

Credits/Incentives:

New Jersey Economic Development Authority Announces Start of NOL Program

Press Release: NJEDA Opens Application for 2021 Net Operating Loss Program, Expanded by the New Jersey Economic Recovery Act, N.J. Econ. Dev. Auth. (5/6/21). Referencing the New Jersey Economic Recovery Act of 2020 (Act), which provides for new economic development incentive programs and modifies certain legacy programs in New Jersey [see previously issued Multistate Tax Alert for more details on this new law], the New Jersey Economic Development Authority (NJEDA) announced that it is now accepting applications for its 2021 Net Operating Loss (NOL) Program – which was recently expanded as part of the Act. The NJEDA explains that the NOL Program enables early-stage technology and life sciences companies in New Jersey to apply to sell their New Jersey net operating losses and unused research and development (R&D) tax credits to unrelated profitable corporations for cash. According to the NJEDA, the NOL Program also provides benefits to the profitable companies that are buying the net operating losses and unused R&D tax credits, because such companies may purchase some of them at a discount, based on the market price at the time. Please contact us with any questions.

URL: <https://www.njeda.com/njeda-opens-2021-net-operating-loss-program-application/>

URL: <https://www2.deloitte.com/us/en/pages/tax/articles/new-jersey-economic-recovery-act-of-2020-creates-new-suite-of-economic-development-programs.html?id=us:2em:3na:stm:awa:tax:051421&sfid=701100000038I7IQAA>

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