

The New Jersey Economic Recovery Act of 2020: An Overview of the Technology Business Tax Certificate Transfer (NOL) Program

The New Jersey Economic Recovery Act of 2020 (ERA), a seven-year, \$14 billion package of incentive programs intended to encourage New Jersey job growth, property development and redevelopment, community partnerships, and numerous other economic development initiatives, was signed into law by Governor Phil Murphy on January 7, 2021.

This Client Alert focuses on the Technology Business Tax Certificate Transfer Program, the ERA's enhancement of the existing Net Operating Loss (NOL) Program adopted in 2013 as part of the New Jersey Emerging Technology and Biotechnology Financial Assistance Act to enable technology and life science companies to sell their New Jersey net operating losses and research and development (R&D) tax credits for cash.

The ERA increases the annual benefit under the NOL/R&D incentive from \$60 million to \$75 million, with \$10 million set aside for businesses located in New Jersey Innovation Zones. Companies participating in the NOL Program are subject to a program lifetime cap of \$20 million.

Eligibility

In order to qualify for the NOL Program, a business must:

Additional information regarding the NOL Program can be found on the [EDA website](#).

We will keep you updated regarding the NOL Program and other developments related to programs enacted under the New Jersey Economic Recovery Act of 2020. Please contact the author of this Alert, [Barbara J. Koonz](#) bkoonz@greenbaumlaw.com | 973.577.1894 with questions or to discuss your specific business circumstances. Ms. Koonz is Chair of the firm's [Energy, Renewable Resources & Sustainable Development Practice Group](#) and a member of the [Financial Incentives & Economic Development Practice Group](#).

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