

State and Local Tax ALERT



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alliantgroup®

Massachusetts Life Sciences Tax Incentives Program

Beginning in 2009, and through 2018, eligible life science companies will have the opportunity to take advantage of specialized tax incentives as part of a \$1 billion investment by the State of Massachusetts in the life sciences industry. Through application and certification by the Massachusetts Life Sciences Center, companies may become eligible for a variety of specified tax benefits, including:

- **Life Sciences Investment Credit.** A refundable tax credit available for investment in qualifying property acquired, constructed, reconstructed, or erected during the taxable year.
- **FDA User Fees Credit.** A refundable tax credit for application and supplement fees paid to the U.S. Food and Drug Administration available upon license approval for a human drug to be manufactured within Massachusetts, where the research and development expenditures for the drug were incurred primarily within the State.
- **Massachusetts Research Credit.** A refundable tax credit available for qualified research expenditures incurred within Massachusetts.
- **Life Sciences Research Credit.** A non-refundable tax credit available for qualified research expenditures related to legally mandated clinical trials, whether incurred within or outside the State.
- **Deduction** for qualified clinical testing expenses for orphan drugs.
- **Extension of NOLs** under the program confers the ability of eligible life science companies to carry forward net operating losses for up to 15 years, instead of the traditional five-year period.
- **Sales and Use Tax Exemption Incentive** enabling eligible life science companies to be designated as research and development corporations and, therefore, be entitled to sales and use tax exemptions for materials, tools, fuels, and machinery used in research and development.
- **Sales Tax Exemptions** available for tangible personal property purchased for use in connection with the construction, alteration, remodeling, repair, or remediation of research, development, or manufacturing facilities and utility support systems.

How alliantgroup Helps You Take Advantage of These Incentives

To better serve pharmaceutical, biotechnical, medical device, and biomedical firms, alliantgroup has developed a program that focuses on the qualification and quantification of R&D tax benefits for companies operating in the diverse areas that comprise life sciences. This program employs individuals with backgrounds within the disciplines of molecular biology, biochemistry, chemistry, anatomy, ecology, immunology, microbiology, genetics, cellular biology, and biomedical engineering. alliantgroup's Life Science Specialization team works with you to determine if your activities qualify for the Massachusetts Life Sciences Tax Incentives Program and then to ensure that you apply for the credits and deductions correctly.

While we are performing this service, we will also identify any other credits, incentives, grants, and financing opportunities at the federal, state, and local levels that may be available to your business.

About

alliantgroup

alliantgroup is an independent specialty tax services firm that works with clients to ensure that they receive the full benefits of all available federal and state government sponsored incentive programs, such as the Research and Development Tax Credit, export tax incentives, manufacturing tax incentives, energy tax incentives, enterprise zone incentives, state and local tax incentives, sales and use tax refund reviews, captive insurance companies, and tax controversy services.

alliantgroup's national headquarters are located in Houston, Texas with offices in Orange County (CA), Los Angeles, San Francisco, San Diego, Chicago, New York, Boston, Miami, Washington D.C., Toledo, Seattle, Atlanta, and New Orleans.

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