# SENATE, No. 594

# STATE OF NEW JERSEY

## 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**
**Senator JAMES BEACH**
**District 6 (Burlington and Camden)**
**Senator LINDA R. GREENSTEIN**
**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Creates “New Jersey Life Sciences Internship Challenge” program.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.

**AN ACT** creating the "New Jersey Life Sciences Internship Challenge" program and supplementing various parts of the statutory law.

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

1. This act shall be known and may be cited as the "New Jersey Life Sciences Internship Challenge Act."

2. As used in this act:

"Academic year" means the period between September 1 and August 31 of each year.

"Authority" means the New Jersey Economic Development Authority.

"Life sciences company" or "company" means any company engaged in pharmaceutical or biotechnology research.

"Program" means the "New Jersey Life Sciences Internship Challenge" program established pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill).

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

3. There is established within the New Jersey Economic Development Authority a "New Jersey Life Sciences Internship Challenge" program. The program shall provide a limited number of State subsidized summer internships for eligible students working at a life sciences company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) have fewer than 100 total employees; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STATEMENT

This bill creates the "New Jersey Life Sciences Internship Challenge" program ("program") to provide tax credit subsidies to certain companies that have summer interns in the life sciences field.

Any life science company that has a research laboratory within New Jersey may hire summer interns through the program, but only companies that have their principal place of business in the State and have fewer than 100 employees are eligible to receive the tax credit subsidy. The bill directs the New Jersey Economic Development Authority to administer the program and set the number of internships that will be subsidized each year, which may be up to 150. The amount of the tax credit is to be equal to wages paid to the intern. However, at most $15 per hour and 20 hours per week for 12 weeks will be subsidized per intern.