

By Ms. Creem, a petition (accompanied by bill, Senate, No. 2366) of Cynthia S. Creem for legislation to promote biomedical research through tax incentives. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand and Six.

AN ACT TO PROMOTING BIOMEDICAL RESEARCH THROUGH TAX INCENTIVES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The General Laws are hereby amended by
2 inserting after section 35BB of Chapter 10 as appearing in the
3 2004 Official Edition, the following new section:—

4 35CC. There shall be established and set up on the books of the
5 commonwealth a separate fund, to be known as the Massachusetts
6 Institute for Biomedical Research Fund to assist the financing of
7 biomedical research.

8 Said fund shall consist of revenues received by the common-
9 wealth to further biomedical research: (1) as contributions to the
10 fund that gave rise to tax credits provided in section 38T of
11 chapter 63; (2) as contributions to the fund that were deductible in
12 determining Part B taxable income by the terms of clause 14 of
13 section 3(B)(a) of chapter 62; (3) as a result of agreements with
14 researchers under the provisions of section 5T(e) of chapter 111;
15 or (4) from private sources as gifts, grants, and donations.

16 Said fund shall not accept funding from any source, including
17 the National Institute of Health, if the receipt of said funding
18 would limit its ability to promote all forms of biomedical research
19 or scientific inquiry.

1 SECTION 2. The General Laws are hereby amended by
2 inserting after section 45 of Chapter 75 as appearing in the 2004
3 Official Edition, the following new section:—

4 Section 46. (a) There shall be a Massachusetts Institute for Bio-
5 medical Research, hereinafter referred to as the Institute, at the
6 University of Massachusetts, for the purpose of facilitating and
7 encouraging biomedical research throughout the Commonwealth.

8 (b) The Institute shall take the following measures:

9 (1) to establish and operate laboratory space in various places
10 around the commonwealth, that would be convenient to the scien-
11 tific research community, that may be used by researchers con-
12 ducting research approved by an institutional review board,
13 particularly in the case of stem cell research which may not be
14 done in federally funded laboratory space;

15 (2) to establish and operate a biological materials bank where
16 people may donate genetic material, fertilized human eggs and
17 human embryos for the purpose of future medical research;

18 (3) to endow academic chairs in biomedical research at the
19 undergraduate and graduate levels of state institutions of higher
20 education within the Commonwealth;

21 (4) to provide scholarships to undergraduate and graduate level
22 students who are studying biomedical and related sciences;

23 (5) to provide grants to scientists and researchers conducting
24 biomedical research that has been approved by an institutional
25 review board; and

26 (6) other measures the Institute deems beneficial to accomplish
27 its mission.

28 (c) There shall be an advisory board to advise the president and
29 the board of trustees of the university with respect to the operation
30 of the Institute. The advisory board shall meet at least twice per
31 year, and at such other times as are necessary to effectuate its pur-
32 pose. The advisory board shall consist of the following members:
33 the commissioner of public health or his designee, a member of
34 the Biomedical Research Advisory Council, established by
35 section 1 of Chapter 27 of the Acts of 2005, the deans of the med-
36 ical school and the school of public health of the university or
37 their designees, and at least three but not more than five additional
38 members appointed by the president of the university. Each advi-
39 sory board member appointed by the president of the university
40 shall serve for a term of five years, provided, however, that in
41 making initial appointments, the president shall appoint one or
42 two members for a term of three years and one or two members

43 for a term of four years. Appointed members of the advisory
44 board shall be eligible for reappointment and may be removed by
45 the president of the university during their terms for cause.

46 (d) The Institute may expend amounts contained in the Massa-
47 chusetts Institute for Biomedical Research Fund established pur-
48 suant to section 35CC of chapter 10 to accomplish the goals of
49 this section.

50 (e) The Institute shall not accept or seek funding from any
51 source, including the National Institute of Health, if receipt of
52 such funds would limit its ability to promote all forms of biomed-
53 ical research or scientific inquiry.

54 (f) The Institute shall establish standards and promulgate regu-
55 lations requiring that all grants issued under this section be sub-
56 ject to agreements allowing the Commonwealth to financially
57 benefit from patents, royalties, and licenses resulting from the
58 research activities funded under the measure. Funds received from
59 such agreements shall be deposited in the Massachusetts Institute
60 for Biomedical Research Fund established pursuant to
61 section 35CC of chapter 10.

1 SECTION 3. The General Laws are hereby amended in
2 chapter 63, as appearing in the 2002 edition, by adding the
3 following new section after section 38Q:—

4 Section 38T (a) A corporation subject to tax under this chapter
5 shall be allowed a credit against its excise due under this chapter,
6 in addition to any other allowable credit under this chapter, equal
7 to 30 percent of its contributions, for the purposes of promoting
8 biomedical research, to institutions of higher education, non-profit
9 organizations or the Massachusetts Institute of Biomedical
10 Research Fund established pursuant to section 35CC of
11 chapter 10.

12 (b) The credit allowed hereunder for any taxable year shall not
13 reduce the excise to less than the amount due under subsection (b)
14 of section thirty-two, subsection (b) of section thirty-nine, or
15 section sixty-seven and under any act in addition thereto.

16 (c) In the case of corporations filing a combined return of
17 income under section thirty-two B, a credit generated by an indi-
18 vidual member corporation under the provisions of this section
19 shall first be applied against the excise attributable to that com-

20 pany under section thirty-two or thirty-nine, subject to the limita-
21 tions of paragraph (b). A member corporation with an excess
22 credit under this section may apply its excess credit against the
23 excise of another group member, to the extent that such other
24 member corporation can use additional credits under the limita-
25 tions of said paragraphs (b). Unused, unexpired credits generated
26 by a member corporation shall be carried over from year to year
27 by the individual corporation that generated the credit. Nothing in
28 this section shall alter the provisions of paragraph (h) of section
29 thirty-one A.

30 (d) The tax credit shall be taken against the taxes imposed
31 under this chapter and shall not be refundable. Any amount of the
32 tax credit that exceeds the tax due for a taxable year may be car-
33 ried forward by the taxpayer to any of the 10 subsequent taxable
34 years.

35 (e) All or any portion of tax credits issued in accordance with
36 the provision of this subsection may be transferred, sold or
37 assigned to other taxpayers subject to tax under this chapter 63 in
38 accordance with rules promulgated by the commissioner. Any tax
39 credit that is transferred, sold or assigned and taken against taxes
40 imposed by this chapter shall not be refundable. Any amount of
41 the tax credit that exceeds the tax due for a taxable year may be
42 carried forward by the transferee, buyer or assignee to any of the
43 10 taxable years succeeding the year of original transfer. (e) The
44 commissioner of revenue shall promulgate such regulations as are
45 necessary to implement this section.

1 SECTION 4. The General Laws are hereby amended in
2 chapter 62, as appearing in the 2004 edition, by adding the
3 following new clause after clause 13 in section 3(B)(a):—

4 (14) An amount equal to the amount of a contribution to a
5 Massachusetts institution of higher education, a Massachusetts
6 non-profit organization, or the Massachusetts Institute of Biomed-
7 ical Research Fund, established pursuant to section 35CC of
8 chapter 10, for the purposes of promoting biomedical research.