

CHAPTER 351

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

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

C.54:10A-5.24b Carryover of R & D tax credit for certain taxpayers.

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

b. As used in this section:

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

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

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

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

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

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

2. This act shall take effect immediately but shall apply only to qualified research expenses incurred and basic research payments made during privilege periods which begin on or after July 1, 1998, but no later than June 30, 2001.

Approved January 15, 1998.