BioNJ Statement in Opposition to S2376/A4002

BioNJ, The Gateway to Health, a powerful network of more than 400 member investors representing research-based life sciences companies and stakeholders, opposes S2376/A4002, legislation that revises the priority schedule for issuance of converted tax credits under New Jersey's Business Employment Incentive Program (BEIP). We believe that the delay in issuance of tax credits to qualified businesses is one of several measures currently under consideration that worsen the business climate in New Jersey and harm our chances to attract and retain new and growing businesses.

Although the biotechnology industry in New Jersey has grown from 80 companies in 1998 to more than 400 today, we face strong competition from regions and states across the country. New Jersey's many advantages -- including location, our strong educational system and a highly educated workforce -- are often not enough to overcome our State’s economic issues and the perception of our business climate as unfriendly.

The BEIP program, established in 1996 by Governor Christie Todd Whitman, is the victim of its own success. As of October 2015, the NJ Economic Development Authority had executed 466 BEIP grants with businesses creating 110,574 actual jobs. Originally estimated at a value of more than $1.5 billion, these grants have spurred more than $12.2 billion in total capital investment.

With numerous pressures impacting New Jersey's budget over recent years, BEIP payments were underfunded. Governor Chris Christie's solution was to convert the BEIP payments into tax credits -- a move designed to remove the uncertainty that businesses faced due to the lag in payments.

This latest proposal to restructure -- essentially, to delay -- the tax credits is another negative factor for businesses to consider when determining whether or not to relocate to or remain in New Jersey. We cannot continue to break our promises to businesses that invest in our State. We urge New Jersey legislators to reject S2376/A4002 and strengthen, rather than weaken, New Jersey's business climate.

Thank you for your support. If you have any additional questions, please call the BioNJ Office at 609-890-3185 or email at BioNJ@BioNJ.org.