

Governor Phil Murphy

Governor Murphy Signs Package of Bills to Support Innovative Businesses in New Jersey

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TRENTON – Governor Murphy today signed a three-bill package to help support New Jersey’s thriving innovation ecosystem by enabling entrepreneurs to start and grow their businesses in the Garden State.

“Over the course of our administration, we have firmly established New Jersey as a global leader in technology and innovation. Aided by strategic investments to provide our entrepreneurs with the tools and resources necessary to drive their businesses forward, New Jersey has become the destination to both start and scale a business,” **said Governor Murphy**. “Today’s bill signing underscores our commitment to aspiring entrepreneurs and innovative companies while driving our state’s economy forward.”

“Governor Murphy and the New Jersey Legislature have consistently recognized the vital role entrepreneurs play in New Jersey’s economy and remain committed to providing them with the resources needed to build and grow successful businesses,” **said NJEDA Chief Executive Officer Tim Sullivan**. “The New Jersey Innovation Evergreen Fund and Angel Tax Credit programs have become key NJEDA tools to help bolster early-stage innovation companies, resulting in greater investment into the life sciences, technology, and clean energy sectors. The package of bills signed today will increase participation into the programs, unlock capital for entrepreneurs, and spur greater venture investment. Additionally, the QSBS bill perfectly complements the suite of innovation programs built under the Murphy Administration and will encourage entrepreneurs to continue building new businesses in New Jersey. Together, these bills will support new cutting-edge businesses, job creation, and a stronger innovation economy.”

The three bills signed today include:

- [A5795/S4619 \(https://pub.njleg.state.nj.us/Bills/2024/A6000/5795_I1.PDF\)](https://pub.njleg.state.nj.us/Bills/2024/A6000/5795_I1.PDF), which modifies the New Jersey Innovation Evergreen Act to increase the maximum amount of the qualified investment. The bill would also allow for a “qualified investment” to be a venture firm’s second or later investment into a business if it is larger than the first investment or occurs at a higher valuation than the first investment. It also allows the Economic Development Authority to conduct additional tax credit auctions through the program.
- [A2365/S3189 \(https://pub.njleg.state.nj.us/Bills/2024/S3500/3189_R2.PDF\)](https://pub.njleg.state.nj.us/Bills/2024/S3500/3189_R2.PDF), which increases the amount of the tax credit provided under the New Jersey Angel Investor Tax Credit Act. The bill allows the Economic Development Authority to utilize unused credits from the annual allocation from the Technology Business Tax Certificate Transfer Program to support the award of tax credits under the “New Jersey Angel Investor Tax Credit Act.” It also revises the definitions of “New Jersey based business” and “New Jersey emerging technology business” to lower the maximum number of employees that a business may employ to qualify for the tax credit.



- [A4455/S4503 \(https://pub.njleg.state.nj.us/Bills/2024/A4500/4455_R1a.PDF\)](https://pub.njleg.state.nj.us/Bills/2024/A4500/4455_R1a.PDF), which allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock (QSBS) after December 31, 2025.

“These bills will support emerging businesses, attract private investment, and ensure that our economy benefits from the incredible talent and research institutions already based in our state,” **said Senator Andrew Zwicker**. “By supporting fledgling startups and women and minority-owned businesses through the use of tax credits and public matching funds, we will ensure they can grow and thrive in New Jersey. These changes will allow entrepreneurs to continue to innovate the next breakthrough technologies in our state, creating high-quality jobs and positioning New Jersey as the best place to start a business.”

“We aspire to make New Jersey the best State for people to start a business, especially in emerging technology industries. This legislation is the next step in making that aspiration a reality,” **said Senator Paul Sarlo**. “Raising the Angel Investor Tax Credit will exponentially increase the investment that we see in start-ups across our State, helping small businesses to grow and create the breakthrough technologies of tomorrow.”

“By joining the other 45 states that recognize QSBS, New Jersey is sending a clear signal that we welcome innovation and are committed to fostering long-term investment in our small and emerging businesses. We’re giving entrepreneurs, investors, and job creators a powerful reason to build and stay in the Garden State,” **said Senator Raj Mukherji**. “This law is a smart, strategic incentive that will remove a competitive disadvantage and drive economic growth, especially for startups.”

“This bill aims to revise the New Jersey Innovation Evergreen Fund policies, further strengthening the State’s ability to invest in promising startups, encouraging their growth, and creating a stronger incentive for others to build their business right here in New Jersey,” **said Assemblywoman Eliana Pintor Marin**. “By expanding both the scope of potential investments as well as the amount we can invest, we are telling these innovative businesses that they have our support.”

“New Jersey’s innovation industry drives our economy, creates good-paying jobs, and delivers revolutionary breakthroughs that impact the entire world,” **said Assemblyman Chris Tully, Chair of the Assembly Science, Innovation and Technology Committee**. “Through A2365, we’re encouraging early-stage investment in New Jersey companies by increasing the tax credits available to eligible investors.

“Young companies rely on angel funding to grow their businesses and entrepreneurs have repeatedly hailed the Angel Investor Tax Credit Program as an important tool in attracting investments,” **said Assemblywoman Carol Murphy**. “By increasing the amount that a taxpayer can receive for their investments into a New Jersey-based company through this program, we’re reaffirming our commitment to the state’s innovation sector and to small businesses throughout the Garden State.”

“The goal here is to further incentivize investment in New Jersey’s early stage startups, not just to grow the technology industry, but to support jobs and stimulate the economy. This legislation signals to the industry that New Jersey can not only compete nationally, but globally in the innovation economy,” **said Assemblyman Christopher P. DePhillips**.

“New Jersey has always been a place where businesses and startups can grow, but to stay competitive, we need to keep supporting investment in our small and mid-sized businesses,” **said Assemblyman Roy Freiman**. “This legislation is an essential step in protecting the backbone of our economy and ensuring the tools to thrive are not only available, but accessible to those that need them most.”

“By making it easier to attract capital, we can help grow local businesses and build a more inclusive economy that benefits everyone,” **said Assemblyman Gary Schaer**. “Through this legislation we remove one of the barriers that has unfortunately made New Jersey less competitive for investors. By aligning ourselves with the federal standard, we’re giving small businesses a better shot at success and strengthening the communities they support.”

“Through this bill we send a clear message to the rest of the country that New Jersey is ready to support innovation, economic growth, and the job growth that follows,” **said Assemblyman Robert Karabinchak**. “By encouraging long-term investment in local companies, we’re giving these businesses the tools they need to thrive and ensuring that the next generation of talent and innovation happens right here in New Jersey.”

“Coinciding with the State budget, BioNJ commends the Governor and Legislature for passing several pieces of legislation that will enhance New Jersey’s competitiveness and foster innovation-driven growth. The expansion of the Angel Investor Tax Credit program, along with novel policies to incentivize the development of manufacturing in New Jersey — including the Next New Jersey Manufacturing Program and New Jersey Innovation Evergreen Act — are prudent measures to support continued growth of our life sciences sector,” **said Debbie Hart, President and CEO of BioNJ**. “We appreciate the receptivity that the Governor and Legislature both demonstrated regarding opportunities for the State to sustain our reputation as being the Medicine Chest of the World. BioNJ remains committed to working alongside policymakers to advance innovation in New Jersey, Because Patients Can’t Wait®.”

“The Innovation Evergreen Fund and the Angel Tax Credit were great programs to support the entrepreneurial ecosystem in New Jersey, and I am very glad that the Governor has taken to heart suggestions that will make them even better,” **said Stephen Socolof, Managing Partner, Tech Council Ventures**. “QSBS also aligns New Jersey with many other states as well as federal tax incentives for long-term business investment. Thanks to the Governor for making these changes.”

Governor Phil Murphy

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