

[First Reprint]  
**SENATE, No. 581**

**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

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**SYNOPSIS**

“New Jersey Angel Investor Tax Credit Act”; provides credits against corporation business and gross income taxes for investing in New Jersey emerging technology businesses.

**CURRENT VERSION OF TEXT**

As reported by the Senate Economic Growth Committee on February 6, 2012, with amendments.

(Sponsorship Updated As Of: 12/18/2012)

1 AN ACT providing credits against certain taxes for investing in New  
2 Jersey emerging technology businesses, and amending P.L.1997,  
3 c.349, and supplementing chapter 4 of Title 54A of the New  
4 Jersey Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. Section 1 of P.L.1997, c.349 (C.54:10A-5.28) is amended to  
10 read as follows:

11 1. **[This act]** Sections 1 through 3 of P.L.1997, c.349  
12 (C.54:10A-5.28 through 54:10A-5.30) and section 4 of P.L. \_\_\_\_\_,  
13 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill) shall be  
14 known and may be cited as the "**[Small]** New **[Jersey-based High-**  
15 **Technology Business Investment]** Jersey Angel Investor Tax Credit  
16 Act."

17 (cf: P.L.1997, c.349, s.1)

18

19 2. Section 2 of P.L.1997, c.349 (C.54:10A-5.29) is amended to  
20 read as follows:

21 2. As used in this act:

22 "Advanced computing" means a technology used in the  
23 designing and developing of computing hardware and software,  
24 including innovations in designing the full spectrum of hardware  
25 from hand-held calculators to super computers, and peripheral  
26 equipment.

27 "Advanced materials" means materials with engineered  
28 properties created through the development of specialized  
29 processing and synthesis technology, including ceramics, high  
30 value-added metals, electronic materials, composites, polymers, and  
31 biomaterials.

32 "Biotechnology" means the continually expanding body of  
33 fundamental knowledge about the functioning of biological systems  
34 from the macro level to the molecular and sub-atomic levels, as  
35 well as novel products, services, technologies and sub-technologies  
36 developed as a result of insights gained from research advances  
37 which add to that body of fundamental knowledge~~;~~.

38 "Control~~[,]~~" with respect to a corporation~~[,]~~ means ownership,  
39 directly or indirectly, of stock possessing 80% or more of the total  
40 combined voting power of all classes of the stock of the corporation  
41 entitled to vote; and "control~~[,]~~" with respect to a trust~~[,]~~ means  
42 ownership, directly or indirectly, of 80% or more of the beneficial  
43 interest in the principal or income of the trust. The ownership of  
44 stock in a corporation, of a capital or profits interest in a partnership

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SEG committee amendments adopted February 6, 2012.

1 or association or of a beneficial interest in a trust shall be  
2 determined in accordance with the rules for constructive ownership  
3 of stock provided in subsection (c) of section 267 of the federal  
4 Internal Revenue Code of 1986[, 26 U.S.C.s.267] (26 U.S.C.  
5 s.267), other than paragraph (3) of subsection (c) of that section[;].

6 "Controlled group" means one or more chains of corporations  
7 connected through stock ownership with a common parent  
8 corporation if stock possessing at least 80% of the voting power of  
9 all classes of stock of each of the corporations is owned directly or  
10 indirectly by one or more of the corporations and the common  
11 parent owns directly stock possessing at least 80% of the voting  
12 power of all classes of stock of at least one of the other  
13 corporations[;].

14 "Director" means the Director of the Division of Taxation in the  
15 Department of the Treasury[;].

16 "Electronic device technology" means a technology involving  
17 microelectronics, semiconductors, electronic equipment, and  
18 instrumentation, radio frequency, microwave, and millimeter  
19 electronics, and optical and optic-electrical devices, or data and  
20 digital communications and imaging devices[;].

21 ["Environmental technology" means assessment and prevention  
22 of threats or damage to human health or the environment,  
23 environmental cleanup, or the development of alternative energy  
24 sources;]

25 "Information technology" means software publishing, motion  
26 picture and video production, television production and post-  
27 production services, telecommunications, data processing, hosting  
28 and related services, custom computer programming services,  
29 computer system design, computer facilities management services,  
30 other computer related services, and computer training.

31 "Life sciences" means the production of medical equipment,  
32 ophthalmic goods, medical or dental instruments, diagnostic  
33 substances, biopharmaceutical products; or physical and biological  
34 research.

35 "Medical device technology" means a technology involving any  
36 medical equipment or product (other than a pharmaceutical product)  
37 that has therapeutic value, diagnostic value, or both, and is  
38 regulated by the federal Food and Drug Administration[;].

39 "Mobile communications technology" means a technology  
40 involving the functionality and reliability of transmission of voice  
41 and multimedia data using a communication infrastructure via a  
42 computer or a mobile device, that shall include but shall not be  
43 limited to smartphones, electronic books and tablets, mp3 players,  
44 motor vehicle electronics, home entertainment systems, and other  
45 wireless appliances, without having connected to any physical or  
46 fixed link.

1       "New Jersey emerging technology business" means a company  
2       'with fewer than 225 employees, of whom at least 75 percent are  
3       filling a position in New Jersey, that is' doing business, employing  
4       or owning capital or property, or maintaining an office '[,]' in this  
5       State '[that] and: (1)' has qualified research expenses paid or  
6       incurred for research conducted in this State '[or]; (2)' conducts  
7       pilot scale manufacturing in this State '[, and has fewer than 225  
8       employees, of whom at least 75 percent are filling a position in New  
9       Jersey] ; or (3) conducts technology commercialization in this State  
10       in the fields of advanced computing, advanced materials,  
11       biotechnology, electronic device technology, information  
12       technology, life sciences, medical device technology, mobile  
13       communications technology, or renewable energy technology'.

14       "Partnership" means a syndicate, group, pool, joint venture or  
15       other unincorporated organization through or by means of which  
16       any business, financial operation or venture is carried on, and which  
17       is not a trust or estate, a corporation or a sole proprietorship[;].

18       "Pilot scale manufacturing" means design, construction, and  
19       testing of preproduction prototypes and models in the fields of  
20       advanced computing, advanced materials, biotechnology, electronic  
21       device technology, [environmental technology, and] information  
22       technology, life sciences, medical device technology, mobile  
23       communications technology, and renewable energy technology,  
24       other than for commercial sale, excluding sales of prototypes or  
25       sales for market testing if total gross receipts, as calculated  
26       [pursuant to] in the manner provided in section 6 of P.L.1945,  
27       c.162 (C.54:10A-6), from such sales of the product, service or  
28       process do not exceed \$1,000,000[;].

29       "Qualified investment" means the non-refundable [investment, at  
30       risk in a small New Jersey-based high-technology business,]  
31       transfer of cash [that is transferred] to [the small] a New [Jersey-  
32       based high-technology] Jersey emerging technology business by a  
33       taxpayer that is not a related person of the [small] New [Jersey-  
34       based high-technology] Jersey emerging technology business, the  
35       transfer of which is in connection with either (1) a transaction in  
36       exchange for stock, interests in partnerships or joint ventures,  
37       licenses (exclusive or non-exclusive), rights to use technology,  
38       marketing rights, warrants, options or any items similar to those  
39       included herein, including but not limited to options or rights to  
40       acquire any of the items included herein; or (2) a purchase,  
41       production, or research agreement.

42       "Qualified research expenses" means qualified research expenses  
43       as defined in section 41 of the federal Internal Revenue Code of  
44       1986[, 26 U.S.C.s.41] (26 U.S.C. s.41), as in effect on June 30,  
45       1992, in the fields of advanced computing, advanced materials,

1 biotechnology, electronic device technology, **environmental**  
2 **technology, or** information technology, life sciences, medical  
3 device technology **;** mobile communications technology, or  
4 renewable energy technology.

5 "Related person" means:

6 a. a corporation, partnership, association or trust controlled by  
7 the taxpayer;

8 b. an individual, corporation, partnership, association or trust  
9 that is in the control of the taxpayer;

10 c. a corporation, partnership, association or trust controlled by  
11 an individual, corporation, partnership, association or trust that is in  
12 the control of the taxpayer; or

13 d. a member of the same controlled group as the taxpayer**;**

14 **["Small New Jersey-based high-technology business" means a**  
15 **corporation doing business, employing or owning capital or**  
16 **property, or maintaining an office, in this State that has qualified**  
17 **research expenses paid or incurred for research conducted in this**  
18 **State or conducts pilot scale manufacturing in this State, and has**  
19 **fewer than 225 employees, of whom 75% are New Jersey-based**  
20 **employees filling a position or job in this State; and]**

21 "Renewable energy technology" means a technology involving  
22 the generation of electricity from solar energy; wind energy; wave  
23 or tidal action; geothermal energy; the combustion of gas from the  
24 anaerobic digestion of food waste and sewage sludge at a biomass  
25 generating facility; the combustion of methane gas captured from a  
26 landfill; and a fuel cell powered by methanol, ethanol, landfill gas,  
27 digester gas, biomass gas, or other renewable fuel but not powered  
28 by a fossil fuel.

29 "Tax year" means the fiscal or calendar accounting **[year]** period  
30 of a taxpayer.

31 (cf: P.L.1997, c.349, s.2)

32

33 3. Section 3 of P.L.1997, c.349 (C.54:10A-5.30) is amended to  
34 read as follows:

35 3. a. A taxpayer, upon approval of the taxpayer's application  
36 therefor by the New Jersey Economic Development Authority and  
37 in consultation with the director, shall be allowed a credit against  
38 the tax imposed pursuant to section 5 of P.L.1945, c.162  
39 (C.54:10A-5), in an amount equal to 10% of the qualified  
40 investment made by the taxpayer **[during each of the three tax years**  
41 **beginning on or after January 1 next following enactment of this**  
42 **act,]** in a **[small]** New **[Jersey-based high-technology]** Jersey  
43 emerging technology business, up to a maximum allowed credit of  
44 \$500,000 for the tax year for each qualified investment made by the  
45 taxpayer. **[An unused credit may be carried forward for use in**  
46 **future years, subject to the \$500,000 per year limitation.]**

1 b. A credit shall not be allowed pursuant to section 1 of  
2 P.L.1993, c.175 (C.54:10A-5.24), for expenses paid from funds for  
3 which a credit is allowed, or which are includable in the calculation  
4 of a credit allowed, under this section.

5 [The tax imposed for a tax year pursuant to section 5 of  
6 P.L.1945, c.162, shall first be reduced by the amount of any credit  
7 allowed pursuant to section 19 of P.L.1983, c.303 (C.52:27H-78),  
8 then by any credit allowed pursuant to section 12 of P.L.1985, c.227  
9 (C.55:19-13), then by any credit allowed pursuant to section 42 of  
10 P.L.1987, c.102 (C.54:10A-5.3), then by any credit allowed under  
11 section 3 of P.L.1993, c.170 (C.54:10A-5.6), then by any credit  
12 allowed under section 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or  
13 C.54:10A-5.19), then by any credit allowed under section 1 of  
14 P.L.1993, c.175 (C.54:10A-5.24), and then by any credit allowed  
15 under section 1 of P.L.1993, c.150 (C.27:26A-15), prior to applying  
16 any credits allowable pursuant to this section. Credits allowable  
17 pursuant to this section shall be applied in the order of the credits'  
18 tax years. The amount of the credits applied under this section  
19 against the tax imposed pursuant to section 5 of P.L.1945, c.162, for  
20 a tax year shall not exceed 50% of the tax liability otherwise due  
21 and shall not reduce the tax liability to an amount less than the  
22 statutory minimum provided in subsection (e) of section 5 of  
23 P.L.1945, c.162] Notwithstanding any other provision of law, the  
24 order of priority in which the credit allowed by this section and any  
25 other credits allowed by law may be taken shall be as prescribed by  
26 the director.

27 c. Except as provided in subsection d. of this section, the  
28 amount of tax year credit otherwise allowable under this section  
29 which cannot be applied for the tax year against tax liability  
30 otherwise due for that tax year [to the limitations of subsection b.  
31 of this section] may either be carried over, if necessary, to the 15  
32 tax years following [a credit's] the tax year for which the credit  
33 was allowed or, at the election of the taxpayer, be claimed as and  
34 treated as an overpayment for the purposes of R.S.54:49-15,  
35 provided, however, that section 7 of P.L.1992, c.175 (C.54:49-15.1)  
36 shall not apply.

37 d. A taxpayer may not carry over any amount of credit [or  
38 credits] allowed under subsection a. of this section to a tax year  
39 during which a corporate acquisition with respect to which the  
40 taxpayer was a target corporation occurred or during which the  
41 taxpayer was a party to a merger or a consolidation, or to any  
42 subsequent tax year, if the credit was allowed for a tax year prior to  
43 the year of acquisition, merger or consolidation, except that if in the  
44 case of a corporate merger or corporate consolidation the taxpayer  
45 can demonstrate, through the submission of a copy of the plan of  
46 merger or consolidation and such other evidence as may be required  
47 by the director, the identity of the constituent corporation which

1 was the acquiring person, a credit allowed to the acquiring person  
2 may be carried over by the taxpayer. As used in this subsection,  
3 "acquiring person" means the constituent corporation the  
4 stockholders of which own the largest proportion of the total voting  
5 power in the surviving or consolidated corporation after the merger  
6 or consolidation.

7 e. The Executive Director of the New Jersey Economic  
8 Development Authority, in consultation with the director, shall  
9 adopt rules in accordance with the "Administrative Procedure Act,"  
10 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement  
11 sections 1 through 3 of P.L.1997, c.349 (C.54:10A-5.28 through  
12 54:10A-5.30) and section 4 of P.L. , c. (C. ) (pending before  
13 the Legislature as this bill), including but not limited to: examples  
14 of and the determination of qualified investments of which  
15 applicants must provide documentation with their tax credit  
16 application; the promulgation of procedures and forms necessary to  
17 apply for a credit; and provisions for credit applicants to be charged  
18 an initial application fee, and ongoing service fees, to cover the  
19 administrative costs related to the credit.

20 The amount of credits approved by the Executive Director of the  
21 New Jersey Economic Development Authority, and in consultation  
22 with the director, pursuant to subsection a. of this section and  
23 pursuant to section 4 of P.L. , c. (C. ) (pending before the  
24 Legislature as this bill) shall not exceed a cumulative total of  
25 \$25,000,000 in any calendar year to apply against the tax imposed  
26 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and the tax  
27 imposed pursuant to the "New Jersey Gross Income Tax Act,"  
28 N.J.S.54A:1-1 et seq. If the cumulative amount of credits allowed  
29 to taxpayers in a calendar year exceeds the amount of credits  
30 available in that year, then taxpayers who have first applied for and  
31 have not been allowed a credit amount for that reason shall be  
32 allowed, in the order in which they have submitted an application,  
33 the amount of the tax credit on the first day of the next succeeding  
34 calendar year in which tax credits under this section and section 4  
35 of P.L. , c. (C. ) (pending before the Legislature as this bill)  
36 are not in excess of the amount of credits available.

37 (cf: P.L.1997, c.349, s.3)

38

39 4. (New section) a. A taxpayer, upon approval of the  
40 taxpayer's application therefor by the New Jersey Economic  
41 Development Authority, and in consultation with the director, shall  
42 be allowed a credit against the tax otherwise due for the taxable  
43 year under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
44 et seq., in an amount equal to 10 percent of the qualified investment  
45 made by the taxpayer in a New Jersey emerging technology  
46 business, up to a maximum allowed credit of \$500,000 for the  
47 taxable year for each qualified investment made by the taxpayer.

1       b. The amount of the credit allowed pursuant to this section  
2 shall be applied against the tax otherwise due under the "New  
3 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., after all other  
4 credits and payments. If the credit exceeds the amount of tax  
5 liability otherwise due, that amount of excess shall be an  
6 overpayment for the purposes of N.J.S.54A:9-7, provided, however,  
7 that subsection (f) of N.J.S.54A:9-7 shall not apply.

8       c. A partnership shall not be allowed a credit under this section  
9 directly, but the amount of credit of a taxpayer in respect of a  
10 distributive share of partnership income under the "New Jersey  
11 Gross Income Tax Act," N.J.S.54A:1-1 et seq., shall be determined  
12 by allocating to the taxpayer that proportion of the credit acquired  
13 by the partnership that is equal to the taxpayer's share, whether or  
14 not distributed, of the total distributive income or gain of the  
15 partnership for its taxable year ending within or with the taxpayer's  
16 taxable year. For the purposes of subsection b. of this section, the  
17 amount of tax liability that would be otherwise due of a taxpayer is  
18 that proportion of the total liability of the taxpayer that the  
19 taxpayer's share of the partnership income or gain included in gross  
20 income bears to the total gross income of the taxpayer.

21       d. The Executive Director of the New Jersey Economic  
22 Development Authority, in consultation with the director, shall  
23 adopt rules in accordance with the "Administrative Procedure Act,"  
24 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement  
25 sections 1 through 3 of P.L.1997, c.349 (C.54:10A-5.28 through  
26 54:10A-5.30) and 'this' section '4 of P.L. , c. (C. )  
27 (pending before the Legislature as this bill)'<sup>1</sup>, including but not  
28 limited to: examples of and the determination of qualified  
29 investments of which applicants must provide documentation with  
30 their tax credit application; the promulgation of procedures and  
31 forms necessary to apply for a credit; and provisions for credit  
32 applicants to be charged an initial application fee, and ongoing  
33 service fees, to cover the administrative costs related to the credit.

34       The amount of credits approved by the Executive Director of the  
35 New Jersey Economic Development Authority and the Director of  
36 the Division of Taxation in the Department of the Treasury pursuant  
37 to subsection a. of this section and pursuant to section 3 of  
38 P.L.1997, c.349 (C.54:10A-5.30) shall not exceed a cumulative total  
39 of \$25,000,000 in any calendar year to apply against the tax  
40 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), and  
41 the tax imposed pursuant to the "New Jersey Gross Income Tax  
42 Act," N.J.S.54A:1-1 et seq. If the cumulative amount of credits  
43 allowed to taxpayers in a calendar year exceeds the amount of  
44 credits available in that year, then taxpayers who have first applied  
45 for and have not been allowed a credit amount for that reason shall  
46 be allowed, in the order in which they have submitted an  
47 application, the amount of the tax credit on the first day of the next



1 succeeding calendar year in which tax credits under this section and  
2 section 3 of P.L.1997, c.349 (C.54:10A-5.30) are not in excess of  
3 the amount of credits available.

4 e. As used in this section:

5 "Advanced computing" means a technology used in the  
6 designing and developing of computing hardware and software,  
7 including innovations in designing the full spectrum of hardware  
8 from hand-held calculators to super computers, and peripheral  
9 equipment.

10 "Advanced materials" means materials with engineered  
11 properties created through the development of specialized  
12 processing and synthesis technology, including ceramics, high  
13 value-added metals, electronic materials, composites, polymers, and  
14 biomaterials.

15 "Biotechnology" means the continually expanding body of  
16 fundamental knowledge about the functioning of biological systems  
17 from the macro level to the molecular and sub-atomic levels, as  
18 well as novel products, services, technologies and sub-technologies  
19 developed as a result of insights gained from research advances  
20 which add to that body of fundamental knowledge.

21 "Control" with respect to a corporation, means ownership,  
22 directly or indirectly, of stock possessing 80 percent or more of the  
23 total combined voting power of all classes of the stock of the  
24 corporation entitled to vote; and "control," with respect to a trust,  
25 means ownership, directly or indirectly, of 80 percent or more of  
26 the beneficial interest in the principal or income of the trust. The  
27 ownership of stock in a corporation, of a capital or profits interest in  
28 a partnership or association or of a beneficial interest in a trust shall  
29 be determined in accordance with the rules for constructive  
30 ownership of stock provided in subsection (c) of section 267 of the  
31 federal Internal Revenue Code of 1986 (26 U.S.C. s.267), other than  
32 paragraph (3) of subsection (c) of that section.

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34 connected through stock ownership with a common parent  
35 corporation if stock possessing at least 80 percent of the voting  
36 power of all classes of stock of each of the corporations is owned  
37 directly or indirectly by one or more of the corporations and the  
38 common parent owns directly stock possessing at least 80 percent of  
39 the voting power of all classes of stock of at least one of the other  
40 corporations.

41 "Director" means the Director of the Division of Taxation in the  
42 Department of the Treasury.

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44 microelectronics, semiconductors, electronic equipment, and  
45 instrumentation, radio frequency, microwave, and millimeter  
46 electronics, and optical and optic-electrical devices, or data and  
47 digital communications and imaging devices.

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2 picture and video production, television production and post-  
3 production services, telecommunications, data processing, hosting  
4 and related services, custom computer programming services,  
5 computer system design, computer facilities management services,  
6 other computer related services, and computer training.

7 "Life sciences" means the production of medical equipment,  
8 ophthalmic goods, medical or dental instruments, diagnostic  
9 substances, biopharmaceutical products; or physical and biological  
10 research.

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12 medical equipment or product (other than a pharmaceutical product)  
13 that has therapeutic value, diagnostic value, or both, and is  
14 regulated by the federal Food and Drug Administration.

15 "Mobile communications technology" means a technology  
16 involving the functionality and reliability of transmission of voice  
17 and multimedia data using a communication infrastructure via a  
18 computer or a mobile device, that shall include but shall not be  
19 limited to smartphones, electronic books and tablets, mp3 players,  
20 motor vehicle electronics, home entertainment systems, and other  
21 wireless appliances, without having connected to any physical or  
22 fixed link.

23 "New Jersey emerging technology business" means a company  
24 'with fewer than 225 employees, of whom at least 75 percent are  
25 filling a position in New Jersey, that is' doing business, employing  
26 or owning capital or property, or maintaining an office '[, ]' in this  
27 State '[that] and: (1)' has qualified research expenses paid or  
28 incurred for research conducted in this State '[or]; (2)' conducts  
29 pilot scale manufacturing in this State '[, and has fewer than 225  
30 employees, of whom at least 75 percent are filling a position in New  
31 Jersey] ; or (3) conducts technology commercialization in this State  
32 in the fields of advanced computing, advanced materials,  
33 biotechnology, electronic device technology, information  
34 technology, life sciences, medical device technology, mobile  
35 communications technology, or renewable energy technology'.

36 "Partnership" means a syndicate, group, pool, joint venture or  
37 other unincorporated organization through or by means of which  
38 any business, financial operation or venture is carried on, and which  
39 is not a trust or estate, a corporation or a sole proprietorship.

40 "Pilot scale manufacturing" means design, construction, and  
41 testing of preproduction prototypes and models in the fields of  
42 advanced computing, advanced materials, biotechnology, electronic  
43 device technology, information technology, life sciences, medical  
44 device technology, mobile communications technology, or  
45 renewable energy technology, other than for commercial sale,  
46 excluding sales of prototypes or sales for market testing if total  
47 gross receipts, as calculated in the manner provided in section 6 of

1 P.L.1945, c.162 (C.54:10A-6), from such sales of the product,  
2 service or process do not exceed \$1,000,000.

3 "Qualified investment" means the non-refundable transfer of  
4 cash to a New Jersey emerging technology business by a taxpayer  
5 that is not a related person of the New Jersey emerging technology  
6 business, the transfer of which is in connection with either (1) a  
7 transaction in exchange for stock, interests in partnerships or joint  
8 ventures, licenses (exclusive or non-exclusive), rights to use  
9 technology, marketing rights, warrants, options or any items similar  
10 to those included herein, including but not limited to options or  
11 rights to acquire any of the items included herein; or (2) a purchase,  
12 production, or research agreement.

13 "Qualified research expenses" means qualified research expenses  
14 as defined in section 41 of the federal Internal Revenue Code of  
15 1986 (26 U.S.C. s.41), as in effect on June 30, 1992, in the fields of  
16 advanced computing, advanced materials, biotechnology, electronic  
17 device technology, information technology, life sciences, medical  
18 device technology, mobile communications technology, or  
19 renewable energy technology.

20 "Related person" means:

- 21 a. a corporation, partnership, association or trust controlled by  
22 the taxpayer;
- 23 b. an individual, corporation, partnership, association or trust  
24 that is in the control of the taxpayer;
- 25 c. a corporation, partnership, association or trust controlled by  
26 an individual, corporation, partnership, association or trust that is in  
27 the control of the taxpayer; or
- 28 d. a member of the same controlled group as the taxpayer.

29 "Renewable energy technology" means a technology involving  
30 the generation of electricity from solar energy; wind energy; wave  
31 or tidal action; geothermal energy; the combustion of gas from the  
32 anaerobic digestion of food waste and sewage sludge at a biomass  
33 generating facility; the combustion of methane gas captured from a  
34 landfill; and a fuel cell powered by methanol, ethanol, landfill gas,  
35 digester gas, biomass gas, or other renewable fuel but not powered  
36 by a fossil fuel.

37

38 5. This act shall take effect immediately and section 3 shall  
39 apply to privilege periods beginning on or after January 1, '[2011]  
40 2012<sup>1</sup> and section 4 shall apply to taxable years beginning on or  
41 after January 1, '[2011] 2012<sup>1</sup>.