



NEW JERSEY

Tax Credit Programs

Technology Business Tax Certificate Transfer Program

If You Are:

A New Jersey-based technology or biotechnology company that is unprofitable and has fewer than 225 U.S. employees (including parent company and all subsidiaries).

You Can:

Raise cash by selling New Jersey Net Operating Losses and Research and Development tax credits to unaffiliated New Jersey businesses for at least 75% of their value.

To Be Used For:

Growth and operations, either as working capital or to fund research.

The Program Offers:

Up to \$60 million is available annually. Of the \$60 million allocated to the program, \$10 million is set aside for additional funding under the program to approved projects in the Innovation Zones.

Benefits:

This program enables technology and biotechnology companies that have promise but are not currently realizing a profit to turn their state tax losses into the capital needed to grow and succeed.

Program Details:

To qualify for Tax Credit Incentives, a variety of criteria must be met. Some of the key items include:

- Only technology and biotechnology businesses whose primary business involves the provision of a scientific process, product or service are considered.
- Participating business CANNOT have had positive net income on either of its last two full year Income Statements.
- Must not demonstrate a ratio in excess of 110% of operating revenues divided by operating expenses in either of the two previous full years of operations.
- Can't have a profitable parent company or be part of a profitable consolidated group of affiliates for federal income tax purposes.
- At least 75% of the company's U.S. workforce works in New Jersey.
- Proposed financial assistance will result in growth in permanent, full-time employment in New Jersey.
- Does not have sufficient resources to operate in the short term.



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continued

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- Financial assistance will result in the prospect of significant positive change in the business' net income.
- The business must own, have filed for, or have a license to use protected, proprietary intellectual property.
- Principal product or service must be sufficiently innovative to provide a competitive advantage.
- Must be scientifically and technologically viable.
- Businesses must have financial statements for the three most recent full years of operation compiled, reviewed or audited by an independent CPA firm.
- Applications must be received by June 30 of each year.

Fees:*

- Application Fee: \$2,500.

Division of Taxation Tax Clearance Certificate Application Processing Fee: \$75 for standard processing; \$200 for expedited processing (response within three business days).

For more information on the Technology Business Tax Certificate Transfer Program, visit www.njeda.com.

*All fees are non-refundable.



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The company we keep,
keeps getting better.