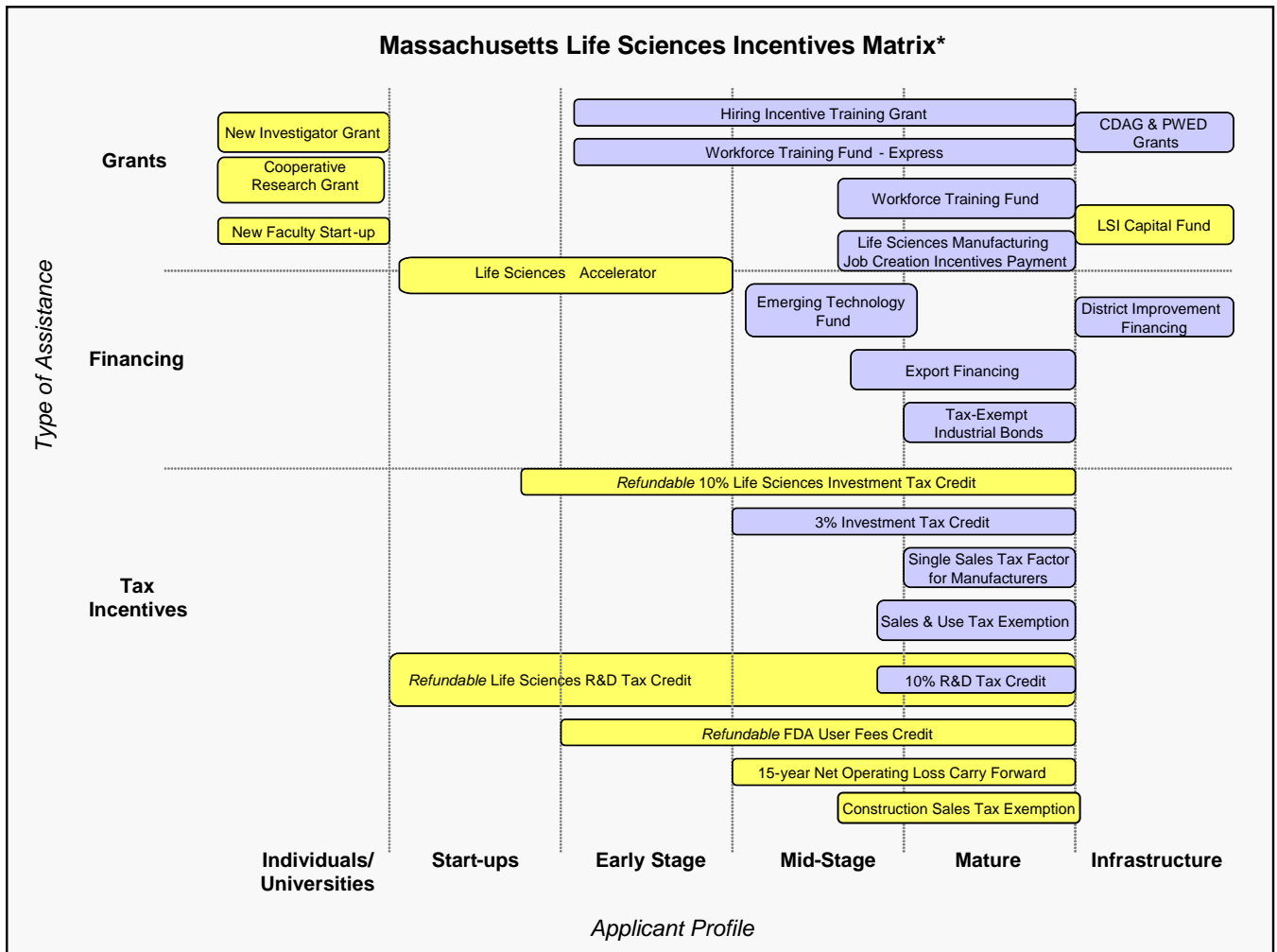


Massachusetts Incentives

Massachusetts is the home of a life sciences cluster that is second to none. Complementing its outstanding biopharmaceutical and medical science companies, are more than 60 academic institutions academic institutions that offer advanced degrees in life sciences, the top five NIH-funded hospitals in the nation, and a workforce that offers unparalleled skills and productivity to employers. Massachusetts public policy also supports its innovative economy through an array of business support and job creation incentive programs – including the programs of the landmark, \$1 billion Massachusetts Life Sciences Initiative.



* The matrix includes a broad sampling of state business assistance programs, but it is not a comprehensive listing.

Indicates programs that are available through the \$1 billion Massachusetts Life Sciences Initiative. The programs are administered by a quasi-public agency, the Massachusetts Life Sciences Center.

Indicates programs that are administered by a variety of state and quasi-public agencies such as MassDevelopment, Massachusetts Office of Business Development, and Division of Career Services. Some tax treatments noted are available “by right” and require no application.

What now? As an MBC member, you can access our in-house economic development professionals, who can assist you navigate the many state agencies and programs available. Your membership allows you the opportunity to have a trusted industry advocate, with comprehensive knowledge of the Massachusetts economic development landscape, assist you as you begin to take advantage of the many development resources potentially available to you. Contact information is provided on the reverse side.

Massachusetts Life Sciences Initiative

Administered by the Massachusetts Life Sciences Center (MLSC)

Cooperative Research Grant - Supports industry-sponsored research at universities and to facilitate scientific discoveries that lead to medical applications with grants of \$250,000 per year for up to three years, in a 1:1 match with its industry partner.

New Faculty Startup Grant - Targets investments to attract and retain nationally prominent faculty at Massachusetts' colleges and universities with grants of \$250,000 per year for up to three years, in a 1:1 match with the academic institution.

New Investigator Grant - Aimed at to spurring innovative new research and advance the careers of new investigators who are working on cutting-edge life sciences research at Massachusetts academic research centers and institutions with grants of \$100,000 per year for up to three years.

Life Sciences Accelerator- Intended as matching funds, from \$100,000 to \$500,000, for early-stage life sciences companies to help leverage additional sources of capital.

Life Sciences Tax Incentive Program – Life sciences companies that are growing jobs, investments, and revenue are prospects for the nine distinct tax incentives of the LSI. To receive the benefits, companies must apply to the MLSC to become a Certified Life Science Company. The incentives include:

- Refundable 10% Investment Tax Credit
- Refundable Research Tax Credit
- Special Sales Tax Exemption
- Extension of Let Operating Losses to 15 years
- Refundable FDA User fee Credit
- Life Sciences Research Credit
- Deduction for Orphan Drug Clinical Testing
- Elimination of Sales Factor Throwback
- Construction Sales Tax Exemption

General Massachusetts Incentives

Job Creation Incentive Payment – For life science manufacturers, a rebate of 50% of the payroll withholding taxes paid by the new employees to the state. These rebates are available to companies hiring 10 or more new workers in a calendar year.

Workforce Training Fund (WTF) - Provides grants up to \$250,000 to upgrade skills of new or incumbent workers. For exceptional opportunities, participating businesses can receive up to \$1,000,000. The **Hiring Incentive Training Grant** provides up to \$2,000 in training funds for hiring eligible unemployed workers.

Investment Tax Credit (ITC) – A 3% ITC for investments in tangible depreciable assets to all state *manufacturers*. Massachusetts also provides a **Sales & Use Tax Exemption** for manufacturers and companies engaged in R&D.

Economic Development Incentive Program - Job creation projects within target municipalities are potentially eligible to receive several types of tax benefits through the EDIP: The **TIF** – a 5-100% exemption on property taxes on the value added to a property by the participating company, for a period of 5 to 20 years. A **100% exemption** on personal property. The **EOA-ITC** – Provides a 5% Investment Tax Credit for investments made on depreciable facilities or equipment.

Research and Development Tax Credit - Costs that qualify for the Federal R&D tax credit are eligible for a 10% Massachusetts R&D Tax Credit. A 15% R&D Tax Credit is available for costs related to university-based research.

Single Sales Tax Treatment - Provides a significant, relative advantage to Massachusetts manufacturers with multi-state operations. It apportions corporate income based solely on the ratio of in-state sales to total sales. Other states often use three factors – including wages and property - and double or triple weight in-state sales.

Financing – MassDevelopment, the state's economic development bank, provides an array of financing tools to assist growing companies. The Emerging Technology Fund can provide up to \$2.5 million in low-cost financing to eligible technology-based firms. MassDevelopment provides export assistance loans, equipment loans, and guarantees to growing manufacturers and is the state's purveyor of Tax-Exempt Industrial Development Bonds.

Infrastructure Grants - Municipalities can seek grant funds of up to \$2 million to assist with the costs of roadway, water, and sewer projects associated with job creation projects through the CDAG and PWED grants.