

# Technology Business Tax Certificate Transfer (NOL) Program



## If You Are:

A New Jersey-based technology or biotechnology company with fewer than 225 U.S. employees (including parent company and all subsidiaries) with no positive net operating income the last 2 years.

## You Can Apply For:

The ability to sell net operating losses and research and development (R&D) tax credits to unrelated profitable corporations.

## In The Amount Of:

Net operating losses and tax credits may be sold for at least 80% of their value, up to a maximum lifetime benefit of \$20 million per business.

## To Be Used For:

Growth and operations, including working capital or to fund research.

## Program Details:

- Up to \$75 million is available annually, with \$15 million set aside for businesses located in Innovation Zones, Opportunity Zones, or NJ Certified as a minority and/or woman owned business or enterprise.
- Only technology and biotechnology companies whose primary business involves the provision of a scientific process, product or service are eligible.

## An Eligible Company

- Must own, have filed for, or have an exclusive license to use protected, proprietary intellectual property (defined as a patent or registered copyright).
- Must have no more than 224 and at least one full-time employee working in New Jersey if formed less than three years, five full-time employees in New Jersey if formed more than three years but less than five years, or 10 full-time employees in New Jersey if formed more than five years. By the program legislation, a Pennsylvania resident is not subject to New Jersey Gross Income Tax. Therefore, Pennsylvania residents are not eligible to be considered as Full Time Employees in the Technology Business Tax Certificate Transfer Program.
- Must have financial statements for the two most recent full years of operation compiled, reviewed or audited by an independent CPA firm and prepared according to US GAAP. The statements cannot have had positive net operating income on either of its last two full-year income statements. In addition, an eligible company cannot have a parent company, or be part of consolidated group of affiliates for federal income tax purposes with positive net operating income.

## Fees

Application Fee: \$1,000. Approval fee (for any tax benefit award greater than \$100,000): one percent (1%) of tax benefit award. Maximum fee of \$20,000. Application fee credited towards approval fee.

## Application Deadline

Application and application fee must be submitted via online system annually by [JUNE 30TH, 11:59 PM](#)

## NJ corporate Business Tax Return Deadline

Corporate Business Tax Returns, with all required schedules and attachments, must be filed with the NJ Division of Taxation Annually by [JUNE 30TH, 11:59 PM.](#)