

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1357

DATE: March 9, 2005

Version: As introduced

Authors: Peppin and others

Subject: Research credit and tax benefits for biotech and health sciences zones

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Overview

This bill increases the tax credit for research expenditures and provides tax benefits for businesses in biotechnology and health sciences zones.

Section

- 1** **Credit allowed.** Increases the corporate franchise tax credit for research expenditures from 5 percent of the first \$2,000,000 over the base amount and 2.5% of the amount in excess of \$2,000,000, to instead be a flat 6 percent of research expenditures over the base amount.
- 2** **Application for tax benefits.** Permits the commissioner of employment and economic development to issue certificates for tax credits and exemptions totaling \$2,000,000 in fiscal year 2006, with any amount of that authority unused carrying forward to fiscal 2007. These certificates provide businesses in designated biotechnology and health sciences zones with various kinds of tax credits and exemptions.