



Sample Calculation of Benefits – Mentor-Protégé Tax Credit

Assume, in a given year, a qualified mentor firm invests \$25,000 in qualified expenditures in one qualified protégé firm and \$100,000 in qualified expenditures in a second qualified protégé firm.

Under the Mentor-Protégé tax credit program the mentor firm may file for a tax credit of up to \$50,000 on the amount invested in each relationship, not to exceed two relationships in any one year. The resulting tax credit is earned on the date of the investments are made and may be claimed in the tax year in which the investment is made. The mentor investor may file for a \$25,000 credit on the \$25,000 investment made in the first firm and \$50,000 on the \$100,000 invested in the second firm. The total credits available for the year is \$75,000.

Sample Calculation

Mentor qualified investment in relationship #1	\$25,000
Maximum Mentor-Protégé tax credit	\$25,000
Mentor qualified investment in relationship #2	\$100,000
Maximum Mentor-Protégé tax credit	\$50,000
Total Mentor-Protégé tax credit	\$75,000