

P.L. 1997, CHAPTER 351, *approved January 15, 1998*  
Senate, No. 449 (*Second Reprint*)

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 <sup>1</sup>[P.L.1983]P.L.1993<sup>1</sup>, c.175  
4 (C.54:10A-5.24).  
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:  
8

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

20 b. As used in this section:

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

25 "Advanced materials" means materials with engineered properties  
26 created through the development of specialized processing and  
27 synthesis technology, including ceramics, high value-added metals,  
28 electronic materials, composites, polymers, and biomaterials<sup>1</sup>[.]:<sup>1</sup>

29 "Biotechnology" means the continually expanding body of  
30 fundamental knowledge about the functioning of

**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> Senate SNR committee amendments adopted May 9, 1996.

<sup>2</sup> Senate amendments adopted in accordance with Governor's recommendations January 12, 1998.

1 <sup>1</sup>[biotechnology]biological<sup>1</sup> systems from the macro level to the  
2 molecular and sub-atomic levels, as well as novel products, services,  
3 technologies and sub-technologies developed as a result of insights  
4 gained from research advances which add to that body of fundamental  
5 knowledge;

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

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

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

18

19 2. This act shall take effect immediately <sup>2</sup>[and section 1 shall apply  
20 to tax years beginning on or after January 1 next following enactment]  
21 but shall apply only to qualified research expenses incurred and basic  
22 research payments made during privilege periods which begin on or  
23 after July 1, 1998, but no later than June 30, 2001<sup>2</sup>.

24

25

26

27

28 Provides 15 year carryforward of research and development tax credit  
29 under the corporation business tax for certain high-technology  
30 companies.