

## CHAPTER 20

**AN ACT** providing a temporary reduction of the annual cap imposed on the corporation business tax benefit certificate transfer program for certain technology and biotechnology companies and temporarily suspending certain tax credits for certain film and digital media content production expenses, supplementing P.L.1997, c.334 (C.34:1B-7.42a et al.) and P.L.2005, c.345 (C.54:10A-5.39 et al.)

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

C.34:1B-7.42c Authorization to approve certain transfers of tax benefits.

1. Notwithstanding the provisions of subsection b. of section 1 of P.L.1997, c.334 (C.34:1B-7.42a) or the provisions of any other law, rule, or regulation to the contrary, the authority shall be authorized to approve the transfer of no more than \$30,000,000 of tax benefits in State Fiscal Year 2011; provided however, that of the \$30,000,000 of transferable tax benefits authorized for State Fiscal Year 2011, \$5,000,000 shall be allocated by the authority for the surrender of transferable tax benefits exclusively by new or expanding emerging technology and biotechnology companies that operate within the boundaries of an innovation zone; provided further, that any portion of the \$5,000,000 that is not so approved by the authority shall be available in State Fiscal Year 2011 for the surrender of transferable tax benefits by new or expanding emerging technology and biotechnology companies that do not operate within the boundaries of an innovation zone.

C.54:10A-5.39a Certain tax credits prohibited.

2. Notwithstanding the provisions of subsection f. of section 1 of P.L.2005, c.345 (C.54:10A-5.39) or the provisions of any other law, rule, or regulation to the contrary, no credits, including tax credits allowed through the granting of tax credit transfer certificates, approved by the director and the authority pursuant to subsection a. of section 1 of P.L.2005, c.345 and pursuant to section 2 of P.L.2005, c.345 (C.54A:4-12) shall be allowed in State Fiscal Year 2011 to apply against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and no credits, including tax credits allowed through the granting of tax credit transfer certificates, approved by the director and the authority pursuant to subsection b. of section 1 of P.L.2005, c.345 (C.54:10A-5.39) shall be allowed in State Fiscal Year 2011 to apply against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5).

C.54A:4-12a Application of certain tax credits prohibited.

3. Notwithstanding the provisions of subsection f. of section 2 of P.L.2005, c.345 (C.54A:4-12) or the provisions of any other law, rule, or regulation to the contrary, no credits, including tax credits allowed through the granting of tax credit transfer certificates, approved by the director and the authority pursuant to subsection a. of section 2 of P.L.2005, c.345 and pursuant to section 1 of P.L.2005, c.345 (C.54A:4-12) shall be allowed in State Fiscal Year 2011 to apply against the tax imposed under N.J.S.54A:1-1 et seq. and the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5).

4. a. The State Treasurer shall prepare a report evaluating the effectiveness of: (1) the corporation business tax benefit certificate transfer program for new or expanding emerging technology and biotechnology companies established pursuant to P.L.1997, c.334 (C.34:1B-7.42a et al.), (2) the corporation business tax and gross income tax credits allowed for certain

qualified film production expenses pursuant to P.L.2005, c.345 (C.54:10A-5.39 et al.), and (3) the corporation business tax credit allowed for certain qualified digital media content expenses pursuant to P.L.2005, c.345 (C.54:10A-5.39) as amended by section 1 of P.L.2007, c.257 in fulfilling their statutory goals and objectives, including the ability to create and retain jobs in this State.

b. The report prepared pursuant to subsection a. of this section shall be submitted by the State Treasurer to the Governor and the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on or before the date the Governor's annual budget message is presented to the Legislature, pursuant to section 11 of P.L.1944, c.112 (C.52:27B-20), for State Fiscal Year 2012.

5. This act shall take effect immediately.

Approved June 29, 2010.