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LIFE SCIENCES PRACTICE AND TECHNOLOGY & VENTURE FINANCE PRACTICE

ALERT

IRS APPLICATIONS NOW BEING ACCEPTED FOR SECTION 48D QUALIFYING THERAPEUTIC DISCOVERY PROJECT

By Jeffrey H. Nicholas, Alfred J. Monte, Jr. and Jennifer S. Murphy

- **IRS Form 8942 Application now available**
- **Awards of up to \$5 million for qualifying 2009/2010 expenditures**
 - **Applications accepted through July 21**
 - **Awards to be announced by October 29**

Applications are now being accepted for the Section 48D \$1 billion investment tax credit for certain expenditures made in taxable years beginning in 2009 or 2010 related to “Qualifying Therapeutic Discovery Projects” (QTDPs). The application form was released on June 18, 2010, following an earlier release of IRS guidance.

The application deadline is July 21, 2010, and awards are to be announced by October 29, 2010.

The new investment tax credit could provide life science companies with fewer than 250 employees with a federal credit or grant equal to 50 percent of the aggregate costs paid or incurred in a taxable year that are directly related to a QTDP, up to a maximum credit or grant of \$5 million per company.

A QTDP is defined as a project designed to develop a product, process or therapy to diagnose, treat or prevent diseases and afflictions by conducting pre-clinical activities, clinical trials, clinical studies, and research protocols, or

developing technology or products designed to diagnose diseases and conditions, including molecular and companion drugs and diagnostics, or to further the delivery or administration of therapeutics. The regulations list the criteria for selection as a QTDP.

The professionals at Fox Rothschild’s Life Science Practice Group and Technology & Venture Finance Practice Group can work closely with potential applicants to determine their eligibility, gather the information necessary to complete the Project Information Memorandum and submit a timely application.

For more information about this Alert, contact Jeffrey H. Nicholas, chair of the Technology & Venture Finance Practice, at 215.918.3639 or jnicholas@foxrothschild.com; Alfred J. Monte, Jr., chair of the Life Sciences Practice, at 610.397.6514 or amonte@foxrothschild.com or Jennifer S. Murphy at 215.918.3572 or jmurphy@foxrothschild.com, or any other member of our [Technology & Venture Finance Practice](#) or [Life Sciences Practice](#).



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