

HB 2651 -- TAX CREDITS

SPONSOR: Mayhew

Currently, no tax credits for qualified research expenses can be approved, awarded, or issued. This bill removes these restrictions and authorizes a tax credit of up to 10% of a taxpayer's qualified research expenses, as defined in the bill.

The annual aggregate cap on the amount of these tax credits that can be authorized by the Department of Economic Development is \$25 million with the aggregate of all tax credits authorized under this bill not to exceed \$15 million for taxpayers with more than \$5 million of qualified research expenses in the previous year.

For tax credits that exceed the taxpayer's tax liability, the difference between the credit and the tax liability may be carried forward for 12 years.

The department director may allow a taxpayer to transfer, sell or assign up to 40% of the tax credits issued, but not yet claimed, during any tax year commencing on or after January 1, 2021.