

ASSEMBLY, No. 3537

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Creates “New Jersey Life Sciences Internship Challenge Program.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT creating the “New Jersey Life Sciences Internship
2 Challenge Program” and supplementing various parts of the
3 statutory law.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. This act shall be known and may be cited as the “New Jersey
9 Life Sciences Internship Challenge Act.”

10
11 2. As used in P.L. , c. (C.) (pending before the
12 Legislature as this bill):

13 “Academic year” means the period between September 1 and
14 August 31 of each year.

15 “Authority” means the New Jersey Economic Development
16 Authority.

17 “Life sciences company” or “company” means any company
18 engaged in pharmaceutical or biotechnology research.

19 “Program” means the “New Jersey Life Sciences Internship
20 Challenge Program” established pursuant to P.L. , c. (C.)
21 (pending before the Legislature as this bill).

22 “Subsidy” means a tax credit awarded by the authority for wages
23 paid to summer interns pursuant to the conditions set forth in
24 P.L. , c. (C.) (pending before the Legislature as this bill).

25
26 3. There is established within the New Jersey Economic
27 Development Authority a “New Jersey Life Sciences Internship
28 Challenge Program.” The program shall provide a limited number
29 of State subsidized summer internships for eligible students
30 working at a life sciences company.

31
32 4. a. The authority shall establish the total number of summer
33 internships that shall be eligible to receive a subsidy by September
34 1 of each academic year following the date of enactment.

35 b. The authority shall provide a subsidy for no more than 150
36 internships for each academic year.

37 c. After the authority has established and published on its
38 website the number of internships that will be subsidized for that
39 academic year, it shall begin to accept student internship
40 applications.

41
42 5. a. In order to be eligible to participate in the program as an
43 intern, an individual shall:

44 (1) be a resident of New Jersey or be a full-time student at a
45 college or university located within New Jersey; and

46 (2) have completed at least two full-time academic years at a
47 college or university, or its equivalent in part time credits.

1 b. Individuals who received a bachelor's degree more than one
2 calendar year before the start date of the internship shall not be
3 eligible.

4
5 6. a. The authority shall create a password protected database
6 of internship applicants that can be accessed via the Internet. The
7 database shall allow a user to review basic biographical information
8 about each internship applicant and the applicant's full resume.

9 b. The authority may contract with a public or private entity for
10 the purpose of developing, administering, and maintaining the
11 database. The contract shall specify the duties and responsibilities
12 of the entity with respect to the development, administration, and
13 maintenance of the database. The authority shall monitor the work
14 of the entity to ensure that the database is developed, administered,
15 and maintained pursuant to the requirements of this section.

16 c. The authority shall list in the database all applicants who
17 meet the internship eligibility criteria set forth in section 5 of
18 P.L. , c. (C.) (pending before the Legislature as this bill)
19 and submit all of the documentation required by the authority for
20 acceptance into the program.

21 d. Prior to accepting applicants and listing them in the database
22 pursuant to subsection c. of this section, the authority shall clear the
23 database from the previous years' applicants.

24 e. Nothing in P.L. , c. (C.) (pending before the
25 Legislature as this bill) shall be construed as restricting a company
26 that is furnished a user name and password by the authority from
27 utilizing the database to hire an intern for the fall or spring
28 semester, however only summer internships shall be eligible for a
29 subsidy.

30
31 7. a. In order to be furnished a user name and password to
32 access the database of internship applicants, a company shall:

33 (1) be considered a life sciences company under the definition
34 set forth in section 2 of P.L. , c. (C.) (pending before the
35 Legislature as this bill);

36 (2) have a research laboratory within New Jersey; and

37 (3) commit to providing all interns hired through the program
38 with a substantive educational experience.

39 b. Prior to providing a company with a user name and
40 password to access the database of internship applicants, the
41 authority shall require the company to provide documentation
42 demonstrating:

43 (1) that the company is in compliance with all of the
44 requirements in subsection a. of this section;

45 (2) the total number of individuals employed by the company;
46 and

47 (3) the location of the company's principal place of business.

1 c. Upon receipt of the documentation required pursuant to
2 subsection b. of this section, the authority shall determine if the
3 company is eligible to receive access to the database of internship
4 applicants and furnish eligible companies with a unique user name
5 and password.

6
7 8. a. Once a company has received a user name and password,
8 reviewed the database, interviewed potential candidates and hired
9 an intern, the company shall inform the authority, in writing, which
10 internship applicant it has hired and the intern's agreed upon work
11 schedule and wages. The authority shall then inform the company,
12 in writing, if it has been awarded a subsidy under the program.

13 b. The authority shall award internship subsidies to eligible
14 companies on a first come, first serve basis, based upon the date the
15 authority receives written confirmation that the companies have
16 hired an intern under the program until all available internship
17 subsidies for that academic year are exhausted. The authority may
18 elect to establish a waiting list for eligible companies to receive a
19 subsidy.

20 c. In order to be eligible to receive a subsidy for an intern hired
21 under the program, a company shall:

22 (1) conform to all of the requirements of subsection a. of section
23 7 of P.L. , c. (C.) (pending before the Legislature as this
24 bill);

25 (2) have its principal place of businesses located within New
26 Jersey;

27 (3) have fewer than 100 total employees; and

28 (4) submit all of the documentation required by the authority to
29 receive a subsidy under the program.

30 d. A company shall not be eligible to receive a subsidy for
31 more than two internships during one academic year.

32 e. A company shall not be eligible to receive a subsidy for an
33 intern that was employed by the company in the six months
34 immediately preceding the commencement of the internship.

35 f. A company shall not be eligible to receive a subsidy for
36 wages paid to an intern prior to the 20th of May of each academic
37 year.

38
39 9. a. If a company was awarded a subsidy for an intern hired
40 through the program, at the termination of the internship the
41 company shall submit all of the documentation required by the
42 authority, including, but not limited to, a copy of all of the intern's
43 signed time sheets and pay stubs, in order to receive a written
44 certification pursuant to subsection b. of this section.

45 b. Companies eligible to receive a subsidy shall be furnished
46 with a written certification by the authority setting forth the amount
47 of the credit, which shall be determined by the following formula:

48 (1) the hourly wage paid to the intern or \$15, whichever is less;

1 (2) multiplied by the number of hours worked by the intern
2 during the first 12 weeks of the internship, provided that the hours
3 worked beyond the first 20 in any week shall not count towards this
4 calculation.

5
6 10. a. For privilege periods commencing on or after January 1
7 next following the date of enactment of P.L. , c. (C.) (pending
8 before the Legislature as this bill), a taxpayer shall be allowed a
9 credit against the tax imposed pursuant to section 5 of P.L.1945,
10 c.162 (C.54:10A-5), in an amount equal to the amount certified in
11 writing by the authority under subsection b. of section 9 of
12 P.L. , c. (C.) (pending before the Legislature as this bill).

13 b. A taxpayer that receives a certification pursuant to
14 subsection b. of section 9 of P.L. , c. (C.) (pending before the
15 Legislature as this bill) shall file, with the taxpayer's tax return, a
16 copy of that certification.

17 c. (1) The Director of the Division of Taxation is authorized
18 to adopt such rules and regulations that the director determines are
19 necessary to administer this section, including, but not limited to,
20 establishing any additional forms and requiring any additional
21 documentation as may be necessary for the efficient administration
22 of the provisions of this section.

23 (2) The order of priority of the application of the credit allowed
24 under this section and any other credit allowed by law shall be as
25 prescribed by the director. The amount of the credit applied under
26 this section against the tax imposed pursuant to section 5 of
27 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
28 any other credits allowed against the tax imposed pursuant to
29 section 5 of P.L.1945, c.162, (C.54:10A-5) shall not exceed 50
30 percent of the tax liability otherwise due and shall not reduce the
31 tax liability to an amount less than the statutory minimum provided
32 in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5). An
33 unused credit resulting from the limitations of this paragraph may
34 be carried forward, if necessary, for use in the seven privilege
35 periods following the privilege period for which the credit is
36 allowed.

37
38 11. a. For taxable years commencing on or after January 1
39 next following the date of enactment of P.L. , c. (C.)
40 (pending before the Legislature as this bill), a taxpayer operating a
41 business as a sole proprietor or through a partnership shall be
42 allowed a credit against the tax otherwise due pursuant to the "New
43 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount
44 equal to the amount certified in writing by the authority under
45 subsection b. of section 9 of P.L. , c. (C.) (pending before
46 the Legislature as this bill).

47 b. A taxpayer having received a certification pursuant to
48 subsection b. of section 9 of P.L. , c. (C.) (pending before

1 the Legislature as this bill) shall file with their return a copy of that
2 certification.

3 c. The Director of the Division of Taxation is authorized to
4 adopt such rules and regulations that the director determines are
5 necessary to administer this section, including, but not limited to,
6 establishing any additional forms and requiring any additional
7 documentation as may be necessary for the efficient administration
8 of the provisions of this section.

9
10 12. This act shall take effect on August 1 next following the date
11 of enactment, but the Chief Executive Officer of the New Jersey
12 Economic Development Authority and the Director of the Division
13 of Taxation may take such anticipatory administrative action in
14 advance thereof as shall be necessary for the implementation of this
15 act.

16

17

18

STATEMENT

19

20 This bill creates the “New Jersey Life Sciences Internship
21 Challenge Program” (program) to provide tax credits to certain
22 companies that have summer interns in the life sciences field.

23 Under the program, a life science company that has a research
24 laboratory within New Jersey may hire summer interns through the
25 program, but only a company that has its principal place of business
26 in the State and has fewer than 100 employees is eligible to receive
27 a tax credit. The bill directs the New Jersey Economic
28 Development Authority to administer the program and set the
29 number of internships that will be subsidized each year, which may
30 be up to 150. The amount of the tax credit is to be equal to wages
31 paid to the intern. However, at most \$15 per hour and 20 hours per
32 week for 12 weeks will be subsidized per intern.