

## HB 2260 -- Tax Credit for Qualified Research Expenses

Sponsor: Storch

Currently, no tax credits for qualified research expenses can be approved, awarded, or issued. This bill removes these restrictions and allows a tax credit of up to 6.5% of a taxpayer's qualified research expenses. The annual aggregate cap on the amount of these tax credits that can be authorized by the Department of Economic Development is \$10 million.

Qualified research expenses will be limited to those incurred in the research and development of agricultural/biotechnology and plant genome products and for prescription pharmaceuticals consumed by humans or animals.

The bill requires that the credits be issued and that the department director act on tax credit applications filed between January 1 and July 1 for claims for the previous year between August 1 and August 15.

If the eligible claims for the credits exceed the annual cap, the formula by which the tax credits will be issued is specified. No one taxpayer can be issued more than 30% of the total amount of tax credits authorized in any calendar year.