**Section 531.90 Noncompliance**

a) *If the Department determines that a claimant who has received a credit under the Act* or a qualified new business venture that was the recipient of an investment under the Act *is not complying with the requirements or provisions of the Act, the claimant shall pay to the Department of Revenue, in the manner prescribed by the Department of Revenue, the amount of the credit that the claimant received related to the investment.* [35 ILCS 5/220(d)]

b)A qualified new business venture may be found in noncompliance for:

1) Failing to maintain the minimum employment threshold for at least through the date 3 years from the issue date of the last tax credit certificate issued by the Department with respect to the business;

2) Failing to provide the Department or the Department of Revenue with information and records necessary to verify compliance with the Act;

3) Failing to submit the report required by Section 220(i) of the Act; or

4) Otherwise not being in compliance with the Act.

c) A claimant may be found in noncompliance if:

1) The claimant does not hold the investment for which the claimant is allowed an Angel Investment Credit Program credit for at least 3 years. This 3 year holding requirement does not apply if the investment is sold as part of a qualifying liquidity event or if the qualified new business venture ceases operations and the investment becomes worthless, as determined by the Department;

2) In the case of an investment made in the form of a contingent equity investment, there is no conversion to equity within 3 years after the investment; or

3) The claimant fails to provide the Department or the Department of Revenue with information and records necessary to verify compliance with the Act, including, but not limited to, copies of any investment agreement.

(Source: Amended at 42 Ill. Reg. 16493, effective August 21, 2018)