

HOUSE No. 3501

The Commonwealth of Massachusetts

PRESENTED BY:

Marjorie C. Decker

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing the Massachusetts Robotics Center.

PETITION OF:

NAME:

Marjorie C. Decker

DISTRICT/ADDRESS:

25th Middlesex

HOUSE No. 3501

By Ms. Decker of Cambridge, a petition (accompanied by bill, House, No. 3501) of Marjorie C. Decker for legislation to provide certain tax incentives for the establishment of a robotics center in the Commonwealth. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act establishing the Massachusetts Robotics Center.

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 inserting after chapter 23L the
2 following chapter:-

3 Chapter 23M. THE MASSACHUSETTS ROBOTICS CENTER.

4 Section 1. As used in this chapter, the following words shall, unless the context clearly
5 requires otherwise, have the following meanings:--

6 “Affiliate”, any business which directly or indirectly controls or is controlled by or is
7 under direct or indirect common control of another business including, but not limited to, any
8 business with which a business is merged or consolidated, or which purchases all or substantially
9 all of the assets of a business.

10 “Board”, the board of directors of the Massachusetts Robotics Center.

11 “Center”, the Massachusetts Robotics Center established by section 2.

12 “Certification proposal”, a written proposal submitted by a robotics company for
13 approval as a certified robotics company pursuant to section 4.

14 “Certified robotics company”, a company that has been certified by the center for
15 participation in the commonwealth robotics investment program and the robotics tax incentive
16 program, established by section 4.

17 “Company”, a business corporation, partnership, firm, unincorporated association or
18 other entity engaged or proposing to engage in economic activity within the commonwealth, and
19 any affiliate thereof, which is, or the members of which are, subject to taxation under chapter 62,
20 63, 64H or 64I.

21 “Department”, the department of revenue established pursuant to section 1 of chapter 14.

22 “Eligible new job”, a new job that shall not replace an existing job in the commonwealth
23 and which may be a retained job; provided, however, that “eligible new job” may be further
24 defined by rules, regulations or guidelines promulgated by the center pursuant to section 4;
25 provided further, that an “eligible new job” shall be deemed to have been created in the
26 commonwealth on the first day for which Massachusetts personal income tax withholding is
27 required in connection with the compensation paid to an employee of a robotics company or the
28 first day for which Massachusetts estimated tax payments are payable by a partner of a
29 partnership constituting a robotics company.

30 “Enterprise”, a small business, as defined in chapter 23A, which has its principal place of
31 business in the commonwealth and is, or proposes to be, engaged in research and development or
32 manufacturing in the robotics industry.

33 “Equity investment”, (a) a share in a robotics company certified pursuant to section 5,
34 whether or not transferable or denominated stock, or similar security; (b) interest of a limited
35 partner in a limited partnership; or (c) warrant or right, other than a right to convert, to purchase,
36 sell or subscribe to a share, security or interest of a kind specified in clauses (a) or (b); provided,
37 however, that when making an equity investment in an enterprise pursuant to section 7, the
38 center shall receive not less than 3 per cent of the equity in said enterprise.

39 “Independent research institution”, a nonprofit research organization that holds tax-
40 exempt status granted under section 501(c) (3) of the Internal Revenue Code and shall be
41 organized and operated exclusively for scientific or educational purposes; provided, however,
42 that “independent research institution” shall not mean a hospital, college, university or private
43 foundation.

44 “New state revenue”, revenue derived from a robotics company by the creation of any
45 eligible new jobs or by new commercial activity that would otherwise not have taken place in the
46 commonwealth or as may be defined by any rules or regulations promulgated by the center
47 pursuant to section 4.

48 “Permanent full-time employee”, an individual who: (i) is in an employment relationship
49 which, at its inception, does not have a termination date which is a date certain or which is
50 determined with reference to the completion of some specified scope of work; (ii) works a
51 minimum number of weekly hours as the center may specify by rule, regulation or guideline; and
52 (iii) receives employee benefits at least equal to those provided to other full-time employees of
53 the employer, which shall be a robotics company.

54 “Person”, a natural person, corporation, association, partnership or other legal entity.

55 “Program”, the commonwealth robotics investment program established by section 4.

56 “Professional investor”, a bank, bank holding company, savings institution, trust
57 company, insurance company, investment company registered under the federal Investment
58 Company Act of 1940, pension or profit-sharing trust or other financial institution or institutional
59 buyer, licensee under the federal Small Business Investment Act of 1958 or any person,
60 partnership or other entity of whose resources a substantial amount shall be dedicated to
61 investing in securities or debt instruments and whose net worth exceeds \$250,000.

62 “Real estate project”, real property where, after a robotics company is certified,
63 construction or renovation shall be initiated which, when completed, shall result in an increase in
64 the assessed value of the real property of at least 100 per cent over its assessed value as of the
65 date of certification; provided, however, that if a real estate facility is a business incubator
66 facility and is designated as a certified robotics company pursuant to section 4, each business
67 which executes a binding lease for space in that facility after the date on which the construction
68 or renovation activity begins shall be eligible for separate designation as a certified robotics
69 company.

70 “Revenue”, receipts, fees, rentals or other payments or income received or to be received
71 on account of obligations to the center including, but not limited to, income on account of the
72 leasing, mortgaging, sale or other disposition of a project or proceeds of a loan made by the
73 center in connection with any project, and amounts in reserves or held in other funds or accounts
74 established in connection with the issuance of bonds and the proceeds of any investments
75 thereof, proceeds of foreclosure and any other fees, charges or other income received or
76 receivable by the center.

77 “Robotics”, advanced and applied sciences that conceptualize, design, integrate, adapt,
78 evaluate, construct, and expand the understanding of, autonomous systems or machines that are
79 programmable by computer and capable of carrying out a complex series of actions
80 automatically, and the components thereof, including, but not limited to, software,
81 electromechanical systems, artificial intelligence technologies, mobility technologies and
82 perception technologies.

83 “Robotics company”, a business corporation, partnership, firm, unincorporated
84 association or other entity engaged in robotics research, development, manufacturing or
85 commercialization in the commonwealth, and any affiliate thereof, which is, or the members of
86 which are, subject to taxation under chapter 62, 63, 64H or 64I.

87 “Vocational technical school”, education institutions established pursuant to sections 14
88 and 15 of chapter 71, providing vocational technical education as defined in section 1 of chapter
89 74.

90 Section 2. (a) There is hereby created a body politic and corporate to be known as the
91 Massachusetts Robotics Center. The center is hereby constituted a public instrumentality and the
92 exercise by the center of the powers conferred by this chapter shall be considered to be the
93 performance of an essential governmental function.

94 The center is hereby placed in the executive office of economic development but shall not
95 be subject to the supervision, or control of said office, or of any board, bureau, department or
96 other center of the commonwealth, except as specifically provided in this chapter.

97 (b) The center shall be governed and its corporate powers exercised by a board of
98 directors to consist of the secretary of administration and finance or a designee, the secretary of

99 housing and economic development or a designee the president of the University of
100 Massachusetts or a designee and 4 directors to be appointed by the governor, 2 of whom shall be
101 a researcher involved in the commercialization of robotics, 1 of whom shall be a chief executive
102 officer of a Massachusetts-based robotics corporation which is a member of the board of
103 directors of the Mass Technology Leadership Council and 1 of whom shall have significant
104 financial experience in the robotics sector.

105 Each appointed member shall serve a term of 5 years, except that in making the initial
106 appointments, the governor shall appoint 1 director to serve for a term of 1 year, 1 director to
107 serve for a term of 2 years, 1 director to serve for a term of 3 years, 1 director to serve for a term
108 of 4 years. The secretary of the executive office of administration and finance and the secretary
109 of the executive office of housing and economic development, or their designees, shall serve as
110 co-chairs of the board. Any person appointed to fill a vacancy in the office of an appointed
111 director of the board shall be appointed in a like manner and shall serve for only the unexpired
112 term of such director. Any director shall be eligible for reappointment. Any director may be
113 removed from an appointment by the governor for cause.

114 (c) Four directors shall constitute a quorum and the affirmative vote of a majority of
115 directors present at a duly called meeting if a quorum is present shall be necessary for any action
116 to be taken by the board. Any action required or permitted to be taken at a meeting of the
117 directors may be taken without a meeting if all of the directors' consent in writing to such action
118 and such written consent is filed with the records of the minutes of the meetings of the board.
119 Such consent shall be treated for all purposes as a vote at a meeting. Each director shall make
120 full disclosure, under subsection (d), of a financial interest, if any, in matters before the board by
121 notifying the state ethics commission, in writing, and shall abstain from voting on any matter

122 before the board in which he has a financial interest, unless otherwise permissible under chapter
123 268A. The members of the board shall serve without compensation, but each member shall be
124 entitled to reimbursement for actual and necessary expenses incurred in the performance of
125 official duties.

126 (d) The provisions of chapter 268A shall apply to all ex-officio directors or their
127 designees and employees of the center. The provisions of chapter 268A shall apply to all other
128 directors of the center, except that the center may purchase from, sell to, borrow from, loan to,
129 contract with or otherwise deal with any person in which any director of the center is in any way
130 interested or involved; provided, however, that such interest or involvement is disclosed in
131 advance to the members of the board and recorded in the minutes of the board; and provided,
132 further, that no director having such an interest or involvement may participate in any decision of
133 the board relating to such person. Employment by the commonwealth or service in any agency
134 thereof shall not be deemed to be such an interest or involvement.

135 (e) The board shall appoint and employ a president, and fix the president's compensation
136 and conditions of employment. The president shall be the chief executive, administrative and
137 operational officer of the center and shall direct and supervise administrative affairs and the
138 general management of the center. The president shall appoint and employ a chief financial and
139 accounting officer and may, subject to the general supervision of the board, employ other
140 employees, consultants, agents, including legal counsel, and advisors, and shall attend meetings
141 of the board. The chief financial and accounting officer of the center shall be in charge of its
142 funds, books of account and accounting records. No funds shall be transferred by the center
143 without the approval of the board and the signatures of the chief financial and accounting officer
144 and the treasurer, as appointed by the board pursuant to subsection (g).

145 (f) Neither the center nor any of its officers, agents, employees, consultants or advisors
146 shall be subject to the provisions of sections 9A, 45, 46 and 52 of chapter 30, or to chapter 31, or
147 to chapter 200 of the acts of 1976.

148 (g) The board shall bi-annually elect 1 of its members as treasurer and 1 of its members
149 as secretary. The secretary shall keep a record of the proceedings of the board and shall be
150 custodian of all books, documents, and papers filed by the board and of its minute book and seal.
151 The secretary shall cause copies to be made of all minutes and other records and documents of
152 the center and shall certify that such copies are true copies, and all persons dealing with the
153 center may rely upon such certification.

154 (h) All officers and employees of the center having access to its cash or negotiable
155 securities shall give bond to the center at its expense in such amounts and with such surety as the
156 board may prescribe. The persons required to give bond may be included in one or more blanket
157 or scheduled bonds.

158 (i) Board members and officers who are not compensated employees of the center shall
159 not be liable to the commonwealth, to the center or to any other person as a result of their
160 activities, whether ministerial or discretionary, as such board members or officers except for
161 willful dishonesty or intentional violations of law. Neither members of the center nor any person
162 executing bonds or policies of insurance shall be liable personally thereon or be subject to any
163 personal liability or accountability by reason of the issuance thereof. The board of directors may
164 purchase liability insurance for board members, officers and employees and may indemnify said
165 persons against claims of others.

166 (j) The center shall continue as long as it shall have bonds or insurance or guarantee
167 commitments outstanding and until its existence is terminated by law. Upon the termination of
168 the existence of the center, all right, title and interest in and to all of its assets and all of its
169 obligations, duties, covenants, agreements and obligations shall vest in and be possessed,
170 performed and assumed by the commonwealth.

171 (k) Any action of the center may take effect immediately and need not be published or
172 posted unless otherwise provided by law. Meetings of the center shall be subject to sections 20
173 and 21 of chapter 30A; but, said sections 20 and 21 shall not apply to any meeting of members of
174 the center serving ex officio in the exercise of their duties as officers of the commonwealth so
175 long as no matters relating to the official business of the center are discussed and decided at the
176 meeting. The center shall be subject to all other provisions of said chapter 30A, and records
177 pertaining to the administration of the authority shall be subject to section 42 of chapter 30 and
178 section 10 of chapter 66. All moneys of the center shall be considered to be public funds for
179 purposes of chapter 12A. The operations of the center shall be subject to chapter 268A and
180 chapter 268B and all other operational or administrative standards or requirements to the same
181 extent as the office of the state treasurer.

182 (l) Any documentary materials or data whatsoever made or received by any member or
183 employee of the center and consisting of, or to the extent that such materials or data consist of,
184 trade secrets or commercial or financial information regarding the operation of any business
185 conducted by an applicant for any form of assistance which the center is empowered to render or
186 regarding the competitive position of such applicant in a particular field of endeavor, shall not be
187 deemed public records of the center and specifically shall not be subject to the provisions of
188 section 10 of chapter 66. Any discussion or consideration of such trade secrets or commercial or

189 financial information may be held by the board in executive sessions closed to the public
190 notwithstanding the provisions of sections 20 and 21 of chapter 30A, but the purpose of any such
191 executive session shall be set forth in the official minutes of the center and no business which is
192 not directly related to such purpose shall be transacted nor shall any vote be taken during such
193 executive session.

194 Section 3. (a) The center shall have all powers necessary or convenient to carry out and
195 effectuate its purposes, including, without limiting the generality of the foregoing, the powers:

196 (1) to adopt and amend bylaws, regulations and procedures for the governance of its
197 affairs and the conduct of its business without regard to chapter 30A;

198 (2) to establish standards requiring that any grant, loan or other appropriation of funds
199 pursuant to this chapter be subject to an intellectual property agreement between the center and
200 the recipient person.

201 (3) to adopt an official seal and a functional name;

202 (4) to maintain offices at places within the commonwealth as it may determine and to
203 conduct meetings of the center in accordance with the by-laws of the authority and the second
204 paragraph of section 59 of chapter 156B;

205 (5) to sue and be sued, to prosecute and defend actions relating to its properties and
206 affairs, and to be liable in tort in the same manner as a private person; provided however, that the
207 center is not authorized to become a debtor under the United States Bankruptcy Code;

208 (6) to appoint officers and employees and to engage consultants, agents and advisors;

209 (7) to enter into contracts and agreements and execute all instruments necessary or
210 convenient thereto for accomplishing the purposes of this chapter; such contracts and agreements
211 may include, without limiting the foregoing, construction agreements, purchase or acquisition
212 agreements, loan or lease agreements, partnership agreements including limited partnership
213 agreements, joint ventures, participation agreements, service agreements with robotics
214 companies, educational or financial institutions or intermediaries, and agreements with 1 or more
215 persons for the servicing of loans made by the center including the receipt by such servicer of
216 payments made by a user under a financing document; provided, however, that the center shall
217 contract with another public authority for the performance by that authority of core
218 administrative functions, as determined by the secretary of housing and economic development
219 which may include, but shall not be limited to, human resources, financial management,
220 information technology, legal, procurement and asset management, to minimize the
221 administrative costs and expenses of the center. Any such payments shall constitute trust funds to
222 be held and applied solely as provided in such agreement for the servicing of loans, shall
223 constitute pledged funds of the center and shall be entitled to the same protection when received
224 by a person for the servicing of loans, without the need for filing and recording of the servicing
225 agreement under the provisions of chapter 106 or otherwise except in the records of the center, as
226 is afforded to funds received by an issuer and pledged to a trustee under section 14 of chapter
227 40D.

228 (8) to acquire real and personal property, or any interest in real or personal property, by
229 gift, purchase, transfer, foreclosure, lease or otherwise including rights or easements; to hold,
230 sell, assign, lease, encumber, mortgage or otherwise dispose of any real or personal property, or
231 any interest therein, or mortgage any interest owned by it or under its control, custody or in its

232 possession; to release or relinquish any right, title, claim, lien, interest, easement or demand
233 however acquired, including any equity or right of redemption in property foreclosed by it; to
234 take assignments of leases and rentals, proceed with foreclosure actions, or take any other actions
235 necessary or incidental to the performance of its corporate purposes;

236 (9) to invest any funds held in reserves or sinking funds, or the Mass Robotics Investment
237 Fund, or any funds not required for immediate disbursement, in such investments as may be
238 provided in any financing document relating to the use of such funds, or, if not so provided, as
239 the board may determine;

240 (10) to review and recommend changes in laws, rules, programs, and policies of the state
241 and its agencies and subdivisions to further the enhancement of robotics financing, infrastructure
242 and development within the commonwealth;

243 (11) to appear in its own behalf before boards, commissions, departments or other
244 agencies of municipal, state or federal government;

245 (12) to obtain insurance;

246 (13) to apply for and accept subventions, grants, loans, advances and contributions from
247 any source of money, property, labor or other things of value, to be held, used and applied for its
248 corporate purposes; provided however, that the center shall not accept funding from any source,
249 including any federal agency, if the receipt of said funding would limit the center's ability to
250 promote all forms of robotics research or scientific inquiry;

251 (14) to borrow money in order to implement the purposes of this chapter and, without
252 limiting the generality of the foregoing, to augment the means of securing financing authorized
253 by law for or otherwise available to public bodies and other users;

254 (15) to lend money to and to acquire or hold obligations issued by public bodies or other
255 users at such prices and in such manner as the center shall deem advisable and sell such bonds
256 acquired or held by it at prices without relation to cost and in such manner as the center shall
257 deem advisable and to secure its own issues of bonds with such obligations held by it;

258 (16) to act as the central entity and coordinating organization of robotics initiatives on
259 behalf of the commonwealth and to work in collaboration with governmental entities, bodies,
260 centers, institutes and facilities and promote all areas of robotics to advance the commonwealth's
261 interests and investments in robotics;

262 (17) to promulgate a code of ethics to address collaborative state and business research
263 activities; provided, however, that said code of ethics shall include recommendations, and
264 proposed legislation if necessary, addressing the issue of exclusive licensing agreements for
265 intellectual property developed using state funds between state-funded colleges and universities
266 and private companies and institutions. Said code shall be forwarded to the clerks of the house
267 and senate who shall forward the same to the joint committee on economic development and
268 emerging technologies.

269 (18) to enter into agreements with public and private entities that deal primarily with
270 robotic systems or robotics, in order to distribute and provide leveraging of monies or services
271 for the purposes of furthering robotics research in the commonwealth, fostering jobs in robotics

272 and promoting overall economic growth within the commonwealth by fostering collaboration
273 and investments in robotics in the commonwealth;

274 (19) to provide and pay for such advisory services and technical assistance as may be
275 necessary or desired to carry out the purposes of this chapter;

276 (20) to establish and collect such fees and charges as the center without further
277 appropriation shall determine to be reasonable; and to receive and apply revenues from fees and
278 charges to the purposes of the center or allotment by the commonwealth or any political
279 subdivision thereof;

280 (21) to make loans to any person for the acquisition, construction, alteration, or any
281 combination thereof, or other financing of a project, including but not limited to loans to lending
282 institutions under terms and conditions requiring the proceeds of such loans to be used by such
283 lending institutions for the making of loans to users for qualified projects;

284 (22) to disburse, appropriate, grant, loan or allocate funds for the purposes of investing in
285 robotic systems and robotics;

286 (23) to provide assistance to local entities, local authorities, public bodies and private
287 corporations for the purposes of maximizing opportunities for the expansion of robotics in the
288 commonwealth and attracting new robotics entities and investments to the commonwealth,
289 fostering new innovative research applications to the commonwealth and creating new
290 manufacturing and development initiatives in the commonwealth;

291 (24) to prepare, publish and distribute, with or without charge, as the center may
292 determine, such studies, reports and bulletins and other material as the center deems appropriate;

293 (25) to exercise any other powers of a corporation organized under chapter 156B; and

294 (26) to engage accountants, architects, attorneys, engineers, planners, real estate experts
295 and other consultants as may be necessary in its judgment to carry out the purposes of this act
296 and fix their compensation;

297 (27) to take any actions necessary or convenient to the exercise of any power or the
298 discharge of any duty provided for by this act;

299 (28) enter into agreements or other transactions with any person, including without
300 limitation any public entity or other governmental instrumentality or agency in connection with
301 its powers and duties under this chapter;

302 (29) to institute and administer the Massachusetts Robotics Investment Fund, established
303 pursuant to section 4 for the purposes of making appropriations, allocations, grants or loans to
304 leverage development and investments in robotic systems and robotics, facilities of higher
305 education whose work and mission applies directly to the aforementioned industries. The center
306 shall implement an application and grant process for these purposes.

307 (30) to operate as a licensed small business investment corporation pursuant to the
308 provisions of the Small Business Investment Act of 1958, 15 U.S.C. section 661 et seq. as
309 amended; provided, however, that as an alternative, the board may establish a subsidiary
310 corporation to operate as a licensed small business investment corporation pursuant to said Small
311 Business Investment Act of 1958, 15 U.S.C. section 661 et seq., and to make investments in
312 qualified securities of enterprises through such subsidiary;

313 (31) to track and report to the general court on federal initiatives that have an impact on
314 robotics companies doing business in the commonwealth; and

315 (32) to create award programs to acknowledge successful companies, public and private
316 institutions and programs in industry specific areas, as determined by the center.

317 Section 4. (a) There shall be established a commonwealth robotics investment program
318 which shall be administered by the center. The purpose of the program shall be to expand
319 robotics-related employment opportunities in the commonwealth and to promote robotics-related
320 innovations by supporting and stimulating research and development, manufacturing and
321 commercialization in robotics. Robotics companies certified pursuant to subsection (b) shall be
322 eligible for participation in the program.

323 (b) The center may, upon a majority vote of the board, certify a robotics company as a
324 certified robotics company upon:

325 (i) the timely receipt, as determined by the center, of a certification proposal supported by
326 independently verifiable information, signed under the pains and penalties of perjury by a person
327 expressly authorized to contract on behalf of the robotics company and which shall include, but
328 not be limited to: (A) an estimate of the projected new state revenue the robotics company
329 expects to generate during the period for which the company seeks certification, together with a
330 plan, including precise goals and objectives, by which the robotics company proposes to achieve
331 the projected new state revenue, including for each tax year, an estimate of new commercial
332 revenue that the commonwealth would not otherwise have received, an estimate of the number of
333 permanent full-time employees to be hired or retained, an estimate of the year in which the
334 company expects to hire or retain the employees, an estimate of the projected average salaries of

335 said employees, an estimate of the projected taxable income pursuant to chapter 62 or 63
336 generated by said employees and an estimate of the methods by which the company shall obtain
337 new employees and pursue a diverse workforce; (B) documentation of an agreement, if any,
338 between the robotics company and banking institutions with which the robotic company shall
339 have agreed to establish accounts and by which the banking institutions shall have agreed to
340 commit a specified percentage of the funds deposited in the accounts for loans made thereby to
341 companies under the small business capital access program established pursuant to section 58 of
342 chapter 23A; and (C) if appropriate, documentation that the robotics company has received
343 approval for a certified project, pursuant to section 3F of chapter 23A; and

344 (ii) findings made by the center, based on the certification proposal, documents submitted
345 therewith and any additional investigation by the center, and incorporated in its approval, that the
346 robotics company shall meet: (A) all statutory requirements and any other criteria that the center
347 may prescribe including, but not limited to criteria in the following areas: whether the robotics
348 company has sufficient business contacts with the commonwealth as evidenced by its business
349 activity within the commonwealth including, but not limited to, the number of full-time
350 employees employed in the commonwealth; the robotics company's potential to further
351 technological advancements in robotics; the robotics company's potential for leveraging
352 additional funding or attracting additional resources to the commonwealth; the robotics
353 company's potential to promote robotics manufacturing in the commonwealth; and evidence of
354 potential royalty income and contractual means to recapture such income for the purposes of this
355 chapter, as the center considers appropriate; and (B) the new state revenue and employment
356 growth projections, as specified in the certification proposal, over the period for which it receives
357 benefits.

358 (c) A certified robotics company may, upon a majority vote of the board, be eligible for
359 the following benefits which shall be awarded by the board on a competitive basis: (1) benefits
360 from the robotics tax incentive program established by subsection (d); (2) grants, loans or other
361 investments from the Massachusetts Robotics Investment Fund established by section 5; (3)
362 assistance from the regional technology and innovation centers established by section 8; (4)
363 assistance from the center to obtain designation as a certified project in an economic opportunity
364 area pursuant to section 3F of chapter 23A; (5) assistance from the center in accessing economic
365 incentive programs within the Massachusetts office of business development, including access to
366 the technical, human, financial, training, educational and site-finding resources necessary to
367 expand or locate in the commonwealth; (6) assistance from the center in obtaining federal grants;
368 (7) assistance from the center in facilitating clinical trials; (8) preference for funding for robotic
369 job training programs; or (9) preference for pre-permitted industrial land as identified by the
370 Massachusetts Development Finance Agency.

371 (d) There shall be established a robotics tax incentive program. The center, in
372 consultation with the department, may annually authorize incentives, including incentives carried
373 forward or refunded pursuant to paragraph 18 of section 30 of chapter 63, clause 10 of
374 subsection (f) of section 38 of said chapter 63, subsection (l) of section 38M of said chapter 63,
375 section 38GG of said chapter 63, section 38HH of said chapter 63, section 38II of said chapter
376 63, , the third paragraph of subsection (c) of section 42B of said chapter 63 and subsection (yy)
377 of section 6 of chapter 64H in a cumulative amount, including the current year cost of incentives
378 allowed in previous years, that shall not exceed \$25,000,000 annually. The center may, in
379 consultation with the department, limit any incentive to a specific dollar amount or time duration
380 or in any other manner deemed appropriate by the department; provided, however, that the

381 department shall only allocate any such incentives among commonwealth certified robotics
382 companies pursuant to subsection (b) and shall award such tax incentives pursuant to subsection
383 (c).

384 The center shall provide an estimate to the secretary of administration and finance of the
385 tax cost of extending benefits to a proposed project before certification, as approved by the
386 commissioner of revenue, based on reasonable projections of project activities and costs. Tax
387 incentives shall not be available to a certified robotics company unless expressly granted by the
388 secretary of administration and finance in writing.

389 (e)(1) Certification granted pursuant to subsection (b) shall be valid for 5 years starting
390 with the tax year in which certification is granted. Each certified robotics company shall file an
391 annual report with the center detailing whether it has met the specific targets established in the
392 proposal pursuant to subclause (A) of clause (i) of subsection (b).

393 (2) The certification of a robotics company may be revoked by the center after an
394 independent investigation and determination that representations made by the certified robotics
395 company in its certification proposal are materially at variance with the conduct of the robotics
396 company after receiving certification; provided, however, that the center shall review the
397 certified robotics company at least annually; provided, further, that a project with an actual return
398 on investment that is less than 70 per cent of the return on investment projected in the
399 certification proposal shall be deemed to contain a material variance for a revocation
400 determination. If the center determines not to revoke certification upon a finding that the actual
401 return on investment for the project is less than 70 per cent, the center shall provide its reasons
402 for the decision in writing to the secretary of administration and finance, the commissioner of

403 revenue and the clerks of the house of representatives and the senate, who shall forward the same
404 to the house and senate committees on ways and means, the joint committee on revenue and the
405 joint committee on economic development and emerging technologies. The center shall post
406 these reasons on the internet for public access.

407 (3) Under this subsection, revocation shall take effect on the first day of the tax year in
408 which the center determines that a material variance commenced. The commissioner of revenue
409 shall, as of the effective date of the revocation, disallow any credits, exemptions or other tax
410 benefits allowed by the original certification of tax benefits under this section. The department
411 shall issue regulations to recapture the value of any credits, exemptions or other tax benefits
412 allowed by the certification under this section; provided, however, that the recapture provisions
413 in section 38GG of chapter 63 shall apply. If the original certification allowed sales and use tax
414 exemptions pursuant to subsection (yy) of section 6 of chapter 64H, the purchaser shall accrue
415 use tax as of the date of revocation on a portion of the sales price on which exemption was
416 claimed that is proportionate to the remaining useful life of the property.

417 (4) Nothing in this subsection shall limit any legal remedies available to the
418 commonwealth against any certified robotics company.

419 (f) Capital funding may be revoked only by the center after an independent investigation
420 and determination that representations made by the robotics company in its certification proposal
421 are materially at variance with the conduct of the robotics company after certification; provided,
422 further, that a robotics company generating less than 70 per cent of the projected new state
423 revenue in the certification proposal shall be deemed to contain a material variance for the
424 purposes of a revocation determination. If the center does not revoke certification despite said

425 material variance, the center shall provide its reasons for the decision in writing to the secretary
426 of administration and finance, the commissioner of revenue and the clerks of the house of
427 representatives and the senate, who shall forward the same to the house and senate committees
428 on ways and means, the joint committee on bonding, capital expenditures and state assets and the
429 joint committee on economic development and emerging technologies. A notice of revocation
430 under this subsection shall specify the date on which the revocation is effective, which shall be
431 the date of the notice or the date on which the center determined that the material variance
432 commenced. The secretary of administration and finance shall, as of the effective date of the
433 revocation, disallow any loans, grants or other benefits allowed by the original certification
434 under this section. The department may issue regulations to recapture any grants or loans
435 allowed by the certification under this section.

436 (g) The center shall revoke the certification of a robotics company when independent
437 investigations conducted in 2 consecutive years determine that representations made by the
438 robotics company in its project proposal are deemed materially at variance, pursuant to
439 paragraph (2) of subsection (e) or subsection (f).

440 (h) The board, in consultation with the executive office of administration and finance and
441 the executive office of housing and economic development, shall promulgate rules, regulations
442 or guidelines necessary to carry out the provisions of this section.

443 Section 5. (a) There shall be established and placed within the center a fund to be known
444 as the Massachusetts Robotics Investment Fund, hereinafter in this section referred to as the
445 fund, to be held by the center separate and apart from its other funds, to finance the activities of
446 the center. The fund shall be credited any appropriations, bond proceeds or other monies

447 authorized by the general court and specifically designated to be credited thereto, such additional
448 funds as are subject to the direction and control of the center, any pension funds, federal grants
449 or loans, royalties or private investment capital which may properly be applied in furtherance of
450 the objectives of the fund, any proceeds from the sale of qualified investments secured or held by
451 the fund, any fees and charges imposed relative to the making of qualified investments as defined
452 by the center, secured or held by the fund and any other monies which may be available to the
453 center for the purposes of the fund from any other source or sources. Any revenues, deposits,
454 receipts, or funds received through the receipt of royalties, interest, dividends, or the sale of
455 equity instruments shall be deposited in the fund, and shall be available to the center for the
456 purposes described in this section, without further appropriation. All available moneys in the
457 fund that are unexpended at the end of each fiscal year shall not revert to the General Fund and
458 shall be available for expenditure in the subsequent fiscal year.

459 (b) The center shall invest and reinvest the fund and the income thereof only as follows:

460 (1) making qualified investments pursuant to subsection (c); (2) defraying the ordinary and
461 necessary expenses of administration and operation associated with the center; provided,
462 however, that said administrative and operational expenses shall not exceed 15 per cent of the
463 maximum amount authorized to be expended from the fund in a fiscal year; (3) investing any
464 funds not required for immediate disbursement in the purchase of such securities as may be
465 lawful investments for fiduciaries in the commonwealth; (4) paying binding obligations
466 associated with such qualified investments which shall be secured by the fund as the same
467 become payable; and (5) paying principal or interest on qualified investments secured by the
468 fund or paying any redemption premium required to be paid when such qualified investments
469 shall be redeemed prior to maturity; provided, however, that monies in the fund shall not be

470 withdrawn at any time in such an amount as would reduce the amount of the fund to less than the
471 minimum requirement thereof established by the board, except for the purpose of paying binding
472 obligations associated with qualified investments which shall be secured by the fund as the same
473 become payable.

474 (c) The fund shall be held and applied by the center, subject to the approval of the board,
475 to make qualified investments, grants, research and other funding and loans designed to advance
476 the following public purposes for robotics in the commonwealth: (1) to stimulate increased
477 financing for the expansion of research and development by leveraging private financing for
478 highly productive state-of-the-art research and development facilities, equipment and
479 instrumentation and by providing financing related thereto including, but not limited to,
480 financing for the construction or expansion of such new facilities; (2) to make targeted
481 investments, including research funding, proof of concept funding and funding for the
482 development of devices and to promote manufacturing activities for new or existing advanced
483 technologies and robotics research; (3) to make matching grants to colleges, universities,
484 independent research institutions, nonprofit entities, public instrumentalities, companies and
485 other entities in connection with support from the federal government, industry and other grant-
486 funding sources related to the expansion of research and development and to increase and
487 strengthen economic development, employment opportunities and commercial and industrial
488 sectors in the field of robotics; (4) to provide bridge financing to colleges, universities,
489 independent research institutions, nonprofit entities, public instrumentalities, companies and
490 other entities for the receipt of grants as described in clause (3) awarded or to be awarded by the
491 federal government, industry or other sources; (5) to provide fellowships, co-ops, internships,
492 loans and grants; (6) to provide workforce training grants to prepare individuals for robotics

493 careers; (7) to provide funding for development, coordination and marketing of higher education
494 programs; (8) to make qualified grants to certified robotics companies for site remediation,
495 preparation and ancillary infrastructure improvement projects; and (9) to otherwise further the
496 public purposes set forth herein.

497 (d) Proceeds of the fund may be used by the center to fund robotics initiatives including:
498 (1) international trade initiatives; (2) qualified grants to graduate level and doctoral students and
499 post-doctoral fellows for living expenses; (3) joint academic and industrial research and
500 development and commercial business exchanges between the commonwealth and Israel, in
501 collaboration with the Massachusetts international trade council; (4) the Massachusetts
502 Technology Transfer Center, established by section 45 of chapter 75 to fund activities that
503 facilitate the transfer of technology from the commonwealth's research institutions to the
504 commonwealth's robotic industries, for productive use by such industries and to make targeted
505 investments in proof of concept funding for emerging technologies; or (5) the Massachusetts
506 Science, Technology Engineering, and Mathematics Grant Fund, established by section 2MMM
507 of chapter 29.

508 (e) The center shall make no such qualified investment pursuant to clause (1) of
509 subsection (b) unless: (1) said investment has been approved by a majority vote of the board; (2)
510 the recipient is a certified robotics company pursuant to section 4 or a project or initiative listed
511 in subsection (d); (3) the center finds, to the extent possible, that a definite benefit to the
512 commonwealth's economy may reasonably be expected from said qualified investment;
513 provided, further, that in evaluating a request or application for funding, the center shall consider
514 the following: (i) the appropriateness of the project; (ii) whether the project has significant
515 potential to expand employment; (iii) the project's potential to enhance technological

516 advancements; (iv) the project's potential for leveraging additional funding or attracting
517 resources to the commonwealth; (v) the project's potential to promote manufacturing in the
518 commonwealth; and (vi) evidence of potential royalty income and contractual means to recapture
519 such income for the purposes of this chapter, as the center considers appropriate; (4) to the extent
520 said investment is a capital investment made pursuant to clause (8) of subsection (c), the
521 investment has been approved by the secretary of the executive office of administration and
522 finance upon request of the center; provided, however, that said request shall be submitted to the
523 secretary in writing and shall, include but not be limited to: (i) a description of the project or
524 program to be funded; (ii) the economic benefits to the commonwealth which can reasonably be
525 expected from said project or program; (iii) a copy of the proposed contract or other document
526 executing the transaction between the center and the recipient of the funds; (iv) a description of
527 the contractual or other legal remedies available to the center upon non-performance of the
528 contract or other document executing the transaction by the recipient including, but not limited
529 to, any provisions for restitution or reimbursement of the funds granted, loaned or otherwise
530 invested in or with the recipient; and (v) any other information as the secretary may determine;
531 and (5) said qualified investment conforms with qualified investment rules to be approved by the
532 board.

533 The qualified investment rules shall set the terms and conditions for investments which
534 shall constitute qualified investments including, but not limited to, loans, guarantees, loan
535 insurance or reinsurance, equity investments, grants awarded pursuant to clause (3) of subsection
536 (c), other financing or credit enhancing devices, as established by the center directly or on its
537 own behalf or in conjunction with other public instrumentalities, or private institutions or the
538 federal government.

539 The qualified investment rules shall establish the terms, procedures, standards and
540 conditions which the center shall employ to identify qualified applications, process applications,
541 make investment determinations, safeguard the fund, advance the objective of increasing
542 employment opportunities, oversee the progress of qualified investments and secure the
543 participation of other public instrumentalities, private institutions or the federal government in
544 such qualified investments. The qualified investment rules shall provide for negotiated
545 intellectual property agreements between the center and a qualified investment recipient which
546 shall include the terms and conditions by which the fund's support may be reduced or withdrawn.

547 (f) The center may solicit investments by private institutions or investors in the activities
548 of the fund and may reach agreements with such private institutions or investors regarding the
549 terms of any such investments including, but not limited to, the rights of such investors to
550 participate in the income or appropriation of the fund. To further the objective of securing
551 investments by private institutions or investors in the activities of the fund pursuant to the
552 preceding sentence, the center may develop a proposal creating a separate investment entity
553 which shall permit the commingling of the fund's resources with the maximum participation by
554 such private institutions or investors in a manner consistent with the public purpose of the fund
555 and under the terms and conditions established to protect and preserve the assets of the fund.

556 (g) Copies of the approved qualified investment rules, and any modifications, shall be
557 submitted to the clerks of the house of representatives and the senate, who shall forward the
558 same to the house and senate committees on ways and means and the joint committee on
559 economic development and emerging technologies.

560 (h) Qualified investment transactions made by the center pursuant to this section shall
561 not, except as specified in this chapter, be subject to chapter 175, or any successor thereto, and
562 shall be payable solely from the Massachusetts Robotics Investment Fund established by this
563 section and shall not constitute a debt or pledge of the full faith and credit of the commonwealth,
564 the center or any subdivision of the commonwealth.

565 (i) The center shall not make expenditure from or commitment of the assets of the fund
566 including, but not limited to, the making of qualified investments secured by the fund, if
567 following the making of said qualified investment, the amount of the fund shall be less than the
568 minimum requirement established by the board.

569 Section 6. (a) There shall be established and placed within the center the Massachusetts
570 Small Business Matching Grant Fund, hereinafter referred to in this section as the fund, to be
571 held by the center separate and apart from its other funds. The fund shall be credited any
572 appropriations, bond proceeds or other monies authorized by the general court and specifically
573 designated to be credited thereto, such additional funds as are subject to the direction and control
574 of the center, any pension funds, federal grants or loans, royalties or private investment capital
575 which may properly be applied in furtherance of the objectives of the fund, any proceeds from
576 the sale of qualified investments secured or held by the fund, any fees and charges imposed
577 relative to the making of qualified investments as defined by the center, secured or held by the
578 fund and any other monies which may be available to the center for the purposes of the fund
579 from any other source or sources. Any revenues, deposits, receipts, or funds received through the
580 receipt of royalties, interest, dividends, or the sale of equity instruments shall be deposited in the
581 fund, and shall be available to the center for the purposes described in this section, without
582 further appropriation. All available moneys in the fund that are unexpended at the end of each

583 fiscal year shall not revert to the General Fund and shall be available for expenditure in the
584 subsequent fiscal year.

585 (b) The center shall invest and reinvest the fund and the income thereof only as follows:

586 (1) making qualified grants pursuant to subsection (c); (2) investing any funds not required for
587 immediate disbursement in the purchase of such securities as may be lawful investments for
588 fiduciaries in the commonwealth; (3) paying binding obligations associated with such qualified
589 investments which shall be secured by the fund as the same become payable; and (4) paying
590 principal or interest on qualified investments secured by the fund or paying any redemption
591 premium required to be paid when such qualified investments shall be redeemed prior to
592 maturity; provided, however, that monies in the fund shall not be withdrawn at any time in such
593 an amount as would reduce the amount of the fund to less than the minimum requirement thereof
594 established by the center, except for the purpose of paying binding obligations associated with
595 qualified investments which shall be secured by the fund as the same become payable.

596 (c) Notwithstanding any provision of this chapter to the contrary, a company need not be
597 a certified robotics company, as established in section 4, to be eligible for matching grants
598 pursuant to this section. The fund shall be held and applied by the center to make qualified loans,
599 grants or other investments to stimulate increased financing for robotics and high technology
600 research and development, manufacturing and commercialization in the commonwealth by
601 matching grants to public agencies, independent research institutions, nonprofits or to robotics or
602 high technology companies to increase and strengthen the commonwealth's economic
603 development, employment opportunities and commercial and industrial sectors. The fund shall
604 provide matching grants to commonwealth-based robotics or high technology companies that
605 receive small business innovation research or small business technology transfer grants from the

606 Small Business Administration, pursuant to 15 U.S.C. section 638, to assist companies that have
607 developed new commercialization-ready technologies to reach production and create
608 manufacturing jobs in the commonwealth. Said matching grants shall be used to create
609 manufacturing jobs and may be used for, without limitation, the creation of, and capital
610 improvements for, production facilities, workforce training, product marketing and purchasing
611 infrastructure for product manufacturing. Said matching grants shall be distributed to eligible
612 companies that have commercialization-ready technologies developed with assistance from the
613 Small Business Administration in the form of \$1 in matching funds for every \$1 granted from the
614 SBIR program and phase III grants established by 15 U.S.C. section 638. Said matching grants
615 shall be awarded in consultation with the Smaller Business Association of New England. No
616 such grant to any company shall exceed \$500,000 annually and the center shall make no such
617 qualified loan, grant or other investment unless: (1) said loan, grant or investment has been
618 approved by a majority vote of the board; (2) the center finds that, to the extent possible, a
619 definite benefit to the commonwealth's economy may reasonably be expected from said qualified
620 loan, grant or investment; provided, however, that in evaluating a request or application for
621 funding, the center shall consider whether: (i) the loan, grant or investment shall stimulate
622 increased financing for robotics and high technology research and development, manufacturing
623 and commercialization; (ii) the enterprise has a reasonable chance of success; (iii) center
624 participation is necessary; (iv) the enterprise has the reasonable potential to create a substantial
625 amount of new employment in the commonwealth; (v) the principals of the enterprise have made
626 or are prepared to make a substantial financial and time commitment to the enterprise; (vi)
627 binding commitments have been made to the center by the enterprise for adequate reporting of
628 financial data to the center, which shall include a requirement for an annual or other periodic

629 audit of the books of the enterprise, and for such control on the part of the center as the board
630 shall consider prudent over the management of the company to protect the investment of the
631 center including the board's right to access, without limitation, financial and other records of the
632 enterprise; and (vii) a reasonable effort has been made to find a professional investor to invest in
633 the enterprise and whether such effort was unsuccessful; and (3) said loan, grant or other
634 investment conforms with small business investment rules to be approved by the board.

635 The small business investment rules shall define robotics technology and high technology
636 for purposes hereof; provided, however, that such definition shall include companies engaging in
637 research and development, commercialization or manufacturing in the commonwealth. The small
638 business investment rules shall establish the terms and conditions for investments which
639 constitute qualified investments, and may include, but not be limited to, loans, guarantees, loan
640 insurance or reinsurance, equity investments or other financing or credit enhancing devices, as
641 made by the center directly or on its own behalf or in conjunction with other public
642 instrumentalities, private institutions or the federal government. The small business investment
643 rules shall establish the terms, procedures, standards and conditions which the center shall
644 employ to identify qualified applications, process applications, make investment determinations,
645 safeguard the fund, advance the objective of increasing employment opportunities for the
646 citizens of the commonwealth, oversee the progress of qualified investments and secure the
647 participation of other public instrumentalities, private institutions or the federal government in
648 such qualified investments. The small business investment rules shall provide that each recipient
649 of a qualified investment shall be required to pay a fee as a condition of such receipt, and said fee
650 may take the form of points, an interest rate premium or a contribution of warrants or other forms
651 of equity or consideration to the fund. The small business investment rules shall provide for

652 negotiated agreements between the center and each recipient of a qualified investment regarding
653 the terms and conditions by which the fund's support thereof could be reduced or withdrawn.

654 (d) The center may solicit investments by private institutions or investors in the activities
655 of the fund and may reach agreements with such private institutions or investors regarding the
656 terms of any such investments including, but not limited to, the rights of such investors to
657 participate in the income or appropriation of the fund. To further the objective of securing
658 investments by private institutions or investors in the activities of the fund pursuant to the
659 preceding sentence, the center may develop a proposal relative to the creation of a separate
660 investment entity which shall permit the commingling of the fund's resources with the maximum
661 participation by such private institutions or investors consistent with the public purpose of the
662 fund and under the terms and conditions established to protect and preserve the assets of the
663 fund; provided, however, that if the creation or operation of such a separate entity would require
664 legislation, said proposal shall include proposed statutory language with regard thereto.

665 (e) Copies of the approved small business investment rules, and any modifications
666 thereto, shall be submitted to the clerks of the house of representatives and the senate, who shall
667 forward the same to the house and senate committees on ways and means and the joint
668 committee on economic development and emerging technologies.

669 (f) Qualified investment transactions made by the center pursuant to the provisions of this
670 section shall not, except as specified in this chapter, be subject to the provisions of chapter 175,
671 or any successor thereto, and shall be payable solely from the Massachusetts Small Business
672 Matching Grant Fund, established by this section and shall not constitute a debt or pledge of the
673 full faith and credit of the commonwealth, the center or any subdivision of the commonwealth.

674 (g) The center shall not make expenditure from or commitment of the assets of the fund
675 including, but not limited to, the making of qualified investments secured by the fund, if
676 following the making of said qualified investment, the amount of the fund shall be less than the
677 minimum requirement established by the board.

678 (h) The center shall develop a plan ensuring that fund disbursements made pursuant to
679 this section shall be distributed throughout all regions of the commonwealth.

680 Section 7. (a) There shall be established and placed within the center a fund to be known
681 as the Massachusetts Robotics Education Fund, hereinafter in this section referred to as the fund,
682 to be held by the center separate and apart from its other funds. The fund shall be credited any
683 appropriations, bond proceeds or other monies authorized by the general court and specifically
684 designated to be credited thereto, such additional funds as are subject to the direction and control
685 of the center, any pension funds, federal grants or loans, royalties or private investment capital
686 which may properly be applied in furtherance of the objectives of the fund, any proceeds from
687 the sale of qualified investments secured or held by the fund, any fees and charges imposed
688 relative to the making of qualified investments as defined by the center, secured or held by the
689 fund and any other monies which may be available to the center for the purposes of the fund
690 from any other source or sources. Any revenues, deposits, receipts, or funds received through the
691 receipt of royalties, interest, dividends, or the sale of equity instruments shall be deposited in the
692 fund, and shall be available to the center for the purposes described in this section, without
693 further appropriation. All available moneys in the fund that are unexpended at the end of each
694 fiscal year shall not revert to the General Fund and shall be available for expenditure in the
695 subsequent fiscal year.

696 (b) The center shall invest and reinvest the fund and the income thereof only as follows:

697 (1) making qualified grants pursuant to subsection (c); (2) investing any funds not required for
698 immediate disbursement in the purchase of such securities as may be lawful investments for
699 fiduciaries in the commonwealth; (3) paying binding obligations associated with such qualified
700 investments which shall be secured by the fund as the same become payable; and (4) paying
701 principal or interest on qualified investments secured by the fund or paying any redemption
702 premium required to be paid when such qualified investments shall be redeemed prior to
703 maturity; provided, however, that monies in the fund shall not be withdrawn at any time in such
704 an amount as would reduce the amount of the fund to less than the minimum requirement thereof
705 established by the center, except for the purpose of paying binding obligations associated with
706 qualified investments which are secured by the fund as the same become payable.

707 (c) The fund shall be held and applied by the center to make qualified grants to vocational
708 technical schools for purchasing or leasing necessary equipment to train students in robotics
709 technology and research; provided, however, that the center shall make no such qualified grants
710 unless: (1) said grant has been approved by a majority vote of the board; (2) the grant recipient
711 shall be a vocational technical school; provided, however, that if funds remain after
712 consideration of grant applications submitted by vocational technical schools, the center may
713 make qualified grants to community colleges established by chapter 15A or any other general or
714 special law; (3) the grant recipient has identified and properly trained instructors to use the
715 equipment to be purchased or leased; and (4) said qualified grants conform with education
716 investment rules approved by the board.

717 The education investment rules shall set the terms and conditions for grants which
718 constitute qualified grants and shall set forth the terms, procedures, standards and conditions

719 which the center shall employ to identify qualified applications, process applications, make
720 investment determinations, safeguard the fund, advance the objective of increasing employment
721 opportunities for the citizens of the commonwealth, oversee the progress of qualified grants, and
722 secure the participation of other public instrumentalities, private institutions or the federal
723 government in such qualified grants.

724 (d) The center may solicit investments by private institutions or investors in the activities
725 of the fund and may reach agreements with such private institutions or investors regarding the
726 terms of any such investments including, but not limited to, the rights of such investors to
727 participate in the income or appropriation of the fund. To further the objective of securing
728 investments by private institutions or investors in the activities of the fund as established in the
729 preceding sentence, the center may develop a proposal relative to the creation of a separate
730 investment entity which shall permit the commingling of the fund's resources with the maximum
731 participation by such private institutions or investors in a manner consistent with the public
732 purpose of the fund and under terms and conditions established to protect and preserve the assets
733 of the fund.

734 (e) Copies of the approved education investment rules, and any modifications thereto,
735 shall be submitted to the clerks of the house of representatives and the senate and shall forward
736 the same to the house and senate committees on ways and means and the joint committee on
737 economic development and emerging technologies.

738 (f) Qualified grants and investment transactions made by the center pursuant to the
739 provisions of this section shall not, except as specified in this chapter, be subject to the
740 provisions of chapter 175, or any successor thereto, and shall be payable solely from the

741 Massachusetts Robotics Education Fund, established by this section and shall not constitute a
742 debt or pledge of the full faith and credit of the commonwealth, the center or any subdivision of
743 the commonwealth.

744 (g) The center shall not make expenditure from or commitment of the assets of the fund
745 including, but not limited to, the making of qualified investments secured by the fund, if
746 following the making of said qualified investment, the amount of the fund shall be less than the
747 minimum requirement established by the board.

748 Section 8. (a) The center, in consultation with the advisory board established by section
749 9, shall identify 1 existing robotics entity with experience facilitating local or regional robotic
750 industry sectors to serve as a regional technology and innovation center in each of the following
751 5 regions: western Massachusetts, central Massachusetts, northeastern Massachusetts,
752 southeastern Massachusetts and metropolitan Boston.

753 (b) The purpose of each regional technology and innovation center shall include, but shall
754 not be limited to: (i) encouraging and facilitating collaboration between existing organizations
755 dedicated to promoting the regional robotic industry; (ii) inputting regional robotic industry and
756 educational data, including the documentation of regional lab space, into the robotics industry
757 database as designed and maintained by the center; (iii) organizing, facilitating and
758 implementing regional workforce development initiatives; (iv) providing business management
759 and resource training, including the dissemination of best business practices; (v) facilitating
760 public and private investment; (vi) reviewing and providing recommendations to the center
761 proposals; (vii) identifying property conducive to regional robotic industry expansion; and (viii)

762 investigating and identifying specific regions or municipalities that have the potential to be
763 developed into a robotics cluster.

764 (c) The executive director, or the equivalent, of the 5 regional technology and innovation
765 centers shall meet from time to time with the center to exchange information; identify regional
766 needs including, but not limited to, any assistance needed in fulfilling the regional centers'
767 purposes as provided in subsection (b); and advise the center on the effectiveness of programs
768 administered by the center.

769 (d) Each regional technology and innovation center shall provide an annual report to the
770 center containing such information as may be required by the center to evaluate the progress of
771 each regional center. The center may withdraw a designation as a regional technology and
772 innovation center if a regional center does not satisfactorily meet the purposes of subsection (b),
773 and as provided in any rules, regulations or guidelines established by the center.

774 Section 9. There shall be an 15-member advisory board advise the center. The governor
775 shall make all appointments to the board; provided, however there shall be: 8 representatives of
776 Massachusetts Technology Collaborative; 1 representative from the University of Massachusetts
777 at Amherst; 1 representative from the University of Massachusetts at Boston; 1 representative
778 from the University of Massachusetts at Dartmouth; 1 representative from the University of
779 Massachusetts at Lowell; and 1 representative from the University of Massachusetts at
780 Worcester. The secretary of labor and workforce development or the secretary's designee, the
781 executive director of the Massachusetts Technology Transfer Center and the 5 executive
782 directors of the regional technology and innovation centers, established pursuant to section 8,
783 shall serve as ex-officio, non-voting members of the advisory board.

784 Each member shall serve for a term of 3 years, except that in making initial
785 appointments, the governor shall appoint 5 members to serve for a term of 1 year, 5 members to
786 serve for a term of 2 years and 5 members to serve for a term of 3 years. Any person appointed to
787 fill a vacancy in the office of a member of the advisory board shall be appointed in a like manner
788 and shall serve for only the unexpired term of the member who vacated. Members shall be
789 eligible for reappointment. Any member may be removed by the governor for cause. The
790 advisory board shall meet at least bi-annually, but shall meet as often as the members shall
791 determine, or at such other intervals as established by the center's president to review
792 recommendations made by the board. The members of the advisory board shall serve without
793 compensation, but each member shall be entitled to reimbursement for actual and necessary
794 expenses incurred in the performance of official duties.

795 The duties of the advisory board shall be to advise the center and the board concerning:
796 research and development in the robotics; development of products and the effectiveness of
797 public and private initiatives to further product development; manufacturing and
798 commercialization of robotic systems and robotics; identifying candidates and providing
799 recommendations for the 5 regional technology and innovation centers as established in section
800 8; and any other area as requested by the board.

801 The advisory board shall not be a state agency for the purposes of chapter 268A and shall
802 not be subject to sections 20 and 21 of chapter 30A or chapter 66.

803 Section 10. The center shall develop a comprehensive, internet-based robotics sector
804 database for the organization of all relevant information, as determined by the center, related to
805 the robotics sector in the commonwealth. Access to said database shall be limited at the

806 discretion of the center's president. Any documentary materials or data received by the center
807 from any entity, private or public, for the express purpose of adding information to the robotic
808 database shall be exempt from section 10 of chapter 66 and the board may hold any discussion or
809 consideration of database materials in executive session closed to the public, notwithstanding the
810 provisions of section 20 and 21 of chapter 30A, but the purpose of any such executive session
811 shall be set forth in the official minutes of the center and business not directly related to such
812 purpose shall not be transacted nor shall any vote be taken during such executive session.

813 Section 11. (a) The exercise of the powers granted by this chapter shall be for the benefit
814 of the people of the commonwealth; and as the operation of the center shall constitute the
815 performance of essential governmental functions, the center shall not be required to pay any
816 taxes or assessments, except as otherwise provided by this chapter, and the notes or bonds issued
817 pursuant to this chapter, their transfer and the income therefrom, including any profit made on
818 the sale thereof, at all times shall be free from taxation by and within the commonwealth.

819 (b) The lands and tangible personal property of the center shall be deemed to be public
820 property used for essential public and governmental purposes and shall be exempt from taxation
821 and from betterments and special assessments.

822 Section 12. The center shall annually complete a detailed report setting forth: its
823 operations and accomplishments; its receipts and expenditures during such fiscal year; its assets
824 and liabilities at the end of its fiscal year; the anticipated return on investment to the
825 commonwealth from the investment of funds administered by the center during such fiscal year;
826 a complete report detailing all companies classified as a certified robotics company; a complete
827 list of grants awarded by the center; a list of other funding activities; reports of patents or

828 products resulting from funded activities; the status of construction of any real estate project
829 resulting from certification, including whether construction is on-time and on-budget; and a
830 tracking of job creation as a result of funded projects. The center shall annually submit the report
831 to the governor, the secretary of administration and finance, the state comptroller and the clerks
832 of the house of representatives and senate, who shall forward the same to the house and senate
833 committees on ways and means and the joint committee on economic development and emerging
834 technologies on or before October 1. The report shall be posted on the internet in a manner
835 accessible to the public.

836 Section 13. The books and records of the center shall be subject to a biennial audit by the
837 auditor of the commonwealth.

838 Section 14. (1) (a) Notwithstanding the provisions of chapter 32, or of any general or
839 special law to the contrary, the center shall establish 1 or more optional retirement programs that
840 qualify pursuant to section 401, 408 or 457 of the Internal Revenue Code, as may be amended
841 from time to time, or contracts providing retirement and death benefits may be purchased by
842 employees of the center who elect to participate in the program. The benefits offered to
843 employees of the center in such optional retirement program shall be provided through such
844 custodial accounts or individual or group annuity contracts, which may be fixed or variable in
845 nature, or a combination thereof; provided, however, that at all times, those annuity contracts
846 issued by licensed insurers under the optional retirement program shall provide the minimum
847 values and guarantees required by the laws governing such contracts in the commonwealth; and
848 provided, further, that the benefits shall be payable only to employees of the center in the
849 program or their beneficiaries, and such benefits shall be paid only by the selected providers in
850 accordance with the terms of the custodial accounts, annuity contracts or certificates providing

851 coverage to the employee of the center; and provided, further, that such optional retirement
852 program shall not allow an employee of the center to withdraw contributions while an active
853 participant in the center's optional retirement program.

854 (b) The center shall select at least 2 but no more than 4 providers for the optional
855 retirement program and enter into contracts with them in accordance with the laws governing the
856 procurement of services for executive agencies of the commonwealth; provided, however, that
857 the selected providers shall be authorized to conduct business within the commonwealth, and
858 each and every provider or issuer of annuity contracts under the optional retirement program
859 which is a life insurance company shall hold a certificate of authority to do life insurance
860 business in the commonwealth, maintain the minimum required capital and surplus required for
861 life insurance companies pursuant to the laws of the commonwealth, be a member of the
862 commonwealth's life and health insurance guaranty association and be a member of the life and
863 health insurance guaranty associations in any and all jurisdictions where required by law with
864 similar retirement programs funded in whole or in part through the provider's annuities in which
865 employees of the center participating in the optional retirement program may participate upon
866 transfer of employment; and provided, further, that said board shall coordinate the transfer of
867 funds and information between payroll centers, the selected providers and employees of the
868 center participating in the plan.

869 (2)(a) Participation in the optional retirement program provided by this section shall be
870 limited to employees of the center who are otherwise eligible for membership in the state
871 employees' retirement system as established under the provisions of chapter 32.

872 (b) Elections to participate in the optional retirement program shall be made as follows:

873 (i) Any eligible employee of the center who is initially appointed on or after the effective
874 date of the optional retirement program may elect in writing to participate in the optional
875 retirement program within 90 days of the effective date of the appointment.

876 Any such election shall be effective as of the effective date of appointment. If an eligible
877 employee of the center fails to make an election as provided in this paragraph, such employee
878 shall become a member of the state employees' retirement system established under the
879 provisions of said chapter 32.

880 (ii) Any eligible employee of the center who is a member of any retirement system
881 established by the provisions of said chapter 32 on the effective date of the optional retirement
882 program but who has less than 10 years of creditable service on the effective date of the optional
883 retirement program may elect in writing to participate in the optional retirement program within
884 90 days after the effective date of the optional retirement program. Any such election shall
885 become effective on the first day of the next pay period following such election, and shall
886 constitute a waiver of all retirement benefits to which the individual may be entitled as an
887 employee under any retirement system established under the provisions of said chapter 32.

888 (iii) Any employee of the center who is a member of any retirement system established
889 by the provisions of said chapter 32 but who has less than 10 years of creditable service on the
890 date such employee becomes eligible to participate in the optional retirement program may elect
891 in writing to participate in such optional retirement program within 90 days of the date said
892 employee becomes eligible. Any such election shall become effective on the first day of the next
893 pay period following such election, and shall constitute a waiver of all retirement benefits to

894 which the individual may be entitled as an employee under any retirement system established by
895 the provisions of said chapter 32.

896 (iv) Any eligible employee of the center electing to participate in the optional retirement
897 program shall be ineligible for membership in the state employees' retirement system while he
898 remains continuously employed by the center; provided, however, that the election by an eligible
899 employee to participate in the optional retirement program shall be irrevocable while the
900 employee continues to meet the eligibility requirements; and provided, further, that if an
901 employee becomes ineligible to continue in the optional retirement program, the employee shall
902 thereafter participate in the state employees' retirement system established in accordance with the
903 provisions of said chapter 32.

904 (3)(a) Any eligible employee of the center electing to participate in the optional
905 retirement program shall not be required to make contributions to the state employee's retirement
906 system but shall contribute to the optional retirement program an amount equal to the
907 contribution which would have been required had such employee been a member of the state
908 employees' retirement system.

909 (b) For each eligible employee of the center electing to participate in the optional
910 retirement program, the center shall contribute an amount equal to 5 per cent of each employee's
911 regular compensation, as defined in section 1 of chapter 32, to the optional retirement program
912 and a plan established to provide life and disability benefits to all participants in the program;
913 provided, however, that not more than 1 per cent of said contribution shall be made to the plan
914 established to provide said life and disability benefits; provided, further, that the balance of said
915 contribution shall be remitted to the appropriate provider for application to the participating

916 employee's contract or custodial account, less any monthly fees established by the board in order
917 to cover the reasonably necessary direct costs incurred by the board in establishing and
918 administering the plan.

919 (c) If any eligible employee of the center is a member of any retirement system
920 established by the provisions of said chapter 32 at the time such employee elects to participate in
921 the optional retirement program, the employee may direct that the amount of the accumulated
922 total deductions, and any interest to which the employee would be entitled under said chapter 32
923 if the employee withdrew from the system, credited to such employee's account in such
924 retirement system be transferred directly to such employee's account in the optional retirement
925 program. Any such transfer shall be made in the form of a direct trustee-to-trustee transfer in
926 compliance with the requirements of subchapter D of chapter 1 of the Internal Revenue Code.

927 (d) The funds accumulated under the optional retirement program shall be exempt from
928 taxation. The rights of a participant to a custodial account, an annuity, the annuity contracts or
929 certificates providing coverage to participants, and all right in and to the funds accumulated
930 under the custodial accounts, annuity contracts or certificates shall be exempt from taxation,
931 including income taxes levied pursuant to the provisions of said chapter 62. No assignment of
932 any right in or to any funds or annuities under the optional retirement program shall be valid
933 except such assignment as may be made for the purpose of making restitution in the case of
934 dereliction from duty by any participant as established in section 15 of said chapter 32 if such
935 assignment does not violate the restrictions of the Internal Revenue Code; provided, however,
936 that nothing in this section shall prevent a participant's custodial account or annuity from being
937 attached, taken on execution, assigned, or subject to other process to satisfy a support order

938 under chapters 208, 209, or 273 if such order constitutes a qualified domestic relations order
939 under the terms of the Internal Revenue Code.

940 (e) Any eligible employee of the center enrolled in the optional retirement program who
941 retires and wishes to retain the employee's group insurance coverage as provided in chapter 32A,
942 or retires and wishes to enroll in group insurance coverage pursuant to said chapter 32A, may do
943 so in the same manner, and subject to the same limitations and requirements as an active
944 employee member of the state employees' retirement system. Any eligible employee of the center
945 enrolled in the optional retirement program who retains or enrolls in the group insurance
946 coverage upon retirement shall be deemed to have authorized the employee's optional retirement
947 program plan provider to deduct from the retired employees account, on a monthly basis, and
948 forward to the group insurance commission, an amount equal to the retired employee's share of
949 the premium as set by said chapter 32A and each annual appropriation act. Each optional
950 retirement program plan provider shall be required to deduct and forward said premium amounts,
951 as determined by the group insurance commission, to the group insurance commission in
952 advance of the month for which the premium is due and in a manner as may be prescribed by the
953 group insurance commission. For group insurance commission purposes employees who were
954 members of the state retirement system when they became eligible to participate in the optional
955 retirement program, and who then enrolled in the optional retirement program, may add their
956 time in the state retirement system to their time in the optional retirement program in
957 determining years of creditable service.

958 (f) No contribution shall be made under any provision of this section in excess of, or on
959 the basis of compensation in excess of, any limitation that may be imposed pursuant to federal
960 law including, but not limited to, the limitations in 26 U.S.C. sections 401(a)(17), 402(g), 403(b)

961 and 415, to the extent such limitations apply. The center may adopt rules and regulations as it
962 deems necessary to carry out the purposes of this section including, but not limited to, rules or
963 regulations establishing such limitations only when it determines that such limitations are
964 necessary to comply with applicable provisions of the Internal Revenue Code.

965 Section 15. The center shall be subject to subsection (i) of section 16G of chapter 6A and
966 section 56 of chapter 23A.

967 SECTION 2. Section 30 of chapter 63, as most recently amended by sections 105 and
968 106 of chapter 165 of the acts of 2014, is hereby further amended by adding the following
969 paragraph:-

970 18. Notwithstanding the last sentence in subparagraph (b) of paragraph 5, to the extent
971 authorized pursuant to the robotics tax incentive program established by section 4 of chapter
972 23M, losses sustained in any taxable year by a taxpayer engaged in business as a robotics
973 company as defined by section 1 of chapter 23M may, to the extent approved pursuant to said
974 robotics tax incentive program, be carried forward for not more than 15 years; provided,
975 however, that said losses shall not be carried back.

976 SECTION 3. Subsection (f) of section 38 of chapter 63, as appearing in section 37 of
977 chapter 46 of the acts of 2013, is hereby amended by striking out the words “and (9) in the case
978 of a business deriving receipts from operating a gaming establishment or otherwise deriving
979 receipts from conducting a wagering business or activity, income-producing activity shall be
980 considered to be performed in the commonwealth to the extent that the location of wagering
981 transactions or activities that generated the receipts is in the commonwealth” and inserting in
982 place thereof the following words:- (9) in the case of a business deriving receipts from operating

983 a gaming establishment or otherwise deriving receipts from conducting a wagering business or
984 activity, income-producing activity shall be considered to be performed in the commonwealth to
985 the extent that the location of wagering transactions or activities that generated the receipts is in
986 the commonwealth; and (10) to the extent authorized under the robotics tax incentive program
987 established by section 4 of chapter 23M, a certified robotics company may be deemed a research
988 and development corporation for purposes of exemptions under chapters 64H and 64I.

989 SECTION 4. Section 38M of chapter 63, as amended by section 54 of chapter 287 of the
990 acts of 2014, is hereby further amended by adding the following subsection:-

991 (l) (1) As used in this subsection, the following words shall, unless the context clearly
992 requires otherwise, have the following meanings:

993 “Robotics”, advanced and applied sciences that conceptualize, design, integrate, adapt,
994 evaluate, construct, and expand the understanding of, autonomous systems or machines that are
995 programmable by computer and capable of carrying out a complex series of actions
996 automatically, and the components thereof, including, but not limited to, software,
997 electromechanical systems, artificial intelligence technologies, mobility technologies and
998 perception technologies.

999 “Person”, a natural person, corporation, association, partnership or other legal entity.

1000 “Taxpayer”, a certified robotics company or person subject to the taxes imposed by
1001 chapters 62, 63, 64H or 64I.

1002 (2) If a credit claimed pursuant to this section by a taxpayer exceeds the amount that may
1003 otherwise be allowed pursuant to this section for a taxable year, 90 per cent of the balance of that

1004 credit may, at the option of the taxpayer and to the extent authorized pursuant to the robotics tax
1005 incentive program established in subsection (d) of section 4 of chapter 23M, be refundable to the
1006 taxpayer for the taxable year. If the credit balance is refunded to the taxpayer, the credit
1007 carryover provisions of paragraph (f) shall not apply.

1008 SECTION 5. Chapter 63 is hereby amended by inserting after section 38FF, as appearing
1009 in the 2012 Official Edition, the following 3 sections:-

1010 Section 38GG. (a) As used in this section and section 38HH, the following words shall,
1011 unless the context clearly requires otherwise, have the following meanings:--

1012 “Person”, a natural person, corporation, association, partnership or other legal entity.

1013 “Robotics”, advanced and applied sciences that conceptualize, design, integrate, adapt,
1014 evaluate, construct, and expand the understanding of, autonomous systems or machines that are
1015 programmable by computer and capable of carrying out a complex series of actions
1016 automatically, and the components thereof, including, but not limited to, software,
1017 electromechanical systems, artificial intelligence technologies, mobility technologies and
1018 perception technologies.

1019 “Taxpayer”, a robotics company or person subject to the taxes imposed by this chapter or
1020 chapter 62, 64H or 64I.

1021 (b) A taxpayer may, to the extent authorized pursuant to the robotics tax incentive
1022 program established by section 4 of chapter 23M, take a credit against the taxes imposed by this
1023 chapter in an amount equal to 10 per cent of the cost of qualifying property acquired,

1024 constructed, reconstructed or erected during the taxable year and used exclusively in the
1025 commonwealth.

1026 Qualifying property shall be tangible personal property and other tangible property
1027 including buildings and structural components of buildings acquired by purchase, as defined in
1028 section 179(d) of the Code, as amended, and in effect for the taxable year, but not including
1029 property that is taxable under chapter 60A; provided, however, that such property shall be
1030 depreciable under section 167 of the Code and shall have a useful life of 4 years or more.

1031 With respect to property which is disposed of or ceases to be in qualified use prior to the
1032 end of the taxable year in which the credit is to be taken, the amount of the credit shall be that
1033 portion of the credit provided for in this paragraph which represents the ratio which the months
1034 of qualified use bear to the months of useful life. If property on which credit has been taken is
1035 disposed of or ceases to be in qualified use prior to the end of its useful life, the difference
1036 between the credit taken and the credit allowed for actual use must be added back as additional
1037 taxes due in the year of disposition; provided, however, if such property is disposed of or ceases
1038 to be in qualified use after it has been in qualified use for more than 12 consecutive years, it shall
1039 not be necessary to add back the credit, as provided in this paragraph. The amount of credit
1040 allowed for actual use shall be determined by multiplying the original credit by the ratio which
1041 the months of qualified use bear to the months of useful life. For the purposes of this paragraph,
1042 useful life of property shall be the same as that used by the corporation for depreciation purposes
1043 when computing federal income tax liability.

1044 The credit allowed under this section may be taken by an eligible corporation; provided,
1045 however, that neither credit allowed by section 31A nor section 31H is taken by such

1046 corporation; and provided, further, that the credit allowed by section 38N shall not be taken
1047 except to such extent, not to exceed 2 per cent of the cost of any qualifying property.

1048 Nothing in this section shall limit the authority of the commissioner to make adjustments
1049 to a taxpayer's liability upon audit or limit any other legal remedies available to the
1050 commissioner or the commonwealth against said taxpayer.

1051 (c) The credit allowed by this section shall not be subject to section 32C.

1052 (d) If a taxpayer that is subject to a minimum excise under this chapter, the amount of the
1053 credit allowed by this section shall not reduce the excise to an amount less than such minimum
1054 excise.

1055 (e) A taxpayer entitled to a credit under this section for any taxable year may, to the
1056 extent authorized pursuant to the robotics tax incentive program established by section 4 of
1057 chapter 23M, carry over and apply to its excise for any 1 or more of the next succeeding 10
1058 taxable years, the portion, as reduced from year to year, of those credits which were not allowed
1059 by subsection (c) or which exceed the excise for the taxable year.

1060 (f) For corporations filing a combined return of income under section 32B, a credit
1061 generated by an individual member corporation under this section shall first be applied against
1062 the separately determined excise attributable to that member, subject to the limitations of
1063 subsection (d). A member corporation with an excess credit may apply its excess credit against
1064 the excise of another group member, to the extent that such other member corporation may use
1065 additional credits under the limitation of paragraph (d). Unused, unexpired credits generated by
1066 member corporations shall be carried over from year to year by the individual corporation that
1067 generated the credit.

1068 (g) The commissioner shall promulgate regulations necessary to implement this section.
1069 Said regulations may provide for the adjustment of intercompany prices and elimination of
1070 intercompany transactions to ensure that all amounts upon which the credit is based reasonably
1071 reflect fair market value and shall include provisions to prevent the generation of multiple credits
1072 with respect to the same property.

1073 (h) If a credit allowed to a taxpayer under this section, or such credit as may be allowed
1074 under section 38N of this chapter as limited in this subsection, exceeds the excise otherwise due
1075 under this chapter, 90 per cent of the balance of such credit may, at the option of the taxpayer
1076 and to the extent authorized pursuant to the robotics tax incentive program established by section
1077 4 of chapter 23M, be refundable to the taxpayer for the taxable year in which qualified property
1078 giving rise to that credit is placed in service. If such credit balance is refunded to the taxpayer,
1079 the credit carryover provisions of subsection (e) and said section 38N shall not apply.

1080 Section 38HH. (a) A taxpayer may, to the extent authorized pursuant to the robotics tax
1081 incentive program established by section 4 of chapter 23M, be allowed a credit against its excise
1082 due under this chapter equal to the sum of 10 per cent of the excess, if any, of the qualified
1083 research expenses for the taxable year, over the base amount, and 15 per cent of the basic
1084 research payments determined pursuant to section 41(e)(1)(A) of the Internal Revenue Code. The
1085 terms “qualified research expenses”, “base amount”, “qualified organization base period
1086 amount”, “basic research” and any other terms affecting the calculation of the credit shall, unless
1087 the context otherwise requires or unless otherwise stated in this section, have the same meanings
1088 as under said section 41 of said Code.

1089 In determining the amount of the credit allowable under this section, the commissioner of
1090 revenue may aggregate the activities of all corporations that are members of a controlled group
1091 of corporations, as defined by 41(f)(1)(A) of said Code, and may aggregate the activities of all
1092 entities, whether or not incorporated, that are under common control, as defined in section
1093 41(f)(1)(B) of said Code.

1094 (b) For a qualified robotics company, research and development costs, within the
1095 meaning of section 41 of said Code, shall include, to the extent they relate to legally mandated
1096 clinical trial activities, those qualified research expenditures that are performed both inside and
1097 outside of the commonwealth.

1098 (c) For purposes of section 30, the deduction from gross income that may be taken with
1099 respect to any expenditures qualifying for a credit under said section 41 of said Code shall be
1100 based upon its cost less the credit allowable under this section; provided, however, that section
1101 280C(c) of said Code shall not apply.

1102 (d) The credit allowed hereunder for any taxable year shall not reduce the excise to less
1103 than the amount due under subsection (b) of section 39, section 67 or under any other general or
1104 special law.

1105 (e) The credit allowed under this section shall be limited to 100 per cent of a
1106 corporation's first \$25,000 of excise, as determined before the allowance of any credits, plus 75
1107 per cent of the corporation's excise, as so determined in excess of \$25,000. The commissioner of
1108 revenue shall promulgate regulations similar to those authorized under section 38(c)(2)(B) of the
1109 Internal Revenue Code for purposes of apportioning the \$25,000 amount among members of a

1110 controlled group. Nothing in this section shall alter section 32C, as it affects other credits under
1111 this chapter.

1112 (f) If a corporation files a combined return of income under section 32B, a credit
1113 generated by an individual member corporation under this section shall first be applied against
1114 the excise attributable to that company under sections 32 or 39, subject to the limitations of
1115 subsections (d) and (e). A member corporation with an excess research and development credit
1116 may apply its excess credit against the excise of another group member if such other member
1117 corporation may use additional credits under the limitations of said subsections (d) and (e).
1118 Unused, unexpired credits generated by a member corporation shall be carried over from year to
1119 year by the individual corporation that generated the credit and shall not be refundable. Nothing
1120 in this section shall alter subsection (h) of section 31A.

1121 (g) A corporation entitled to a credit under this section for any taxable year may carry
1122 over and apply to its excise for any of the next succeeding 15 taxable years that portion, as
1123 reduced from year to year, of its credit which exceeds its excise for the taxable year. A
1124 corporation may carry over and apply to its excise for any subsequent taxable year that portion,
1125 as reduced from year to year, of those credits which were not allowed by subsection (f).

1126 (h) The commissioner of revenue shall promulgate regulations necessary to carry out this
1127 section.

1128 Section 38II.

1129 (a) A taxpayer, to the extent authorized by the robotics tax incentive program established
1130 in section 4 of chapter 23M, may be allowed a refundable jobs credit against the tax liability

1131 imposed under this chapter in an amount determined by the Mass Robotics Center in consultation
1132 with the department.

1133 (b) A taxpayer taking a credit under this section shall commit to the creation of a
1134 minimum of 50 net new permanent full-time positions in the commonwealth.

1135 (c) A credit allowed under this section shall reduce the liability of the taxpayer under this
1136 chapter for the taxable year. If a credit claimed under this section by a taxpayer exceeds the
1137 taxpayer's liability as otherwise determined under this chapter for the taxable year, 90 per cent of
1138 such excess credit, to the extent authorized pursuant to the robotics tax incentive program, shall
1139 be refundable to the taxpayer. Excess credit amounts shall not be carried forward to other taxable
1140 years.

1141 (d) The department shall issue the refundable portion of the jobs credit without further
1142 appropriation and in accordance with the cumulative amount, including the current year costs of
1143 incentives allowed in previous years, which shall not exceed \$25,000,000 annually as set forth in
1144 subsection (d) of said section 4 of said chapter 23M.

1145 SECTION 6. Subsection (c) of section 42B of said chapter 63, as appearing in the 2012
1146 Official Edition, is hereby amended by adding the following paragraph:-

1147 To the extent authorized pursuant to the robotics tax incentive program established by
1148 section 4 of chapter 23M, a certified robotics company may be deemed a research and
1149 development corporation for purposes of exemptions under chapters 64H and 64I.

1150 SECTION 7. Section 6 of chapter 64H is hereby amended by inserting after subsection
1151 (xx), as appearing in the 2012 Official Edition, the following subsection:-

1152 (yy) (1) As used in this subsection, the following words shall, unless the context clearly
1153 requires otherwise, have the following meanings:--

1154 “Robotics”, advanced and applied sciences that conceptualize, design, integrate, adapt,
1155 evaluate, construct, and expand the understanding of, autonomous systems or machines that are
1156 programmable by computer and capable of carrying out a complex series of actions
1157 automatically, and the components thereof, including, but not limited to, software,
1158 electromechanical systems, artificial intelligence technologies, mobility technologies and
1159 perception technologies.

1160 “Robotics company”, a business corporation, partnership, firm, unincorporated
1161 association or other entity engaged in robotics research, development, manufacturing or
1162 commercialization in the commonwealth, and any affiliate thereof, which is, or the members of
1163 which are, subject to taxation under this chapter.

1164 “Utility support systems”, all areas of utility support systems including, but not limited
1165 to, site, civil, mechanical, electrical and plumbing systems.

1166 (2) Sales of tangible personal property purchased for a certified robotics company, to the
1167 extent authorized pursuant to the robotics tax incentive program established by section 4 of
1168 chapter 23M, for use in connection with the construction, alteration, remodeling, repair or
1169 remediation of research, development or manufacturing facilities and utility support systems.
1170 Only purchases made on or after the effective date of this section shall be eligible for this
1171 exemption.

1172 SECTION 8. Notwithstanding any general or special law to the contrary, 10 days after
1173 the effective date of this act, the comptroller shall transfer \$10,000,000 from the General Fund to

1174 the Massachusetts Robotics Investment Fund established pursuant to section 5 of chapter 23M of
1175 the General Laws.