



New Jersey Digital Media Tax Credit Application

For State Fiscal Year 2009 (07/01/2008 – 06/30/2009)

(Please Read These Instructions Before Completing Application)

Please submit 3 sets of completed application. Incomplete applications will not be considered.

First Class US Mail Address:

NJEDA
PO Box 990
Trenton, New Jersey 08625-0990
Ref: Digital Media Tax Credit

Overnight Delivery Address:

NJEDA
36 West State Street
Trenton, New Jersey 08625
Ref: Digital Media Tax Credit

Dear Applicant:

The New Jersey Digital Media Tax Credit Program provides New Jersey Corporation Business Tax Credits of up to 20% for Qualified Digital Media Content Production Expenses. Please see L. 2007, c. 257 (N.J.S.A. §§ 54:10A-5.39 and 54A:4-12).

The NJEDA will begin to accept applications on August 4, 2008 (or later). No applications will be accepted prior to August 4, 2008. The applications will be considered on a first come first served basis.

The regulations that are required to administer this Program has not been prepared or promulgated yet. This is a “provisional application” and you agree that you will comply with the regulations to be published and the final form of this application retroactively to July 1, 2008. The regulations to be published and other policies and procedures to be set and the final form of this application may be more restrictive than what is stated on this “provisional application”.

PLEASE REVIEW THE FOLLOWING CRITERIA TO DETERMINE IF YOU MAY QUALIFY FOR THIS PROGRAM. (Failing any one of the below five (5) criteria will result in ineligibility of an applicant to receive a benefit from this Program):

- 1) At least \$2,000,000 in Qualified Digital Media Content Production Expenses must be incurred by the Applicant during the State Fiscal Year applied for;
- 2) At least 50% of the above Qualified Digital Media Content Production Expenses is from digital media salaries, as evidenced by NJ W2 forms with \$36,000 or more in wages and salaries, during the State Fiscal Year applied for;
- 3) Will create at least 10 high-quality full-time digital media jobs (annual salary of each is \$65,000 or more and is evidenced by NJ W2 forms) during the State Fiscal Year applied for; and those created 10 high-quality full-time digital media jobs must be maintained for at least 3 more years.
- 4) None of the above digital media employees, jobs, or positions can be included in a current or future NJ BEIP or NJ BRRAG grant program;
- 5) The Applicant itself must be directly subject to the New Jersey Corporation Business Tax (NJ CBT).

A. APPLICANT INFORMATION

1. Full Legal Name of Applicant
2. Project Location (*street address*)
3. Mailing Address (*if different from above*)
4. Primary Contact Person (*name and title*)

Phone #

Fax #

E-mail

5. SIC Number NAICS Number

B. APPLICANT'S OTHER STATE PROGRAMS

6. Has this Applicant or any of its affiliates ever applied for or received any NJ BEIP or NJ BRRAG grants? Yes No

If yes, please describe:

C. PROPOSED DIGITAL MEDIA PROJECT

7. Describe the “new” digital media production project that will be undertaken as part of this application.

8. Describe how this Project will meet the Statutory and Regulatory definition of Digital Media Content as shown on Page 5.

9. Estimated amount of the Qualified Digital Media Content Production Expenses for the State Fiscal Year 2009 (July 1, 2008 to June 30, 2009): (cannot be less than \$2,000,000).

D. EXISTING NEW JERSEY JOBS

10. How many full-time (W2) employees does the Applicant have in New Jersey at the time of application?

11. How many of these existing full-time (W2) NJ employees are currently working only in the digital media Project described and applied for (above Question 7 on Page 2)? (At the time of application)

E. DIGITAL MEDIA JOB CREATION ESTIMATE FOR THE ABOVE PROPOSED DIGITAL MEDIA PROJECT

Estimated/Proposed Numbers For State Fiscal Year 2009 (July 1, 2008 – June 30, 2009)

	Number of Jobs	Total NJ W2 Salary & Wage Expense on Jobs
Completely New Digital Media Jobs with Annual Salaries of at least \$65,000	Box A	
New Digital Media Jobs Converted from Existing NJ Jobs with Salaries of at least \$65,000		
Completely New Digital Media Jobs with salaries between \$36,000 and \$64,999		
New Digital Media Jobs Converted from Existing NJ Jobs with salaries between \$36,000 and \$64,999		
TOTAL:		Box B

Box A must be 10 or more. Box A jobs must be maintained for at least 3 more years. Box B divided by the estimated Qualified Digital Media Content Production Expenses shown on Page 3, Question 9, must be at least 50%.

DISCLOSURE

It is expressly agreed and understood that any information submitted to or obtained by the NJEDA, the New Jersey Division of Taxation or New Jersey Motion Picture and Television Commission in connection with this application may be shared among the NJEDA, the New Jersey Division of Taxation, New Jersey Motion Picture and Television Commission and New Jersey Department of Labor and Workforce Development. Applicant understands and agrees that the NJEDA may be required to release information pursuant to a request under the New Jersey Open Public Records Act.

LEGAL

If any response to the legal questions is yes, please provide a detailed explanation as an attachment. Submitting a form 10K does **not** satisfy the requirement of providing a detailed explanation of a legal issue(s).

In the event that any of the conditions listed below exist, a full description of the circumstances must be provided. The NJEDA reserves the right to disapprove any application for circumstances it finds unsatisfactory related to the conditions listed below.

Have the applicant or the officers, directors, partners, owners or stockholders of 10% or greater ownership in the applicant, been within the last five years:

1. a party in litigation involving laws governing hours of labor, minimum wage standards, discrimination in wages or child labor;
2. charged with, convicted of, under indictment, on parole, on probation or a party in any criminal or civil offense other than a minor motor vehicle violation;
3. subject to or have pending any order resulting from any criminal, civil or administrative proceedings brought against such persons or parties by any administrative, governmental or regulatory agency;
4. informed of any current or on-going investigation with respect to possible violations by such persons or parties of state or federal securities, anti-trust or criminal laws;
5. denied a business-related license or had it suspended or revoked by any administrative, governmental or regulatory agency;
6. debarred, suspended or disqualified from contracting with any federal, state or municipal agency;
7. in receivership or involved in an assignment for the benefit of creditors of the applicant company or have liquidated or are now in the process of liquidating all or substantially all assets or have been or are now a party in a proceeding in which a court has determined or the applicant company has admitted that it has failed to or was unable to pay its debts, and the amount of all such debts in the aggregate, if paid, would materially adversely affect the ability of the Applicant company to operate.

CERTIFICATION

As the [title] of [applicant], to the best of my knowledge and belief, after due inquiry, the information provided in connection with this application is accurate and complete.

Signature of Authorized Person
[must be an authorized officer]

Print Name and Title

Date

DEFINITIONS

Excerpts from 2007 N.J. Ch. 257 (N.J.S.A. §§ 54:10A-5.39 and 54A:4-12):

"Digital Media Content" means any data or information that is produced in digital form, including data or information created in analog form but reformatted in digital form, text, graphics, photographs, animation, sound and video content. "Digital media content" does not mean content offerings generated by the end user (including postings on electronic bulletin boards and chat rooms); content offerings comprised primarily of local news, events, weather or local market reports; public service content; electronic commerce platforms (such as retail and wholesale websites); websites or content offerings that contain obscene material as defined pursuant to N.J.S.2C:34-2 and N.J.S.2C:34-3; websites or content that are produced or maintained primarily for private, industrial, corporate or institutional purposes; or digital media content acquired or licensed by the taxpayer for distribution or incorporation into taxpayer's digital media content.

"Qualified Digital Media Content Production Expenses" means an expense incurred in New Jersey for the production of digital media content. Qualified digital media content production expenses shall include but shall not be limited to wages and salaries of individuals employed in the production of digital media content on which the tax imposed by the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. has been paid or is due; the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing, and the rental of facilities and equipment. Qualified digital media content production expenses shall not include expenses incurred in marketing, promotion or advertising digital media or other costs not directly related to the production of digital media content. Costs related to the acquisition or licensing of digital media content by the taxpayer for distribution or incorporation into the taxpayer's digital media content shall not be qualified digital media content production expenses.

"Total Digital Media Content Production Expenses" means costs for services performed and property used or consumed in the production of Digital Media Content.

Reporting Requirements:

- 1) Annual Report on Digital Media jobs created and maintained showing Employee Names, Dates of Hires, Annual W2 Salaries, Social Security Numbers, Job Titles, and a certification that the Project is still a digital media project.
- 2) Certification that no employees listed in said Annual Report are included in either a BEIP Grant or BRRAG Grant.
- 3) An independent CPA audit of all Total Qualified Digital Media Content Production Expenses for the State Fiscal Year showing qualified W2 salary and wage component, number of high-quality digital media employees (with \$65,000 or more NJ W2s), number of other qualified digital media employees (between \$36,000 and \$64,999 on NJ W2 forms), and that the applicant has met all the requirements and conditions of the Statute, and the Regulations (to be published).