

Governor Carney and Legislators Announce Bill to Spur Investment in Innovative, Delaware-based Small Businesses

Bipartisan Angel Investor Job Creation and Innovation Act establishes 25 percent tax credit for investments in innovation

DOVER, Del. – Governor John Carney and legislators in the Delaware House of Representatives on Friday announced new legislation – the *Angel Investor Job Creation and Innovation Act* – that would establish a refundable tax credit for qualified investors in innovative, Delaware-based small businesses, to spur job creation and innovation.

The bipartisan legislation, [House Bill 170](#), was filed on Wednesday and is sponsored by Representative Michael Ramone. Additional House sponsors include Representative Bryon Short, Representative Melanie George Smith, and Representative Dave Wilson. Senate sponsors include Senate President Pro Tem David McBride and Senator Cathy Cloutier.

“We should do everything we can to support Delaware’s innovators and entrepreneurs who are leading Delaware’s new economy,” said **Governor John Carney**. “This legislation would encourage investments in innovative, Delaware-based small businesses and connect our most talented entrepreneurs with the resources they need to be successful. Thank you to all the members of the General Assembly who are leading this important initiative.”

“If we in the state are serious about fostering economic

development in Delaware, and I believe we are, then the Angel Investor Job Creation and Innovation Act must take effect sooner rather than later,” said **Representative Michael Ramone**. “The funding that would be available through this legislation is critical in helping scientific or technology small businesses get off the ground and begin operating. This will be the second time we have tried to enact such a measure. I introduced a similar bill last year and I am hopeful, that with the Governor’s support this year, we can enact this important bill.”

“Startup and fledgling businesses often face difficult times in their early stages. An infusion of capital can be the difference between a company thriving and closing up shop,” said **Representative Bryon Short**. “By encouraging angel investors through a tax credit program, we could be opening an avenue that gives new businesses that shot in the arm they need at a critical time. This is just one more step we can take to help revitalize Delaware’s economy.”

“Our future rests with people whose names we probably don’t even know, who are creating new breakthroughs in science and technology,” said **Senate President Pro Tem David McBride**. “But those brilliant innovators need help to take their ideas from the drawing board into our homes and businesses. I think this bill creates an avenue to spur that growth and help keep Delaware’s place as a home of innovation and invention.”

“Government doesn’t create jobs, but it can provide incentives to build the businesses that do. I am very excited about this Angel Investor Job Creation and Innovation Act that could give that extra boost to so many of our promising startup companies,” said **Senator Cathy Cloutier**. “I’m happy to put my support behind it.”

The *Angel Investor Job Creation and Innovation Act* would establish guidelines for awarding a tax credit worth up to 25 percent of the investment in a qualified, Delaware-based small

business. Businesses receiving the investment must pay decent wages, employ fewer than 25 employees, and engage in innovation in one of several areas as its primary business activity.

Qualified business activities include:

- Using proprietary technology to add value to a product, process, or service in a qualified high-technology field
- Researching or developing a proprietary product, process, or service in a qualified high-technology field
- Researching, developing, or producing a proprietary product, process, or service in the fields of agriculture, manufacturing, wildlife preservation, environmental science, financial technology, or transportation
- Researching, developing, or producing a new proprietary technology for use in the fields of agriculture, manufacturing, financial technology, or transportation

The *Angel Investor Job Creation and Innovation Act* has been assigned to the Economic Development Committee in the Delaware House of Representatives.

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