

March 8, 2024

The Honorable Bill Weber  
Ranking Minority Member, Taxes Committee  
Minnesota Senate  
2211 Minnesota Senate Bldg.  
St. Paul, MN 55155

Dear Senator Weber:

As required by Minn. Stat. 116J.8737 Subd. 9, please find enclosed the Minnesota Angel Tax Credit Program report to the Minnesota Legislature for 2023.

The Angel Tax Credit Program provides investment tax credits to stimulate private investment in emerging businesses and encourage job creation through the growth of those businesses. Investors receive a 25 percent tax credit (subject to annual limitations) for their equity investments in qualified businesses that are focused on high technology or new proprietary products or processes. Growth in these early stage companies provides the foundation for future job growth in Minnesota.

In 2023, the program spurred over \$17.5 million of investment into 50 small emerging businesses in Minnesota. These investments resulted in \$4.3 million in tax credits that were awarded to 518 individual and fund investors. The program successfully attracted over \$8.6 million in investment from non-Minnesotans, or just under 50% of the total investment. Overall, 235 investors, 13 funds, and 75 businesses were certified to participate in the program.

This is the seventh year credits were reserved and targeted for investments in minority and women owned and managed businesses and businesses located in Greater Minnesota. In 2023, 29 businesses that fit these categories received investment, securing about one-third of total investment dollars.

Additional program information is detailed in the attached report. Please do not hesitate to contact me if you have any questions or concerns about this report.

Regards,

Matt Varilek  
Commissioner

CC: Governor's Office  
Legislative Reference Library