

**NEW**  
**Life Sciences Jobs Incentive Refundable Credit**

The Massachusetts Life Sciences Center (Center) is able now to offer a new Life Sciences Jobs Incentive Refundable Credit which was recently enacted by the Massachusetts Legislature and executed into law by Governor Patrick (see Chapter 68 of the Acts of 2011, outside sections 63, 65, 70, and 211). This new provision is effective for tax years beginning on or after January 1, 2011; and provides an additional incentive for existing MA companies that commit to add a minimum of 50 net new full-time, permanent jobs in Massachusetts in a calendar year or companies desiring to re-locate to Massachusetts that commit to add a minimum of 50 net new full-time, permanent jobs in Massachusetts in a calendar year. This incentive is intended to incentivize companies that are profitable, plan on hiring new employees, do not need to make significant capital investments in the Commonwealth, and do not qualify for the tax incentives enacted in the Center's 2008 amended authorizing legislation (Life Sciences Act).

Companies eligible for this new incentive are subject to all of the requirements under the Life Sciences Act (e.g., certification, reporting); and the Center will follow the procedures it currently employs, in consultation with the Department of Revenue (DOR), to determine the amount and timing of awards. Similarly, DOR's ability to recover or "claw-back" tax incentives from companies that the Center determines do not meet the statutory job creation targets to which they committed remains the same.

Companies that meet the requirements and execute a tax incentive agreement with the Center would be eligible for a refundable jobs credit. If the jobs credit exceeds the amount of tax that may be offset by the credit for a taxable year, to the extent authorized under the Life Sciences Tax Incentive Program, 90% of such excess credit shall be refundable to the taxpayer. Excess credit amounts may not be carried forward to other taxable years. Other refundable incentives currently in the Life Sciences Act include the life sciences investment credit, the FDA user fee credit, and the refundable feature of the section 38M research credit.