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# Minnesota Angel Tax Credit Program

2023 Annual Report  
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# Minnesota Angel Tax Credit Program 2023 Report

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# Minnesota Angel Tax Credit Program

## 2023 Report to the Minnesota Legislature

### Introduction

The Small Business Investment Tax Credit, commonly known as the Angel Tax Credit Program, was enacted into law on April 1, 2010 (Minnesota Statutes 116J.8737) and launched by the Department of Employment and Economic Development (DEED) in July 2010. The program was created to stimulate private investment in emerging businesses and to encourage job creation through the growth of those businesses.

In 2023, the program certified 75 businesses, 50 of which received investments from 219 certified individual investors and 299 investors in certified funds. These businesses received more than \$17.5 million in investment, half of which originated from outside Minnesota, resulting in \$4.3 million in credits for investors. Thirty-seven percent of investment dollars spurred by the program reached minority- and women- owned businesses, as well as businesses located in Greater Minnesota. Details on program activity are presented below.

The Angel Tax Credit Program encourages economic growth and job creation by providing tax incentives to encourage investment in early-stage companies. Investors in start-up businesses that are focused on developing or using proprietary technology in a high technology field or in specific industry fields, or in businesses that are developing a proprietary product, process, or service in specific industry fields, receive a 25 percent refundable tax credit (subject to annual maximums of \$125,000 per person or \$250,000 if married filing jointly) for their equity investments in qualified businesses. The granting of these credits supports the success of Minnesota's entrepreneurs, the growth of emerging businesses, and future job creation in Minnesota.

For businesses to qualify to participate in the program, they must meet the following requirements:

- Headquartered in Minnesota
- Minimum 51% of employees and payroll in Minnesota
- Fewer than 25 employees
- Minimum of 51% of the value of service contracts performed in Minnesota
- Pay employees wages of at least 175 percent of poverty level for a family of four on an annualized basis (the equivalent of \$25.24/hr in 2023); interns must be paid at least 175 percent of the federal minimum wage (the equivalent of \$12.69/hr)
- Not in operation for more than 10 years (20 years if engaged in the medical device or pharmaceutical fields that require FDA product approval)
- Not have securities that trade on a public exchange
- Not have received previous private equity investments of more than \$4 million
- Not have received private equity investments of more than \$4 million that have qualified for the credit
- Primary business activity of using or researching a proprietary technology in a high technology field or in agriculture, tourism, forestry, mining, manufacturing, or transportation
- Not be an excluded business type

For investors to qualify to participate in the program, they must meet the following requirements:

- A natural person (not a pass-through or corporate entity)
- An accredited investor or one who will only invest in exempt filings or one who is investing through the MNvest program
- Make a qualifying investment of at least \$10,000, or of at least \$7,500 if the business is veteran-owned, minority-owned, women-owned or located in Greater Minnesota
- And to be eligible for the credit, the investor may not be:
  - An officer or principal of the business being invested in
  - A 20% or more owner of the business being invested in (family interests combined)
  - A family member of either of the above

For investment funds to participate in the program, they must meet the following requirements:

- Minimum of three investors
- At least three investors of the fund must be natural persons
- Organized as a pass-through entity
- Make a qualifying investment of at least \$30,000
- Fund members are ineligible for the credit if an officer, principal, 20% or more owner (or a family member of any of these) of the business being invested in

The process by which businesses, investors and funds receive credits is as follows:

1. All those who wish to participate in the Angel Tax Credit Program—businesses, investors, and funds—must apply to DEED for certification. This certification process ensures that they meet the eligibility requirements of the program.
2. Before a qualifying investment is made, the transaction participants must apply for a tax credit allocation. This process ensures that the parties do not exceed their annual or program life limitations for the tax credit and that sufficient tax credits are available for the planned investment.
3. Once the investment is made, the transaction participants must submit evidence of the investment; this evidence provides proof that the investment actually took place and that the investor is entitled to the tax credit.
4. Finally, those who make or receive investments pursuant to the program must file annual reports. These reports ensure compliance with the requirement that the investor hold the investment for three years and with the requirement that the business continue to maintain over 51% of its payroll and employees in Minnesota. Failure to meet these requirements results in recapture of the credit.

## Businesses in the Program

Businesses must be certified by DEED to participate in the program before investors may make investments in the businesses that qualify for the tax credit. Of the 75 businesses that were certified in 2023, 50 received investments. Since the program’s inception in 2010, 585 businesses have benefited from the program.

Businesses filing annual reports (those who have received investments through the program within the last 5 years) indicated that, in 2023, they received a total of \$87,591,748 in investment outside the program. Details on the business investments made pursuant to the program since 2018 is displayed in Table 1; this information since the program’s inception is in Appendix F.

**Table 1 – Number of Businesses Certified and Invested In, Investment, and Credits Issued in the Angel Tax Credit Program, 2018-2023**

	2018	2019	2020	2021	2022	2023
<b>Number of businesses certified:</b>	No program	124	No program	146	79	75
<b>Number of businesses in which investments were made:</b>	No program	72	No program	83	48	50
<b>Investment made in businesses qualifying for credit:</b>	No program	\$39,875,431	No program	\$39,583,329	\$20,957,796	\$17,516,126
<b>Credit issued for these investments:</b>	No program	\$9,774,038	No program	\$9,890,026	\$5,238,455	\$4,378,987

For a list of 2023 certified businesses, see Appendix A.

For a list of 2023 certified businesses that received investments, see Appendix B.

### ***Industry Types***

In order to be certified to participate in the Angel Tax Credit Program, a business must be 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 new proprietary technology for use in the fields of agriculture, tourism, forestry, mining, manufacturing or transportation; or researching or developing a proprietary product, process or service for use in the fields of agriculture, tourism, forestry, mining, manufacturing or transportation.

The industries represented by certified businesses and by those businesses which received investment are displayed in Table 2 and Table 3; these tables use the industry types adopted by the Angel Tax Credit investment community.

**Table 2 - Industries Represented by Businesses Participating in Angel Tax Credit Program, 2023\***

Industry Type	Received Investments	Certified Only (No Investment)	Total
Medical Devices & Equipment	19	7	26
Software	9	4	13
Food/Drink	0	1	1
Biotechnology	4	4	8
Business Products & Services	2	0	2
Clean Technology	1	0	1
Consumer Products & Services	3	1	4
Education	2	0	2
Gaming	0	0	0
Healthcare Services	5	2	7
Other	1	0	1
Computers and Peripherals	1	0	1
IT Services	1	0	1
Internet/Web Services	1	4	5
Marketing/Advertising	0	0	0
Media/Entertainment	0	0	0
Electronics/Instrumentation	0	1	1
Sports	1	0	1
Financial Services	0	1	1
<b>TOTAL</b>	<b>50</b>	<b>25</b>	<b>75</b>

\* Standardized categories used by the Angel Tax Credit investment community; not necessarily reflective of business' primary activity for certification purposes

The top two types of businesses receiving investment in 2023—medical device and equipment and Biotechnology—received \$11,131,948 of investment.

**Table 3 – Investment in Industries Represented by Businesses Participating in Angel Tax Credit Program, 2023\***

Type of Industry	Total Investment	Total Credits
Medical Devices and Equipment	\$8,401,698	\$2,100,431
Food/Drink	-	-
Biotechnology	\$ 2,730,250	\$682,563
Other	\$1,140,000	\$285,000
Software	\$993,351	\$248,304
Clean Technology	\$50,000	\$12,500

Business Products & Services	\$202,607	\$50,641
Education	\$601,448	\$150,341
Media/Entertainment	-	-
Consumer Products & Services	\$1,046,722	\$261,707
Gaming	-	-
Electronics/Instrumentation	-	-
Healthcare Services	\$970,000	\$242,500
Sports	\$1,150,000	\$287,500
Internet/Web Services	\$105,000	\$26,250
Computers and Peripherals	\$100,000	\$25,000
IT Services	\$25,000	\$6,250
Marketing/Advertising	-	-
Financial Services	-	-
<b>TOTAL</b>	<b>\$17,516,126</b>	<b>\$4,378,987</b>

\*Standardized categories used by Angel Tax Credit investment community; not necessarily reflective of business' primary activity for certification purposes

### ***Business Locations and Demographics***

Pursuant to a 2014 statutory modification to the program, 50% (\$2.5 million) of angel tax credits are reserved for investments made in certified businesses located in Greater Minnesota, as well as for investments made in women and minority owned and managed businesses. Of the 50 certified businesses that received investment through the program in 2023, five were headquartered in Greater Minnesota (see Table 5 below for information about women and minority businesses). Table 4 and Table 5 give additional detail, Appendix C provides a map of business headquarters distribution, and Appendix F provides data since 2010 and 2012 respectively.

**Table 4 – Headquarters Location & Investment in Businesses Receiving Qualifying Investment Pursuant to the Angel Tax Credit Program, 2018-2023**

	2018	2019	2020	2021	2022	2023
<b>Number of Twin Cities Businesses</b>	No program	65	No program	77	44	45
<b>Number of Greater Minnesota Businesses</b>	No program	7	No program	6	4	5
<b>Total Businesses</b>	No program	72	No program	83	48	50
<b>Investment in Twin Cities Businesses</b>	No program	\$37,427,198	No program	\$38,289,789	\$18,176,811	\$16,614,370
<b>Investment in Greater Minnesota Businesses</b>	No program	\$2,448,233	No program	\$1,293,540	\$2,780,985	\$901,756
<b>Total Investment</b>	No program	\$39,875,431	No program	\$39,583,329	\$20,957,796	\$17,516,126

**Table 5 - Women and Minority Owned Businesses Receiving Qualifying Investment Pursuant to the Angel Tax Credit Program, 201-2023**

Demographic Type	Number of Businesses Receiving Qualifying Investment						Investment Amount
	2018	2019	2020	2021	2022	2023	2023
Women owned & managed	No program	11	No program	16	13	12	\$1,620,776
Minority owned & managed	No program	7	No program	7	12	12	\$3,825,441
<b>Total</b>		<b>18</b>		<b>23</b>	<b>25</b>	<b>24</b>	<b>\$5,446,217</b>

***Business Insolvencies***

Businesses that have received investment (585 from 2010 through 2023) pursuant to the program also report when they cease operations and/or become insolvent, should this occur within five years of the last Angel Tax Credit Program investment. Table 6 lists the number of businesses that reported they no longer had operations and Appendix F provides data since the program’s inception.

**Table 6 – Number of Businesses that have Ceased Operations which participated in the Angel Tax Credit Program, 2017-2022**

	2018	2019	2020	2021	2022	2023
<b>Number of businesses no longer operating</b>	12	2	3	2	2	2

***Job Creation***

Businesses provide employment figures at the time of certification and in their year-end annual reports; only those businesses that received investments pursuant to the program file annual reports. Businesses have a five year annual reporting requirement and as a result, those businesses which—through the angel program—received investment only in 2010 through 2018, the first eight years of the program, no longer file annual reports and thus no longer report job creation numbers. Businesses that filed their annual report by February 21, 2024 reported that in 2023, net job creation for the year was 133 direct positions:

- 215 positions were newly created by 41 businesses
- 82 positions were eliminated by 40 businesses

Note that many businesses neither created nor eliminated any jobs in 2023. Since the program’s inception, participating businesses have created 2,782 direct jobs from the period 2010-2023.



Prior to 2013, businesses reported only on jobs they directly created, meaning only employees that they had on their payroll who received W-2s. Because legislators and other interested parties sought additional job creation information, beginning with 2013 business annual reports, DEED has asked businesses to report on the number of contract workers, consultants, agency staffers and others they have indirectly hired. These numbers, although not necessarily precise, provide a more complete indication of the total number of jobs created by these businesses and reflect the reality that start-up businesses frequently contract for workers before adding employees to their permanent payrolls.

Businesses that filed their annual report by February 21, 2024 reported that in 2023, they employed 637 contract workers (“indirect hires”). Table 7 provides employment information related to businesses that received investments pursuant to the program.

**Table 7 – Job Creation by Businesses Receiving Qualifying Investment Pursuant to the Angel Tax Credit Program, 2010-2023**

	Direct Jobs Created	Number of Indirect Hires	Total Jobs Created
<b>Job Creation in 2023</b>	133	637	770
<b>Total Direct Job Creation 2010-2023</b>	2,782		
<b>Estimated annual gross wages of 2,782 direct jobs*</b>	\$146,052,774		

\*at 2023 program wage minimum

### Number and Value of Credits Issued

Angel tax credits are issued directly to investors, whether they invest in qualified businesses individually or through an investment fund. In 2023, 518 credit certificates, valued at over \$4.3 million, were issued for 2023 investment; these certificates were issued to 219 individual investors and 299 investors in certified funds. In accordance with the Angel Tax Credit Program statute, any unused credit allocations are rolled forward to the following year’s program as displayed in Table 8 and Appendix F.

**Table 8 – Angel Tax Credits Appropriated, Available, and Issued, 2021-2023**

Angel Tax Credits Appropriated, Available, and Issued		
	2022	2023
Prior year rollover	\$316,881	\$78,426
Credit appropriation	\$5,000,000	\$5,000,000
Credits available	\$5,316,881	\$5,78,426
Credits used	\$5,238,455	\$4,378,987
Credits unused and rolled over to subsequent program year	\$78,426	\$621,013

An allocation of a tax credit means that an applied for amount of credits are reserved for a proposed investment transaction. These proposed transactions must occur within 60 days or by December 31, or

the credit allocation is cancelled; once the program has allocated all the year’s tax credits, any allocated but unused credits were rolled over into the next year.

Starting in 2015, the program has had two separate credit accounts. In 2023, \$2.5 million in credits were reserved for investments in minority- and women-owned and managed businesses and in businesses located in Greater Minnesota. The other half of the credits, \$2.5 million, were available for investments in any certified business. The reserved credits, as designated by statute, remain reserved until September 30, at which time they become available for investment in all businesses.

## Recipients of Credits

Investors can participate in the program as individual certified investors, as investors in certified investment funds, or both. Investors must be certified before they make an investment in a certified business for that investment to qualify for the Angel Tax Credit. In 2023, 253 investors were certified, of which 219 actually made an investment in a qualified business. 13 funds were certified in 2023, 12 of which (representing 299 investors) made investments in a qualified business. See Table 9 for a complete breakdown and Appendix F for data since the program’s inception.

**Table 9 – Investors and Funds Participating in the Angel Tax Credit Program, 2018-2023**

<b>Investor Participation</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of individual investors certified	No Program	401	No Program	501	235	253
Number of individual investors who made investments	No Program	342	No Program	432	196	219

<b>Fund Participation</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of investment funds certified	No Program	20	No Program	22	11	13
Number of investment funds that made investments	No Program	18	No Program	16	10	12
Number of investors in funds that made investments	No Program	227	No Program	179	212	299

Minnesota’s Angel Tax Credit is a refundable credit, meaning that if an investor has limited or no Minnesota state tax liability, the difference or the whole credit amount is refunded to the investor. This feature of the program, which only a few of the approximately 30 states having angel programs, provides the opportunity for non-Minnesotans to make equity investments in Minnesota businesses and be eligible for the credit. The average investment per investor in 2023 was \$33,815, including those investors who invested through a fund as displayed in Table 10.

**Table 10 – Average Investment and Credit Amounts  
Angel Tax Credit Program, 2018-2023**

	2018	2019	2020	2021	2022	2023
Average investment per investor	No Program	\$79,080	No Program	\$64,748	\$51,360	\$33,815
Average credit amount per investor	No Program	\$17,178	No Program	\$16,187	\$12,839	\$8,454

Minnesota’s Angel Tax Credit Program spurs substantial investment in Minnesota businesses by non-Minnesotans. In 2023, non-Minnesotan investors accounted for 36 percent of overall investment, this was an increase of five percentage points from 2022. See Table 11 for additional information.

**Table 11 – Location of Investors Making Qualifying Investment  
in Qualified Businesses in the Angel Tax Credit Program, 2023**

	Minnesotans				Non-Minnesotans	
	Metro		Greater MN			
Number of Investors <sup>1</sup>	246	47%	91	17%	181	36%
Amount of Investment <sup>2*</sup>	\$6,364,146	36%	\$2,510,006	14%	\$8,641,974	50%

<sup>1</sup>Includes individual investors and fund investors, de-duplicated

<sup>2</sup>Includes individual investments and fund investments

For a list of 2023 certified investors, see Appendix D.

For a list of 2023 certified funds, see Appendix E.

### Number and Value of Credits Revoked

Investors and businesses may have their Angel Tax Credits revoked and recaptured if they do not meet post-investment program requirements. For 2023, \$1,268,276 of credits are subject to possible revocation and/or repayment due to investors and businesses not meeting program requirements. Details on revocation activity is presented herein.

Four businesses may be subject to a penalty of the amount or portion of credits issued for investments made in that business because they failed to maintain at least 51% of their employees and/or payroll in Minnesota. The penalty amount for this failure begins at 100% of the credits issued and declines 20% for each year for five years, after which the penalty ends. The penalty total is potentially \$294,978.

Five businesses may be subject to repayment of the amount of credits issued for investments made in their business because they failed to file and pay their 2023 business annual report. The repayment total amount for this failure begins at 100% of the credits issued and declines 20% for each year for five years, after which the repayment ends. The repayment total is potentially \$331,047.

Forty individual investor’s credits may be revoked because they failed to file and pay their 2023 investor annual report. One fund with ten members may have their credits revoked because the fund failed to file and pay its 2023 fund annual report. The revocation total is potentially \$642,251.

For 2023, \$0 in credits are subject to revocation due to investors or funds failing to hold their investment for three years.

For 2023, \$316,250 in credits were exempted from the three-year investment holding requirement for meeting one of the five allowed exemptions. These exemptions are:

- The investment became worthless (5 investments, \$255,000 in credits)
- 80% of the business assets were sold (1 investment, \$10,000 in credits)
- The business was sold (4 investments, \$51,250 in credits)
- The business’ common stock began trading on a public exchange (0 investment, \$0 in credits)
- Death of the investor (0 Investment, \$0 in credits)

On April 19, 2023, \$969,848 in credits were revoked due to businesses, investors and funds failing to file their 2022 annual report. An additional six businesses were subject to a penalty of the amount or portion of credits issued for investments made in that business because they failed to maintain at least 51% of their employees and/or payroll in Minnesota. The penalty amount for this failure begins at 100% of the credits issued and declines 20% for each year for five years, after which the penalty ends. The penalty total was \$187,254. Since the inception of the program in 2010, \$5,139,772 credits have been revoked of over \$130.6 million issued.

## Program Financing and Costs

The Angel Tax Credit Program’s operations are funded by program fees. Fees are collected at the time of certification application and upon submission of annual reports. Fee income in 2023 was derived from the sources identified in Table 12.

**Table 12 – Fee Income  
Angel Tax Credit Program, 2023**

Certification fees	\$118,750
Annual Repot fees	\$80,700
<b>Total</b>	<b>\$199,450</b>

Total program administration costs in 2023 were over \$210,856, as reported in Table 13. When revenue is in excess of expenses, it is carried forward each year to cover program future expenses or shortfalls, a shortfall of \$11,406.36 occurred in 2023. The 2023 costs reflects staffing needs, revisions to and maintenance of the program’s operations tracking database, and miscellaneous expenses. The program used approximately 2.0 FTE staff for most of 2023.

**Table 13 – Expenses  
Angel Tax Credit Program, 2023**

Staff Salaries	\$168,819.39
Information Technology Costs	\$10,729.91
Indirect Costs, Agency & State	\$29,327.75
Other (travel and employee development)	\$1,979.31
Total	\$210,856.36

### Program Changes

From its inception, the program has worked closely with stakeholders in the angel community to maximize emerging business growth in Minnesota. The community recommended minor adjustments to the program in 2011, and the department proposed and helped pass these changes:

- a lower, separate wage minimum for interns
- modified the membership requirements for funds, allowing funds to have non-natural person members
- increased the maximum equity qualification limitation for businesses from \$2 million to \$4 million

In 2013, the department proposed, with community support, and the legislature passed four additional changes:

- increasing the years in operation maximum for medical device and pharmaceutical business requiring lengthy FDA approval from 20 years, up from 10 years for other businesses
- disqualifying business whose securities are publicly traded
- disqualifying investments that take place within 180 days of a liquidation event
- permitting the department to make public basic contact and descriptive information about businesses certified to participate in the program

In 2014, the department proposed increased funding of tax credits for the program. The legislature passed these changes:

- Increased tax credit funding from \$12 million to \$15 million per year
- Changed the program’s sunset from 2014 to 2016
- Added death of the investor as an additional exemption to the three year investment holding requirement
- Required the department to develop a plan to increase awareness of the program by businesses located in Greater Minnesota and women-owned and minority-owned businesses

In addition, the 2014 legislature passed changes that affected the program in 2015:

- \$7.5 million in tax credits were reserved for investments in targeted businesses (those located in Greater Minnesota and women-owned and minority-owned businesses) until September 30
- Expanded the types of businesses became eligible to participate in program, including those researching or developing a proprietary product, process, or service in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation; this new type has no technology requirement, as do the other allowed types

- Officers, principals, and 20% or more owners, and their families, were made ineligible for the tax credit for investments in their business

The 2016 legislature made these changes to the program:

- Required for businesses to be certified that at least 51% of the value of their service contracts be performed in Minnesota
- Expanded investor certification eligibility to include investing through MNvest
- Reduced tax credit funding from \$15 million to \$10 million for 2017

The 2019 legislature made these changes to the program:

- Reduced the minimum investment from \$10,000 to \$7,500 for individual investors investing in businesses that are veteran-owned, minority-owned, women-owned or located in Greater Minnesota
- Reduced the annual report late filing penalty from \$500 to \$100 for annual report not filed by February 1 and authorized the revocation of credits granted to those who fail to an annual report by April 1

The 2021 legislature made these changes to the program:

- Provided tax credit funding of \$5 million for one year, 2022

The 2022 legislature made these changes to the program:

- Provided tax credit funding of \$5 million for two years, 2023 and 2024

## Partnerships

The department has developed strong partnerships with a number of organizations that promote angel investing and business development within Minnesota. The department actively works with the Launch Minnesota program, Minnesota Technology Association, Medical Alley, the Minnesota Cup, Gopher Angels, the University of Minnesota Venture Center, University Enterprise Laboratories (UEL), the Economic Development Association of Minnesota (EDAM) and other state and regional organizations seeking to facilitate the growth of the angel investment community in Minnesota.

## Closing

If you have any questions or comments regarding this report, please contact Stephen G. Wolff, Manager of Business Tax Benefits and Angel Tax Credit Program, at 651.259.7415 or [stephen.wolff@state.mn.us](mailto:stephen.wolff@state.mn.us), or Jeff Nelson, Executive Director of the Office of Business Finance, at 651.259.7523 or [jeff.m.nelson@state.mn.us](mailto:jeff.m.nelson@state.mn.us).

## Appendix A

### List of 2023 Qualified Businesses

The following businesses have been certified as Qualified Businesses under Minnesota Statute 116J.8737. This certification solely means that Minnesota Department of Employment and Economic Development (DEED) has found that each business meets the qualifications specified in Subdivision 3 of the statute and that each business is therefore eligible to participate in DEED’s Angel Tax Credit Program.

Legal Name	County	Industry Type
Altheia Inc.	Hennepin	IT Services
Anumio, Inc.	Hennepin	Biotechnology
Babbl Labs Inc.	Benton	Internet/Web Services
Bennett Pharmaceuticals of America, LLC	Hennepin	Biotechnology
Binary Bridge, SBC	Hennepin	Software
Bloom Standard, Inc	Ramsey	Medical Devices and Equipment
Blyngz Luxury Technologies Inc.	Ramsey	Consumer Products and Services
Brevity Technologies Inc.	Hennepin	Software
Camperoni, Inc.	Hennepin	Software
CoraVie Medical Inc	Hennepin	Medical Devices and Equipment
Corias Incorporated	Benton	Software
Creatively Focused Holding Corporation	Dakota	Education
Cyft AI Inc	Hennepin	Software
Daily Dental Care, LLC	Hennepin	Biotechnology
Everwell Software, INC.	Hennepin	Internet/Web Services
F2F	Hennepin	Biotechnology
FREENAV, INC	Ramsey	Electronics/Instrumentation
Frontline Biotechnologies Inc.	Ramsey	Biotechnology
GenEQTY	Hennepin	Software
GoNo LLC	Hennepin	Software
Gumbo Corporation	Washington	Software
Heart Failure Solutions, INC	Ramsey	Medical Devices and Equipment
Herald Therapeutics, Inc.	Hennepin	Healthcare Services
Hinckley Medical, INC.	Dakota	Medical Devices and Equipment
inFormed Consent LLC	Hennepin	Healthcare Services
Innomedex, LLC	Hennepin	Medical Devices and Equipment
LeagueOS Inc.	Hennepin	Software
Liminal Network LLC	Hennepin	Software
Lite Run Inc	Ramsey	Medical Devices and Equipment
MFr Technologies, Inc.	Hennepin	Medical Devices and Equipment
Moonshot Medical LLC	Ramsey	Medical Devices and Equipment
Morari, Inc.	Hennepin	Consumer Products and Services

NaviNetics NeuroModulation, Inc.	Olmsted	Medical Devices and Equipment
NaviNetics, Inc.	Olmsted	Medical Devices and Equipment
Netzro SBC	Hennepin	Clean Technology
NXgenPort Inc	Ramsey	Medical Devices and Equipment
Ocumedex	Hennepin	Medical Devices and Equipment
Oncodea Corporation	Ramsey	Biotechnology
Parrot.MD Inc.	Washington	Other
Peacenquiet, Inc.	Hennepin	Healthcare Services
Pennant Media Inc.	Hennepin	Software
Pneumeric Inc.	Olmsted	Medical Devices and Equipment
Proserva, Inc.	Hennepin	Education
Pubfluence Inc	Hennepin	Food/Drink
Q-rounds, Inc.	Hennepin	Healthcare Services
R Services LLC	Hennepin	Software
Radwave Technologies Inc.	Ramsey	Medical Devices and Equipment
RahRah Solutions, LLC	Hennepin	Sports
Raise a Hood, Inc.	Hennepin	Internet/Web Services
Respiratory Sciences Inc	Hennepin	Medical Devices and Equipment
Rightis Inc	Hennepin	Medical Devices and Equipment
SAB Co	Goodhue	Financial Services
SCO2, Inc.	Ramsey	Business Products and Services
SHYLD Inc	Hennepin	Software
SoleSafe Inc	Ramsey	Business Products and Services
Stake Inc	Ramsey	Internet/Web Services
Stratix Labs Corporation	Ramsey	Biotechnology
SubioMed Inc.	Hennepin	Medical Devices and Equipment
Tanner Mobile Health	Dakota	Healthcare Services
Tavolo Inc.	Anoka	Software
TiuMed, LLC	Hennepin	Medical Devices and Equipment
Trajectory Medical Inc	Hennepin	Medical Devices and Equipment
Trio Effect, LLC	Carver	Healthcare Services
TRS II, LLC	Hennepin	Medical Devices and Equipment
Turn Racing LLC	Stevens	Computers and Peripherals
Tychon Biosciences Inc	Hennepin	Biotechnology
Unity Medical Inc.	Hennepin	Medical Devices and Equipment
Vail Scientific LLC	Hennepin	Medical Devices and Equipment
ViruTech Systems, Inc.	Hennepin	Medical Devices and Equipment
Vista Biomedical, Inc	Olmsted	Medical Devices and Equipment
Vocxi Health, Inc.	Ramsey	Medical Devices and Equipment
Voyager Dental inc	Hennepin	Healthcare Services
Washburn Technology, Inc.	Hennepin	Consumer Products and Services
xDot Medical Inc	Hennepin	Medical Devices and Equipment
Zogo LLC.	Hennepin	Consumer Products and Services



## Appendix B

### List of 2023 Credits Issued

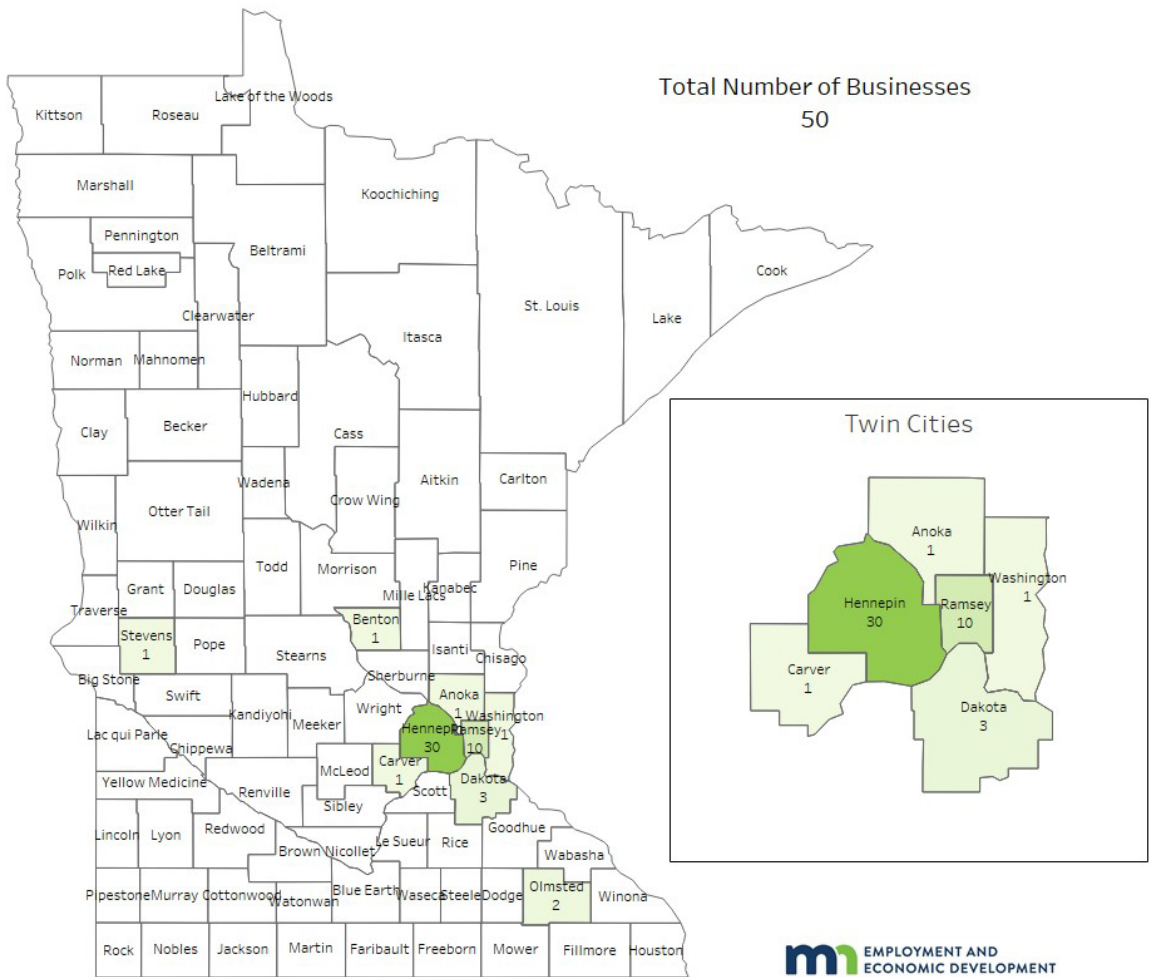
The following businesses have received investments in 2023 that qualified for the Minnesota Angel Tax Credit pursuant to Minn. Stat. 116J.8737. Issuance of these credits solely means that Department of Employment and Economic Development (DEED) has found that the investment meets the requirements specified in the statute and that the qualified investor or qualified fund's investors are being awarded tax credit certificates under DEED's Angel Tax Credit Program. Minn. Stat. 116J.8737, Subd. 8, paragraph (a) designates this as public data.

<b>Business Name</b>	<b>Investment Amount</b>	<b>Tax Credit Amount</b>
Altheia Inc.	\$25,000	\$6,250
Bennett Pharmaceuticals of America, LLC	\$325,000	\$81,250
Bloom Standard, Inc	\$205,504	\$51,360
Brevity Technologies Inc.	\$102,000	\$25,500
Camperoni, Inc.	\$40,000	\$10,000
CoraVie Medical Inc	\$100,000	\$25,000
Corias Incorporated	\$25,000	\$6,250
Creatively Focused Holding Corporation	\$375,944	\$93,982
F2F	\$525,000	\$131,250
GenEQTY	\$72,556	\$18,140
GoNo LLC	\$303,509	\$75,877
Heart Failure Solutions, INC	\$375,000	\$93,750
Hinckley Medical, INC.	\$785,000	\$196,250
inFormed Consent LLC	\$150,000	\$37,500
Innomedex, LLC	\$250,000	\$62,500
LeagueOS Inc.	\$150,504	\$37,609
Lite Run Inc	\$725,000	\$181,250
Moonshot Medical LLC	\$490,021	\$122,507
Morari, Inc.	\$675,000	\$168,750
NaviNetics NeuroModulation, Inc.	\$50,000	\$12,500
NaviNetics, Inc.	\$201,756	\$50,439
Netzro SBC	\$50,000	\$12,500
NXgenPort Inc	\$225,000	\$56,250
Ocumedex	\$149,996	\$37,500
Oncodea Corporation	\$1,000,000	\$250,000
Parrot.MD Inc.	\$1,140,000	\$285,000
Pennant Media Inc.	\$137,391	\$34,339

Proserva, Inc.	\$225,504	\$56,359
Q-rounds, Inc.	\$230,000	\$57,500
R Services LLC	\$15,000	\$3,750
RahRah Solutions, LLC	\$1,150,000	\$287,500
Raise a Hood, Inc.	\$105,000	\$26,250
Respiratory Sciences Inc	\$629,151	\$157,289
Rightis Inc	\$115,000	\$28,750
SCO2, Inc.	\$127,952	\$31,977
SoleSafe Inc	\$74,655	\$18,664
Stratix Labs Corporation	\$880,250	\$220,063
SubioMed Inc.	\$305,000	\$76,250
Tanner Mobile Health	\$225,000	\$56,250
Tavolo Inc.	\$147,391	\$36,839
Trajectory Medical Inc	\$185,000	\$46,250
Trio Effect, LLC	\$30,000	\$7,500
Turn Racing LLC	\$100,000	\$25,000
Unity Medical Inc.	\$310,000	\$77,500
Vail Scientific LLC	\$120,000	\$30,000
Vocxi Health, Inc.	\$1,700,270	\$425,073
Voyager Dental inc	\$335,000	\$83,750
Washburn Technology, Inc.	\$100,000	\$25,000
xDot Medical Inc	\$1,480,000	\$370,013
Zogo LLC.	\$271,772	\$67,957

## Appendix C Maps of Business Headquarters Distribution

**Businesses Receiving Tax Credits (2023)**





## Appendix D List of 2023 Qualified Investors

The following investors have been certified as Qualified Investors under Minnesota Statute 116J.8737. This certification solely means that Minnesota Department of Employment and Economic Development (DEED) has found that each investor meets the qualifications specified in Subdivision 3 of the statute and that each investor is therefore eligible to participate in DEED's Angel Tax Credit Program.

Nick Abel	Ryan Benson	Linnea Castro
Thomas Ademite	Mark Berens	Paul Cifelli
Ryan Agnew	Laurence Betterley	William Clark
Aaron Ahlquist	Greg Blasko	Kelly Connolly
Daniel Ahlquist	Aric Blom	Kristopher Corts
Susan Ahlquist	Bruno Bornsztein	Daren Cotter
Christopher Akerley	Tamara Bratland	Jacob Creydt
Rick Albin	Rebecca Brindle	Kim Culp
John Ambrose	Doug Brown	Tressa Daily
Jamie Anderson	Brett Bullock	Phillip DeBruzzi
Udaysekhar Anumalachetty	Scott Bullock	Jesse Demmers
Gregory Aplin	Timothy Bullock	Carl Dickerson
Michael Arneson	Benjamin Burgum	Michael Dickson
Katherine Baarsch	Ryan Burke	Sarah DiFrancesco
Mary Jo Baarsch	Frederick Burks	David Dikken
Vinayak Bapat	Barry Butzow	James Dixon
Conrad Barski	David Cameron	Lisa Drake
Jared Bartels	Elizabeth Canis	Richard Duffy
Jason Bauer	Brian Castro	Thomas Dungan
	John Castro	Scott Dylla

Joan Exley-Zimmerman	Ryan Hess	Jean Kummer
Theodore Ferrara	Patrick Hietpas	Andre L'Heureux
Stewart Flink	Curtis Hill	Lynn Langit
Daniel Flood	Matthew Hoffman	Gregory Langmo
John Folkestad	Craig Holden	Jeffrey Larson
Michael Gallagher	Ann Holder	Jeff Lendino
Jacqueline Gamblin	Amy Holley	Kent LoPrete
Morgan Geary	Phillip Holmer	David Loseke
William Geimer	Patricia Hoyt	Bryan Loving
Hendrik George	Pedram Illbeigi	Donald Lowery
Bahair Ghazi	Ronald Jackson	James Lubratt
Nagdeep Giri	Nicholas Jacoby	Edward Ludwig
James Givan II	Kenneth Jarvis	Elwin Mack
Franck Gougeon	Thomas Jasper	Justin Mack
John Grant	Samuel Jimenez	Brett MacKinnon
Heather Greene	Paul Johnson	Roderick Maddox
Donald Griffin	Todd Johnson	Rahul Mahajan
Jeff Grobstein	Walter Jones	Daniel Mahlik
Patricia Gulbrandsen	Richard Jorgensen	Kyle Mansfield
Matthew Gulbransen	Aaron Kardell	Marshall Masko
Ryan Gutzmer	Ryan Kasprzak	Gerald Mattys
Laura Hacker Dorsch	Carson Kipfer	Richard McCormick
George Hadjiyanis	Steven Klongerbo	John McIntosh
Paul Hartman	Susheel Kodali	Phillip Minerich
Elizabeth Hawn	Chester Kozak	Thomas Mingo
Thomas Hedge	Mark Kranz	Delores Mordorski
Warren Herreid II	Paul Kroes	Meka Morris

Craig Mossberg	Edwardo Rikprashad	Terrence Shaughnessy
Rocco Musumeche	David Riviere	Gillian Sherer
Wendy Nelson	William Riviere Jr	Tony Shortridge
Lisa Neumann	Daniel Roach	Stephen Sigmond
Jason Nordlund	Todd Robinson	Gregory Simon
Nicholas Novak	Wade Rosen	Michael Simon
David Nygren	Patrick Rosenstiel	Neil Smithson
Todd O'Bert	Jenell Ross	Jerome Smyth
John O'Connor	Alan Roth	Riley Smyth
Mark OBrien	David Rubenzer	Scott Solem
Paul Olin	Justin Rubenzer	Jeffery Sornsin
James Olson	Derek Rucker	Jason Spanheimer
Layton Olson	Christopher Rust	Michael Spanheimer
Paul Olson	Julie Sachs	Nathan Spanheimer
Gary Ostrand	Michael Salmen	Ryan Spanheimer
Constance Owens	David Sandberg	Joe Sriver
John Owens	Kerry Sarnoski	Andrew Steiner
Carla Pavone	Rachael Scherer	Bruce Steiner
Earl Pederson	Arlin Schieve	Cassidy Steiner
Neal Pederson	Perry Schmidt	Frederick Steiner
Julie Pierce	Rachael Schmillen	Mclvor Steiner
John Pollock	Alissa Schneider	Richard Stephen
Bobby Portis	Ron Schutz	George Stewart
Kelly Prchal	Keith Schweiger	William Stewart
Lantz Price	Joel Seleskie	Amy Stielow
James Rappe	Naveed Shaik	Karl Struble
Thomas Rassieur	Thomas Sharpe	Jayne Suiter

Shawn Sullivan  
Samantha Sweeney  
Jeffrey Textor  
Richard Tucci  
Keith Tufte  
John Van Sickle  
Frederick Ventura  
Hugh Voigt  
Shelly Wall  
Craig Wallace  
Doyle Walls  
Lola Walters  
Chia Wang  
Jeff Webb  
James Wehmann  
Jeffrey Weness  
Thomas Wenman  
Seth Werner  
Ashley Wiesner  
Brian Wilcox  
Justin Williams  
Martin Wolf  
Audrey Ziebol  
Robert Ziebol  
Richard Zimmerman



## **Appendix E**

### **List of 2023 Qualified Funds**

Department of Employment and Economic Development (DEED) has found that each fund meets the qualifications specified in Subdivision 4 of the statute and that each fund is therefore eligible to participate in DEED's Angel Tax Credit Program.

CLE Luminary Investors LLC

VAXA LLC

GROOVE CAPITAL FUND I LP

LVCM Partners Fund I LP

Lema Investment Holdings, LLC

Norstar LLC

Traction Capital Focus Fund 1 LLC

Ettrick Woods Capital, LLC.

701 Fund 2, LP

Callanish Capital Partners LP

Southeast Minnesota Capital Fund II LLC

## Appendix F Supplemental Data Tables

The following tables supplement the data tables provided throughout this report. If available, these tables present data since the program's inception or the earliest date the data was collected.

**Table 1 – Number of Businesses Certified and Invested In, Investment, and Credits Issued in the Angel Tax Credit Program, 2010-2023**

	2010	2011	2012	2013	2014	2015	2016
Number of businesses certified:	112	176	190	193	183	182	187
Number of businesses in which investments were made:	67	113	117	128	110	114	105
Investment made in businesses qualifying for credit:	\$28,023,232	\$63,148,784	\$46,150,674	\$50,657,447	\$59,783,632	\$70,411,833	\$58,894,095
Credit issued for these investments:	\$7,005,808	\$15,787,156	\$11,415,751	\$12,365,229	\$13,841,673	\$15,542,608	\$14,723,711

	2017	2018	2019	2020	2021	2022	2023
Number of businesses certified:	163	No program	124	No program	146	79	75
Number of businesses in which investments were made:	101	No program	72	No program	83	48	50
Investment made in businesses qualifying for credit:	\$44,474,766	No program	\$39,875,431	No program	\$39,583,329	\$20,957,796	\$17,516,126
Credit issued for these investments:	\$10,723,963	No program	\$9,774,038	No program	\$9,890,026	\$5,238,455	\$4,378,987

**Table 4 – Headquarters Location & Investment in Businesses Receiving Qualifying Investment Pursuant to the Angel Tax Credit Program, 2010-2023**

	2010	2011	2012	2013	2014	2015
<b>Number of Twin Cities Businesses</b>	62	100	109	122	102	101
<b>Number of Greater Minnesota Businesses</b>	5	13	8	6	8	13
<b>Total Businesses</b>	67	113	117	128	110	114
<b>Investment in Twin Cities Businesses</b>	\$26,248,232	\$50,260,689	\$43,892,174	\$49,339,446	\$51,655,622	\$64,46,333
<b>Investment in Greater Minnesota Businesses</b>	\$1,775,000	\$12,888,095	\$ 2,258,500	\$1,318,001	\$8,128,010	\$5,955,500
<b>Total Investment</b>	\$28,023,232	\$63,148,784	\$46,150,674	\$50,657,447	\$59,783,632	\$70,411,833

	2016	2017	2018	2019	2020	2021
<b>Number of Twin Cities Businesses</b>	95	91	No program	65	No program	77
<b>Number of Greater Minnesota Businesses</b>	10	10	No program	7	No program	6
<b>Total Businesses</b>	105	101	No program	72	No program	83
<b>Investment in Twin Cities Businesses</b>	\$53,180,010	\$34,601,494	No program	\$37,427,198	No program	\$38,289,789
<b>Investment in Greater Minnesota Businesses</b>	\$5,714,085	\$9,873,272	No program	\$2,448,233	No program	\$1,293,540
<b>Total Investment</b>	\$58,894,095	\$44,474,766	No program	\$39,875,431	No program	\$39,583,329

	2022	2023
<b>Number of Twin Cities Businesses</b>	44	45
<b>Number of Greater Minnesota Businesses</b>	4	5
<b>Total Businesses</b>	48	50
<b>Investment in Twin Cities Businesses</b>	\$18,176,811	\$16,614,370
<b>Investment in Greater Minnesota Businesses</b>	\$2,780,985	\$901,756
<b>Total Investment</b>	\$20,957,796	\$17,516,126

**Table 5 - Women and Minority Owned Businesses Receiving Qualifying Investment Pursuant to the Angel Tax Credit Program, 2012-2023**

Demographic Type	Number of Businesses Receiving Qualifying Investment							
	2012	2013	2014	2015	2016	2017	2018	2019
Women owned & managed	6	14	15	10	12	11	No program	11
Minority owned & managed	4	8	8	13	7	5	No program	7
<b>Total</b>	<b>10</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>19</b>	<b>16</b>		<b>18</b>

Demographic Type	Number of Businesses Receiving Qualifying Investment								Investment Amount
	2020	2021	2022	2023					2023
Women owned & managed	No program	16	13	12					\$1,620,776
Minority owned & managed	No program	7	12	12					\$3,825,441
<b>Total</b>		<b>23</b>	<b>25</b>	<b>24</b>					<b>\$5,446,217</b>

**Table 6 – Number of Businesses that have Ceased Operations which participated in the Angel Tax Credit Program, 2010-2022**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Number of businesses no longer operating:	1	4	11	12	10	4	7	12	2	3	2	2	2	72

**Table 8 – Angel Tax Credits Appropriated, Available, and Issued, 2010-2021**

2010 credit appropriation:	\$11,000,000
2010 credits issued:	\$7,005,808
*2010 credits unused and rolled over to 2011 program:	\$3,994,192
2011 credit appropriation:	\$12,000,000
2011 credits available:	\$15,994,192
2011 credits issued:	\$15,787,196
2011 credits unused and rolled over to 2012 program:	\$206,996

2012 credit appropriation:	\$12,000,000
2012 credits available:	\$12,206,996
2012 credits issued:	\$11,415,751
2012 credits unused and rolled over to 2013 program:	\$791,245
2013 credit appropriation:	\$11,900,000
2013 credits available:	\$12,691,245
2013 credits issued:	\$12,365,229
2013 credits unused and rolled over to 2014 program:	\$356,016
2014 credit appropriation:	\$12,000,000
2014 additional credit appropriation:	\$3,000,000
2014 credits available:	\$15,356,016
2014 credits issued:	\$13,841,673
**2014 credits unused and rolled over to 2015 program:	\$992,586
2015 credit appropriation:	\$15,000,000
2015 credits available:	\$15,992,586
2015 credits issued:	\$15,542,608
2015 credits unused and rolled over to 2016 program:	\$449,978
2016 credit appropriation:	\$15,000,000
2016 credits available:	\$15,449,978
2016 credits used:	\$14,723,711
2016 credits unused and rolled over to 2017 program:	\$726,267
2017 credit appropriation:	\$10,000,000
2017 credits available:	\$10,726,267
2017 credits used:	\$10,723,963
2017 credits unused and redistributed:	\$2,304
2018: No program	
2019 credit appropriation:	\$10,000,000
2019 credits available:	\$10,000,000
2019 credits used:	\$9,774,038
2019 credits unused and rolled over to 2021 program:	\$225,962
2020: No Program	
2021 credit appropriation:	\$10,000,000
2021 credits available:	\$10,225,969
2021 credits used:	\$9,890,026
2021 credits unused and rolled over to 2022 program:	\$316,881

2022 credit appropriation:	\$5,000,000
2022 credits available:	\$5,316,881
2022 credits used:	\$5,238,455
2022 credits unused and rolled over to 2023 program:	\$78,426
2023 credit appropriation:	\$5,000,000
2023 credits available:	\$5,078,426
2023 credits used:	\$4,378,987
2023 credits unused and rolled over to 2023 program:	\$621,013

\* Because the 2010 program was in operation for only six months, there was a significant carryover of credits from 2010 to 2011.

\*\*Adjusted to account for past years post-closing under and overages

**Table 9 – Investors and Funds Participating in the Angel Tax Credit Program, 2010-2023**

<b>Investor Participation:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of individual investors certified	275	623	511	484	572	619	655	572	No Program	401	No Program	501	235
Number of individual investors who made investments	258	563	465	452	485	538	555	500	No Program	342	No Program	432	196

<b>Investor Participation:</b>	<b>2023</b>
Number of individual investors certified	253
Number of individual investors who made investments	219

<b>Fund Participation:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of investment funds certified	5	21	19	21	29	27	26	29	No Program	20	No Program	22	11
Number of investment funds that made investments	4	21	17	20	27	23	19	28	No Program	18	No Program	16	10
Number of investors in funds that made investments	32	195	191	199	327	279	251	265	No Program	227	No Program	179	212

<b>Fund Participation:</b>	<b>2023</b>
Number of investment funds certified	13
Number of investment funds that made investments	12
Number of investors in funds that made investments	299

**Table 10 – Average Investment and Credit Amounts  
Angel Tax Credit Program, 2010-2023**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Average investment per investor:	\$96,300	\$83,310	\$73,723	\$80,665	\$50,028	\$86,183
Average credit amount per investor:	\$24,075	\$20,827	\$18,236	\$19,690	\$11,587	\$19,024

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Average investment per investor:	\$73,160	\$88,950	No Program	\$79,080	No Program	\$64,748
Average credit amount per investor:	\$18,290	\$21,448	No Program	\$17,178	No Program	\$16,187

	<b>2022</b>	<b>2023</b>
Average investment per investor:	\$51,360	\$33,815
Average credit amount per investor:	\$12,839	\$8,454