents **Both application types require a signature.**

#### Attachments Needed for the Angel Investment Credit

##### Qualified Business Documentation:

Proof of Gross Revenues less than \$5 million in any fiscal year ending on or before the date of the investment	<ul style="list-style-type: none"><li>• Copy of return(s) if a New Mexico return was not filed</li><li>• Provide year to date income statement if a return has not been filed for the investment year</li></ul>
Majority of tangible assets in NM	<ul style="list-style-type: none"><li>• Supporting documentation to show the majority of tangible assets are in New Mexico</li></ul>
Engages in research and development or engages in manufacturing	<ul style="list-style-type: none"><li>• Supporting documentation may be requested if unable to verify internally</li></ul>

Additional documentation may be requested if unable to verify internally.

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#### Submitting the Application:

You can fill out and submit this application online see **Apply for the Angel Investment Credit Online**.

You can also submit the completed application by mail:

NM Taxation and Revenue Department  
Attn: Business Tax Credits  
PO Box 8485  
Albuquerque, New Mexico 87198

**Important:** A copy of the application and supporting documents must be submitted to the Economic Development Department.

NM Economic Development Department  
Attn: Angel Investment Tax Credit Program  
P.O. Box 20003  
Santa Fe, NM 87504

You can also contact the Economic Development Department by phone or by e-mail at:

Phone: 1-505-827-0300  
Email: [angel.investment@state.nm.us](mailto:angel.investment@state.nm.us).

#### To Claim the Credit:

The taxpayer must attach to the personal income tax return (Form PIT-1) or fiduciary income tax return (Form FID-1) a completed Schedule CR (PIT-CR or FID-CR), RPD-41320, *Angel Investment Credit Claim Form*, and a copy of the Certificate of Eligibility issued by the Taxation and Revenue Department certifying the Angel Investment Credit and approving the taxpayer for the credit.

**NOTE:** Failure to submit the required forms and documents outlined above will result in a denial of the credit. For assistance with claiming the credit see the instructions on the RPD-41320, *Angel Investment Claim Form*.

#### Definitions:

**Accredited investor-** means a person who is an accredited investor within the meaning of Rule 501 issued by the federal securities and exchange commission pursuant to the federal Securities Act of 1933, as amended.

**Qualified business-** means a business that:

(a) maintains its principal place of business and employs a majority of its full-time employees, if any, in New Mexico

#### Attachments Needed for the Angel Investment Credit

Accredited Investor Documentation:	
Proof of \$1 million net worth (excluding home)	<ul style="list-style-type: none"><li>• Net worth statement</li><li>• Account balance statements</li><li>• Tax return showing net worth</li><li>• Other supporting documentation may be reviewed</li></ul>
Proof of income (\$200,000 or more for an individual or, \$300,000 if married)	<ul style="list-style-type: none"><li>• Proof of income for the year of the investment and the two years prior to the investment</li><li>• Other supporting documents may be reviewed</li></ul>
Proof of \$5 million trust	<ul style="list-style-type: none"><li>• Letter from bank verifying trust information and account balance</li><li>• Other supporting documents may be reviewed</li></ul>
Other	<ul style="list-style-type: none"><li>• Supporting documentation to show accredited investor as defined under the Securities Act of 1933, Rule 501 of Regulation D</li></ul>
Proof of Investment	<ul style="list-style-type: none"><li>• Copy of the check, bank statement showing the transaction or proof of the wire transfer</li><li>• If a third party is involved proof of investment from accredited investor to third party is needed, along with proof from third party to Qualified Business.</li><li>• Other supporting documentation may be reviewed</li></ul>
Verification of equity received in exchange for the cash investment	<ul style="list-style-type: none"><li>• Supporting documentation to show qualified investment in a qualified business for equity</li></ul>

Additional documentation may be requested if unable to verify internally.



## **ANGEL INVESTMENT CREDIT**

### Instructions

and a majority of its tangible assets, if any, are located in New Mexico;

(b) engages in qualified research or manufacturing activities in New Mexico;

(c) is not primarily engaged in or is not primarily organized as any of the following types of businesses: credit or finance services, including banks, savings and loan associations, credit unions, small loan companies or title loan companies; financial brokering or investment; professional services, including accounting, legal services, engineering and any other service the practice of which requires a license; insurance; real estate; construction or construction contracting; consulting or brokering; mining; wholesale or retail trade; providing utility service, including water, sewerage, electricity, natural gas, propane or butane; publishing, including publishing newspapers or other periodicals; broadcasting; or providing internet operating services;

(d) has not issued securities registered pursuant to Section 6 of the federal Securities Act of 1933, as amended; has not issued securities traded on a national securities exchange; is not subject to reporting requirements of the federal Securities Exchange Act of 1934, as amended; and is not registered pursuant to the federal Investment Company Act of 1940, as amended, at the time of the investment;

(e) has one hundred or fewer employees calculated on a full-time-equivalent basis in the taxable year in which the investment was made; and

(f) has not had gross revenues in excess of five million dollars (\$5,000,000) in any fiscal year ending on or before the date of the investment;