

Technology Commercialization Credit & Jobs Program

- I. **Technology** – Product or Intellectual property either:
 - a. Owned or research sponsored by regionally accredited college, technical school, or university in LA, or
 - b. Which significant development or enhancement occurred in LA
- II. **Eligibility Qualifications:**
 - a. Taxpayers who invests in commercialization can earn commercialization credits & job credits, or research centers that develop technology can earn job credits
 - b. **The taxpayer that created technology must be a LA business or the commercialization must occur at a LA business**
 - c. An eligibility application which must:
 - i. Be submitted and approved by LED prior to earning credits
 - ii. Describe technology to be research or enhanced
 - iii. Include agreement with LA regionally accredited college, technical school, university, or research company to commercial or research a technology
 - iv. List LA locations where technology was created or commercialized
 - v. Describe any new jobs created
 - d. Can qualify for 5 years with possible requalification for an additional 5 year period
- III. **Commercialization Credits**
 - a. 40% of \$250,000, or \$100,000
 - b. Can earn credits for maximum of 10 years per location
 - c. All credits are refundable against corporate, franchise, or income tax
 - d. Credits can be used up to the 21st year after the commercialization occurred
- IV. **Qualifications for commercialization credits for 5 years:**
 - a. Investment in commercialization costs **includes:**
 - i. Purchase or lease of machinery & equipment
 1. Must be a capital asset subject to depreciation under federal tax law,
 2. Placed into & maintained in service in LA,
 3. Directly related to the production of technology or used to produce resources essential to the production of the technology, and
 4. Must provide copy of invoice where purchased or lease/purchase agreement
 - ii. Expenditures associated with obtaining the rights to use or the use of technology
 1. Patents
 2. Copyrights
 3. Licensees
 - iii. Payments to LA universities for research agreements
 - iv. Payments to third party LA research or clinical trial companies
 - b. Agreement with a LA regionally accredited college, technical school, university, or research company to commercial or research a technology (i.e. license agreement from accredited school, research agreement, etc.),
 - c. An investment of no more than \$250,000 per year shall be eligible, and
 - d. Submit a tax credit application each year with a fee for \$250

- V. **Qualifications for commercialization credits for additional 5 years:**
 - a. Meet above qualifications (Section IV), and
 - b. Increase applicant's jobs in LA
- VI. **Job Credits**
 - a. Must be LA jobs
 - b. Can earn 6% of the gross payroll of new direct jobs verified by LED
 - c. Can earn credits for maximum of 10 years per location
 - d. Rebate by LDR
- VII. **Qualifications for job credits for 5 years:**
 - a. Must either:
 - i. Meet qualifications for commercialization credits (Section IV), or
 - ii. Be a nonprofit, or
 - iii. Governmental research center approved by LED
 - b. Must create a minimum of 5 new direct jobs in LA
 - i. Must be employed full time working 35 or more hours per week
 - ii. Can not previously be on the payroll of the employer or the employer's parent entity, subsidiary, or affiliate
 - iii. Job did not exist prior to the eligibility application or the before the research began
 - iv. Employee must be domiciled in the state of LA
 - c. Must offer a basic health benefits to new jobs that includes coverage for basic hospital care, coverage for physician care, and coverage for health care which shall be the same as that provided to executive, administrative, or professional employees
 - d. New jobs must pay an average minimum of \$50,000 in wages per year, excluding wages to person who owns more than 30% of the equity in the applicant.
 - e. Must submit ES4s and copy of healthcare policy with application and \$250 fee
- VIII. **Qualifications for Job Credits for additional 5 years**
 - a. Must meet above qualifications (Section VII),
 - b. Must be the years immediately succeeding first 5 years, and
 - c. Wages must be increased by 12%
- IX. **Not Eligible for the following credits or exemptions:**
 - a. New Jobs Credits
 - b. Quality Job Credits
 - c. Previously Unemployed Credits
 - d. Basic Skills Training Credits
 - e. Employee alcohol and substance abuse treatment programs credit
 - f. Enterprise Zone Credits
 - g. Eligible Re-entrants Credits
 - h. Neighborhood Assistance Credits