

[First Reprint]  
ASSEMBLY, No. 2001

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1996

By Assemblymen COHEN and IMPREVEDUTO

1 AN ACT extending for certain taxpayers the carryforward of the  
2 research and development tax credit against the corporation  
3 business tax, and supplementing P.L.1993, c.175 (C.54:10A-5.24).

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

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8 1. <sup>1</sup>a.<sup>1</sup> Notwithstanding the provisions of subsection b. of section  
9 1 of P.L.1993, c.175 (C.54:10A-5.24) to the contrary, a taxpayer that  
10 has been allowed a credit pursuant to that section for the fiscal or  
11 calendar accounting period (referred to hereafter as the "tax year") in  
12 which the qualified research <sup>1</sup>[payments] expenses<sup>1</sup> have been  
13 incurred <sup>1</sup>, and basic research payments have been made, for research  
14 conducted<sup>1</sup> in this State in the fields of advanced computing, advanced  
15 materials, biotechnology, electronic device technology, environmental  
16 technology, and medical device technology, shall be allowed to carry  
17 over the amount of the tax year credit which cannot be applied for the  
18 tax year to each of the 15 tax years following the credit's tax year.

19 <sup>1</sup>b.<sup>1</sup> As used in this section:

20 "Advanced computing" means a technology used in the designing  
21 and developing <sup>1</sup>of computing hardware and software, including<sup>1</sup>  
22 innovations in designing the full spectrum of hardware from hand-held  
23 calculators to super computers, and peripheral equipment;

24 "Advanced materials" means materials with engineered properties  
25 created through the development of specialized processing and  
26 synthesis technology, including ceramics, high value-added metals,  
27 electronic materials, composites, polymers, and biomaterials;

28 "Biotechnology" means the continually expanding body of  
29 fundamental knowledge about the functioning of <sup>1</sup>[biotechnology]  
30 biological<sup>1</sup> systems from the macro level to the molecular and sub-  
31 atomic levels, as well as novel products, services, technologies and

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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> Assembly AAP committee amendments adopted November 6, 1997.

1 sub-technologies developed as a result of insights gained from research  
2 advances which add to that body of fundamental knowledge;

3 "Electronic device technology" means a technology involving  
4 microelectronics, semiconductors, electronic equipment, and  
5 instrumentation, radio frequency, microwave, and millimeter  
6 electronics, and optical and optic-electrical devices, or data and digital  
7 communications and imaging devices;

8 "Environmental technology" means assessment and prevention of  
9 threats or damage to human health or the environment, environmental  
10 cleanup, or the development of alternative energy sources; and

11 "Medical device technology" means a technology involving any  
12 medical equipment or product (other than a pharmaceutical product)  
13 that has therapeutic value, diagnostic value, or both, and is regulated  
14 by the federal Food and Drug Administration.

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16 2. This act shall take effect immediately and section 1 shall apply  
17 to tax years beginning on or after January 1 next following enactment.

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22 Provides 15 year carryforward of research and development tax credit  
23 under the corporation business tax for certain high-technology  
24 companies.