

[First Reprint]

SENATE, No. 158

STATE OF NEW JERSEY
217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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District 4 (Camden and Gloucester)

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

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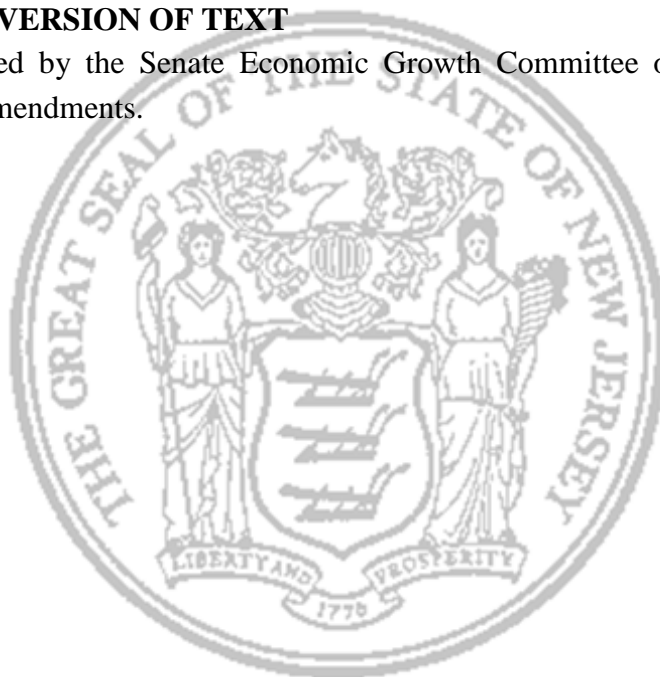
Senator Sarlo

SYNOPSIS

Permits holding companies of eligible New Jersey emerging technology companies to receive investments under “New Jersey Angel Investor Tax Credit Act.”

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth Committee on February 8, 2016, with amendments.



(Sponsorship Updated As Of: 3/11/2016)

1 AN ACT concerning eligible investments under the “New Jersey
2 Angel Investor Tax Credit Act,” and amending P.L.1997,
3 c.349 and P.L.2013, c.14.

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

7
8 1. Section 2 of P.L.1997, c.349 (C.54:10A-5.29) is amended to
9 read as follows:

10 2. As used in **[this act]** sections 1 through 3 of P.L.1997, c.349
11 (C.54:10A-5.28 through C.54:10A-5.30):

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

17 "Advanced materials" means materials with engineered
18 properties created through the development of specialized
19 processing and synthesis technology, including ceramics, high
20 value-added metals, electronic materials, composites, polymers, and
21 biomaterials. "Biotechnology" means the continually expanding
22 body of fundamental knowledge about the functioning of biological
23 systems from the macro level to the molecular and sub-atomic
24 levels, as well as novel products, services, technologies ^{1,1} and sub-
25 technologies developed as a result of insights gained from research
26 advances which add to that body of fundamental knowledge.

27 ¹“Carbon footprint reduction technology” means a technology
28 using equipment for the commercial, institutional, and industrial
29 sectors that: increases energy efficiency; develops and delivers
30 renewable or non-carbon-emitting energy technologies; develops
31 innovative carbon emissions abatement with significant carbon
32 emissions reduction potential; or promotes measurable electricity
33 end-use energy efficiency.¹

34 "Control" with respect to a corporation means ownership,
35 directly or indirectly, of stock possessing **[80%]** 80 percent or more
36 of the total combined voting power of all classes of the stock of the
37 corporation entitled to vote; and "control" with respect to a trust
38 means ownership, directly or indirectly, of **[80%]** 80 percent or
39 more of the beneficial interest in the principal or income of the
40 trust. The ownership of stock in a corporation, of a capital or
41 profits interest in a partnership or association or of a beneficial
42 interest in a trust shall be determined in accordance with the rules
43 for constructive ownership of stock provided in subsection (c) of
44 section 267 of the federal Internal Revenue Code of 1986 (26

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:

¹Senate SEG committee amendments adopted February 8, 2016.

1 U.S.C. s.267), other than paragraph (3) of subsection (c) of that
2 section.

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

11 "Director" means the Director of the Division of Taxation in the
12 Department of the Treasury.

13 "Electronic device technology" means a technology involving
14 microelectronics, semiconductors, electronic equipment **'[.]'** and
15 instrumentation, radio frequency, microwave **'[.]'** and millimeter
16 electronics, and optical and optic-electrical devices, or data and
17 digital communications and imaging devices.

18 "Information technology" means software publishing, motion
19 picture and video production, television production and post-
20 production services, telecommunications, data processing, hosting
21 and related services, custom computer programming services,
22 computer system design, computer facilities management services,
23 other computer related services, and computer training.

24 "Life sciences" means the production of medical equipment,
25 ophthalmic goods, medical or dental instruments, diagnostic
26 substances, biopharmaceutical products **'[;].'** or physical and
27 biological research.

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

32 "Mobile communications technology" means a technology
33 involving the functionality and reliability of **'the'** transmission of
34 voice and multimedia data using a communication infrastructure via
35 a computer or a mobile device, that shall include **'.'** but **'[shall]'**
36 not be limited to **'.'** smartphones, electronic books and tablets,
37 **'[mp3]** digital audio players, motor vehicle electronics, home
38 entertainment systems, and other wireless appliances, without
39 having connected to any physical or fixed link.

40 "New Jersey emerging technology business" means a company
41 with fewer than 225 employees, of whom at least 75 percent are
42 filling a position in New Jersey, that is doing business, employing
43 or owning capital or property, or maintaining an office in this State
44 and: **[(1)]** has qualified research expenses paid or incurred for
45 research conducted in this State; **[(2)]** conducts pilot scale
46 manufacturing in this State; or **[(3)]** conducts technology
47 commercialization in this State in the fields of advanced computing,

1 advanced materials, biotechnology, ¹carbon footprint reduction
2 technology,¹ electronic device technology, information technology,
3 life sciences, medical device technology, mobile communications
4 technology, or renewable energy technology.

5 “New Jersey emerging technology business holding company”
6 means any corporation, association, firm, partnership, trust, or other
7 form of business organization, but not a natural person, which
8 directly or indirectly, owns, has the power or right to control, or has
9 the power to vote, a controlling share of the outstanding voting
10 securities of a corporation or other form of a New Jersey emerging
11 technology business.

12 "Partnership" means a syndicate, group, pool, joint venture,₂ or
13 other unincorporated organization through or by means of which
14 any business, financial operation,₂ or venture is carried on, and
15 which is not a trust or estate, a corporation,₂ or a sole proprietorship.

16 "Pilot scale manufacturing" means the design, construction, and
17 testing of preproduction prototypes and models in the fields of
18 advanced computing, advanced materials, biotechnology, ¹carbon
19 footprint reduction technology¹ electronic device technology,
20 information technology, life sciences, medical device technology,
21 mobile communications technology, and renewable energy
22 technology, other than for commercial sale, excluding sales of
23 prototypes or sales for market testing if the total gross receipts, as
24 calculated in the manner provided in section 6 of P.L.1945, c.162
25 (C.54:10A-6), from **【such】** the sales of the product, service,₂ or
26 process do not exceed \$1,000,000.

27 "Qualified investment" means the non-refundable transfer of
28 cash to a New Jersey emerging technology business by a taxpayer
29 that is not a related person of the New Jersey emerging technology
30 business, the transfer of which is in connection with either **【(1)】**: a
31 transaction in exchange for stock, interests in partnerships or joint
32 ventures, licenses (exclusive or non-exclusive), rights to use
33 technology, marketing rights, warrants, options ^{1,1} or any items
34 similar to those included herein, including₂ but not limited to₂
35 options or rights to acquire any of the items included herein; or
36 **【(2)】** a purchase, production, or research agreement.

37 "Qualified research expenses" means qualified research expenses
38 ^{1,1} as defined in section 41 of the federal Internal Revenue Code of
39 1986 (26 U.S.C. s.41), as in effect on June 30, 1992, in the fields of
40 advanced computing, advanced materials, biotechnology, ¹carbon
41 footprint reduction technology¹ electronic device technology,
42 information technology, life sciences, medical device technology,
43 mobile communications technology, or renewable energy
44 technology.

45 "Related person" means:

46 **【a.】** a corporation, partnership, association or trust controlled by
47 the taxpayer;

1 **[b.]** an individual, corporation, partnership, association or trust
2 that is in the control of the taxpayer;

3 **[c.]** a corporation, partnership, association or trust controlled by
4 an individual, corporation, partnership, association or trust that is in
5 the control of the taxpayer; or

6 **[d.]** a member of the same controlled group as the taxpayer.

7 "Renewable energy technology" means a technology involving
8 the generation of electricity from solar energy; wind energy; wave
9 or tidal action; geothermal energy; the combustion of gas from the
10 anaerobic digestion of food waste and sewage sludge at a biomass
11 generating facility; the combustion of methane gas captured from a
12 landfill; and a fuel cell powered by methanol, ethanol, landfill gas,
13 digester gas, biomass gas, or other renewable fuel but not powered
14 by a fossil fuel.

15 "Tax year" means the fiscal or calendar accounting period of a
16 taxpayer.

17 "Verified transfer of funds" means a non-refundable transfer of
18 funds that is accompanied by documentation, as required by the
19 New Jersey Economic Development Authority, which provides
20 proof of a cash transaction originating with a taxpayer and
21 concluding with a New Jersey emerging technology business,
22 provided that the transactions from origin to destination occur
23 within the same privilege period.

24 (cf: P.L.2013, c.14, s.2)

25

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

28 3. a. A taxpayer, upon approval of the taxpayer's application
29 therefor by the New Jersey Economic Development Authority and
30 in consultation with the director, shall be allowed a credit against
31 the tax imposed pursuant to section 5 of P.L.1945, c.162
32 (C.54:10A-5), in an amount equal to **[10%]** 10 percent of the
33 qualified investment made by the taxpayer in a New Jersey
34 emerging technology business, or a New Jersey emerging
35 technology business holding company that makes a verified transfer
36 of funds to the New Jersey emerging technology business up to a
37 maximum allowed credit of \$500,000 for the tax year for each
38 qualified investment made by the taxpayer.

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

43 Notwithstanding any other provision of law, the order of priority
44 in which the credit allowed by this section and any other credits
45 allowed by law may be taken shall be as prescribed by the director.

46 c. Except as provided in subsection d. of this section, the
47 amount of tax year credit otherwise allowable under this section
48 which cannot be applied for the tax year against tax liability

1 otherwise due for that tax year may either be carried over, if
2 necessary, to the 15 tax years following the tax year for which the
3 credit was allowed or, at the election of the taxpayer, be claimed as
4 and treated as an overpayment for the purposes of R.S.54:49-15,
5 provided, however, that section 7 of P.L.1992, c.175 (C.54:49-15.1)
6 shall not apply.

7 d. A taxpayer may not carry over any amount of credit allowed
8 under subsection a. of this section to a tax year during which a
9 corporate acquisition with respect to which the taxpayer was a
10 target corporation occurred or during which the taxpayer was a
11 party to a merger or a consolidation, or to any subsequent tax year,
12 if the credit was allowed for a tax year prior to the year of
13 acquisition, merger or consolidation, except that if in the case of a
14 corporate merger or corporate consolidation the taxpayer can
15 demonstrate, through the submission of a copy of the plan of merger
16 or consolidation and such other evidence as may be required by the
17 director, the identity of the constituent corporation which was the
18 acquiring person, a credit allowed to the acquiring person may be
19 carried over by the taxpayer. As used in this subsection, "acquiring
20 person" means the constituent corporation the stockholders of
21 which own the largest proportion of the total voting power in the
22 surviving or consolidated corporation after the merger or
23 consolidation.

24 e. The Executive Director of the New Jersey Economic
25 Development Authority, in consultation with the director, shall
26 adopt ¹~~["rules in accordance with"], pursuant to~~ the "Administrative
27 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) ¹~~["as"], rules~~
28 and regulations that¹ are necessary to implement sections 1 through
29 3 of P.L.1997, c.349 (C.54:10A-5.28 through C.54:10A-5.30) and
30 section 4 of P.L.2013, c.14 (C.54A:4-13), including ¹₁ but not
31 limited to: examples of and the determination of qualified
32 investments of which applicants ¹~~["must"] shall~~¹ provide
33 documentation with their tax credit application; the promulgation of
34 procedures and forms necessary to apply for a credit; and provisions
35 for credit applicants to be charged an initial application fee ¹~~[","]~~¹
36 and ongoing service fees ¹~~[","]~~¹ to cover the administrative costs
37 related to the credit.

38 The amount of credits approved by the Executive Director of the
39 New Jersey Economic Development Authority, and in consultation
40 with the director, pursuant to subsection a. of this section and
41 pursuant to section 4 of P.L.2013, c.14 (C.54A:4-13) ¹₁ shall not
42 exceed a cumulative total of \$25,000,000 in any calendar year to
43 apply against the tax imposed pursuant to section 5 of P.L.1945,
44 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New
45 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the
46 cumulative amount of credits allowed to taxpayers in a calendar
47 year exceeds the amount of credits available in that year, then

1 taxpayers who have first applied for and have not been allowed a
2 credit amount for that reason shall be allowed, in the order in which
3 they have submitted an application, the amount of the tax credit on
4 the first day of the next succeeding calendar year in which tax
5 credits under this section and section 4 of P.L.2013, c.14 (C.54A:4-
6 13) are not in excess of the amount of credits available.
7 (cf: P.L.2013, c.14, s.3)

8
9 3. Section 4 of P.L.2013, c.14 (C.54A:4-13) is amended to read
10 as follows:

11 4. a. A taxpayer, upon approval of the taxpayer's application
12 therefor by the New Jersey Economic Development Authority, and
13 in consultation with the director, shall be allowed a credit against
14 the tax otherwise due for the taxable year under the "New Jersey
15 Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal
16 to 10 percent of the qualified investment made by the taxpayer in a
17 New Jersey emerging technology business, or a New Jersey
18 emerging technology business holding company that makes a
19 verified transfer of funds to the New Jersey emerging technology
20 business, up to a maximum allowed credit of \$500,000 for the
21 taxable year for each qualified investment made by the taxpayer.

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

29 c. (1) A partnership shall not be allowed a credit under this
30 section directly, but the amount of credit of a taxpayer in respect of
31 a distributive share of partnership income under the "New Jersey
32 Gross Income Tax Act," N.J.S.54A:1-1 et seq., shall be determined
33 by allocating to the taxpayer that proportion of the credit acquired
34 by the partnership that is equal to the taxpayer's share, whether or
35 not distributed, of the total distributive income or gain of the
36 partnership for its taxable year ending within or with the taxpayer's
37 taxable year. For the purposes of subsection b. of this section, the
38 amount of tax liability that would be otherwise due of a taxpayer is
39 that proportion of the total liability of the taxpayer that the
40 taxpayer's share of the partnership income or gain included in gross
41 income bears to the total gross income of the taxpayer.

42 (2) The credit for a corporation that has made a valid election as
43 a New Jersey S corporation pursuant to section 3 of P.L.1993, c.173
44 (C.54:10A-5.22) may be applied by the shareholders of the S
45 corporation against the tax liability otherwise due under the "New
46 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., provided that
47 the amount of credit that may be used by a shareholder of the S
48 corporation shall be determined by allocating to each shareholder of

1 the S corporation that proportion of the tax credit of the S
2 corporation that is equal to the shareholder's proportionate share of
3 the S corporation, whether or not distributed, of the total
4 distributive income or gain of the S corporation for its tax period
5 ending with or within the shareholder's tax period, and the credit
6 may be applied by the shareholders against the tax liability
7 otherwise due pursuant to the "New Jersey Gross Income Tax Act,"
8 N.J.S.54A:1-1 et seq.

9 d. The Executive Director of the New Jersey Economic
10 Development Authority, in consultation with the director, shall
11 adopt ¹**[rules in accordance with]**, pursuant to¹ the "Administrative
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) ¹**[as]**, rules
13 and regulations that¹ are necessary to implement sections 1 through
14 3 of P.L.1997, c.349 (C.54:10A-5.28 through C.54:10A-5.30) and
15 this section, including ¹,¹ but not limited to: examples of and the
16 determination of qualified investments of which applicants ¹**[must]**
17 shall¹ provide documentation with their tax credit application; the
18 promulgation of procedures and forms necessary to apply for a
19 credit; and provisions for credit applicants to be charged an initial
20 application fee ¹**[,]**¹ and ongoing service fees ¹**[,]**¹ to cover the
21 administrative costs related to the credit.

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

39 e. As used in this section:

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

45 "Advanced materials" means materials with engineered
46 properties created through the development of specialized
47 processing and synthesis technology, including ceramics, high

1 value-added metals, electronic materials, composites, polymers, and
2 biomaterials.

3 "Biotechnology" means the continually expanding body of
4 fundamental knowledge about the functioning of biological systems
5 from the macro level to the molecular and sub-atomic levels, as
6 well as novel products, services, technologies ^{1,1} and sub-
7 technologies developed as a result of insights gained from research
8 advances which add to that body of fundamental knowledge.

9 ¹"Carbon footprint reduction technology" means a technology
10 using equipment for the commercial, institutional, and industrial
11 sectors that: increases energy efficiency; develops and delivers
12 renewable or non-carbon-emitting energy technologies; develops
13 innovative carbon emissions abatement with significant carbon
14 emissions reduction potential; or promotes measurable electricity
15 end-use energy efficiency.¹

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

28 "Controlled group" means one or more chains of corporations
29 connected through stock ownership with a common parent
30 corporation if stock possessing at least 80 percent of the voting
31 power of all classes of stock of each of the corporations is owned
32 directly or indirectly by one or more of the corporations and the
33 common parent owns directly stock possessing at least 80 percent of
34 the voting power of all classes of stock of at least one of the other
35 corporations.

36 "Director" means the Director of the Division of Taxation in the
37 Department of the Treasury.

38 "Electronic device technology" means a technology involving
39 microelectronics, semiconductors, electronic equipment ^{1[,]} and
40 instrumentation, radio frequency, microwave ^{1[,]} and millimeter
41 electronics, and optical and optic-electrical devices, or data and
42 digital communications and imaging devices.

43 "Information technology" means software publishing, motion
44 picture and video production, television production and post-
45 production services, telecommunications, data processing, hosting
46 and related services, custom computer programming services,

1 computer system design, computer facilities management services,
2 other computer related services, and computer training.

3 "Life sciences" means the production of medical equipment,
4 ophthalmic goods, medical or dental instruments, diagnostic
5 substances, biopharmaceutical products ¹[";"]¹ or physical and
6 biological research.

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

11 "Mobile communications technology" means a technology
12 involving the functionality and reliability of ¹the¹ transmission of
13 voice and multimedia data using a communication infrastructure via
14 a computer or a mobile device, that shall include ¹,¹ but ¹["shall"]¹
15 not be limited to ¹,¹ smartphones, electronic books and tablets,
16 ¹["mp3"] digital audio¹ players, motor vehicle electronics, home
17 entertainment systems, and other wireless appliances, without
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19 "New Jersey emerging technology business" means a company
20 with fewer than 225 employees, of whom at least 75 percent are
21 filling a position in New Jersey, that is doing business, employing
22 or owning capital or property, or maintaining an office in this State
23 and: **[(1)]** has qualified research expenses paid or incurred for
24 research conducted in this State; **[(2)]** conducts pilot scale
25 manufacturing in this State; or **[(3)]** conducts technology
26 commercialization in this State in the fields of advanced computing,
27 advanced materials, biotechnology, ¹carbon footprint reduction
28 technology,¹ electronic device technology, information technology,
29 life sciences, medical device technology, mobile communications
30 technology, or renewable energy technology.

31 "New Jersey emerging technology business holding company"
32 means any corporation, association, firm, partnership, trust or other
33 form of business organization, but not a natural person, which
34 directly or indirectly, owns, has the power or right to control, or has
35 the power to vote, a controlling share of the outstanding voting
36 securities of a corporation or other form of a New Jersey emerging
37 technology business.

38 "Partnership" means a syndicate, group, pool, joint venture,² or
39 other unincorporated organization through or by means of which
40 any business, financial operation,² or venture is carried on, and
41 which is not a trust or estate, a corporation,² or a sole proprietorship.

42 "Pilot scale manufacturing" means design, construction, and
43 testing of preproduction prototypes and models in the fields of
44 advanced computing, advanced materials, biotechnology, ¹carbon
45 footprint reduction technology¹ electronic device technology,
46 information technology, life sciences, medical device technology,
47 mobile communications technology, or renewable energy

1 technology, other than for commercial sale, excluding sales of
2 prototypes or sales for market testing if the total gross receipts, as
3 calculated in the manner provided in section 6 of P.L.1945, c.162
4 (C.54:10A-6), from **[such]** the sales of the product, service, or
5 process do not exceed \$1,000,000.

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

16 "Qualified research expenses" means qualified research expenses
17 ^{1,1} as defined in section 41 of the federal Internal Revenue Code of
18 1986 (26 U.S.C. s.41), as in effect on June 30, 1992, in the fields of
19 advanced computing, advanced materials, biotechnology, electronic
20 device technology, information technology, life sciences, medical
21 device technology, mobile communications technology, or
22 renewable energy technology.

23 "Related person" means:

24 **[a.]** a corporation, partnership, association or trust controlled by
25 the taxpayer;

26 **[b.]** an individual, corporation, partnership, association or trust
27 that is in the control of the taxpayer;

28 **[c.]** a corporation, partnership, association or trust controlled by
29 an individual, corporation, partnership, association or trust that is in
30 the control of the taxpayer; or

31 **[d.]** a member of the same controlled group as the taxpayer.

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

40 "Verified transfer of funds" means a non-refundable transfer of
41 funds that is accompanied by documentation, as required by the
42 New Jersey Economic Development Authority, which provides
43 proof of a cash transaction originating with a taxpayer and
44 concluding with a New Jersey emerging technology business,
45 provided that the transactions from origin to destination occur
46 within the same taxable year.

47 (cf: P.L.2013, c.14, s.4)

1 4. This act shall take effect immediately ¹~~and~~. Except as
2 applicable to a New Jersey emerging technology business that
3 conducts technology commercialization in this State in the field of
4 carbon footprint reduction technology,¹ section 2 shall be
5 retroactive to tax years beginning on or after January 1, 2012 and
6 section 3 shall be retroactive to taxable years beginning on or after
7 January 1, 2012.