



MVM
ASSOCIATES

Tax Credit Broker & Grant Consultants

**Tax Credits and Grants:
“There really is money available, if you know where to look.”**

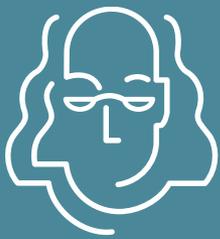
Anne Fabry
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Hosted by:



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Ben Franklin
Technology Partners
Southeastern Pennsylvania



Since 1982

Pennsylvania's
Partners to Drive
Technology
Based Growth



Partners with a Purpose.

"...invest in the transformation of the Pennsylvania economy through capital investment, counsel, & strategic connections that foster a favorable business environment for high-growth technology companies."



- **\$130M DOE Energy Project; \$30M PA**
- **Improve energy efficiency & operability & reduce carbon emissions of new & existing buildings.**
- **Stimulate private investment & quality job creation in the Greater Philadelphia region & beyond.**



Overall goal:

Reduce annual energy use in the Greater Philadelphia commercial buildings sector by 50 percent.



CONSORTIUM for
BUILDING ENERGY
INNOVATION

commercialization center



commercialization center
Energizing business for the future.™

A collaborative environment providing energy efficient building retrofit businesses comprehensive resources, services, and opportunities to commercialize their products and services.



Ben Franklin
Technology PARTners

Southeastern Pennsylvania

CELEBRATING 30 YEARS





Vision

A regional commercialization center supporting new and existing ventures to launch whole-building energy saving solutions and enhance regional economic growth.

Mission

Provide programs, services and an environment conducive to accelerating the commercialization of new AER related technologies through aligned programs, expert personnel, and supported by CBEI stakeholders, national incubators and client ventures.

Programs and services to be made available privately and in group settings at the CBEI for resident clients and virtually, nationwide and internationally.





Programs And Services Focused On Six Business Support And Commercialization Areas:

A suite of over 30 programs and services designed to support early stage, growth and established firms

- **Business Services**: Expert consulting support and mentoring on business organization, strategy and tactics, new business development, marketing and management.
- **Capital Programs**: Assistance in identifying and securing regional and national grants and loans.
- **Product Development and Commercialization**: Access to regional institutions, laboratories, prototyping companies to accelerate product design, development to scale, testing and fabrication.
- **Networking and Partnering**: Networking programs to educate entrepreneurs and growing companies, connect them with resources to help establish and grow their businesses and bring them together in an entrepreneurial community.
- **B2B Connections**: Events and program to connect innovative small businesses to industry procurement opportunities.
- **Prototyping and Contract Manufacturing**: Access to national manufacturing network to accelerate and support product design, prototyping, testing and fabrication, both short run and full scale manufacturing.





CBEI Commercialization Center Offices

- Located in the Philadelphia Navy Yard, the newly renovated Building 661, the Center for Building Energy Science, is the state of the art headquarters of the CBEI, and the Commercialization Center.
- Full time and part time office space is available at the Center, allowing direct access to CBEI personnel, meetings, and events for an immersive experience in AER development & commercialization.
- Virtual clients participate through the Navigator™ Program.





What is Ben Franklin Navigator?

Navigator offers office space/virtual services that will:

- Provide a risk reduced “soft landing” into the Greater Philadelphia area market (US) for non-local and foreign based companies.
- Provide services to non-local and foreign based advanced energy retrofit (AER) companies as part Ben Franklin’s contract to launch & manage the CBEI Commercialization Center.
- Generate a pipeline of sustainable companies ready to graduate to a physical office space in the Greater Philadelphia area.





Risk Reduced Path to Success in the AER Market

Free Navigator Initial Consultation



Initiate Navigator
Relationship

- Info on Navigator program
- Basic market info

Virtual Office



Initiate Marketing
Penetration

- Virtual Office:
- Navy Yard Address
 - Phone Number
 - Web Address

Office Space



Expanding
Sales

- Virtual Office
Plus Onsite:
- Office Space, part time
 - Mentorship
 - Press Benefits

East Coast Office



Sustaining
Business Growth

- Established East Coast Business Location
- Local Manufacturing Presence



CONSORTIUM for
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commercialization center



**For more information on Ben Franklin,
CBEI Commercialization Center, or Navigator
contact:**

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Benefits For Pennsylvania Companies



MVM ASSOCIATES



Tax Credit Brokers and Consultants Since 1997

Grants and Tax Credits



- ❖ **Grants** - non repayable funds disbursed by an entity to fund a specific activity. Require some level of compliance and reporting.
 - ❖ Keystone Innovation Zone Grant
 - ❖ D2PA Grant – profit and non-profit components
 - ❖ Wednet Grants - cover training costs (PA state schools/com colleges)
 - ❖ Other grants catering to specific business activities
- ❖ **Tax Credits** - a sum which can be deducted from a total tax liability due to either federal, state or local government.



Not Your Average Tax Credits



TAX CREDITS = CASH



What Can I Use the Benefit For?



- ❖ Working capital for your business
- ❖ Pay off debt
- ❖ Secure investments
- ❖ Hire employees



YOU DECIDE!

Pennsylvania Tax Credits



Transferable/Sellable:

- ❖ Enterprise Zone (EZ)
- ❖ **Keystone Innovation Zone (KIZ)**
- ❖ **Research & Development (R&D)**
- ❖ Keystone Special Development Zone (KSDZ)
- ❖ Historic Preservation Tax Credits (HPI)
- ❖ Neighborhood Assistance Program (NAP)



Non-Transferable:

- ❖ Job Creation Tax Credit (JCTC)
- ❖ Keystone Opportunity Zone (KOZ)

Keystone Innovation Zone Tax Credit



- ❖ Available to young biotechnology, technology or manufacturing focused businesses located in the KIZ.
- ❖ Established to foster innovation and create entrepreneurial opportunities throughout the state.
- ❖ Local zones are located in Philadelphia, Montgomery and Bucks Counties (east of 202) – many others throughout state.
- ❖ Tax credit is transferable and sellable for cash.

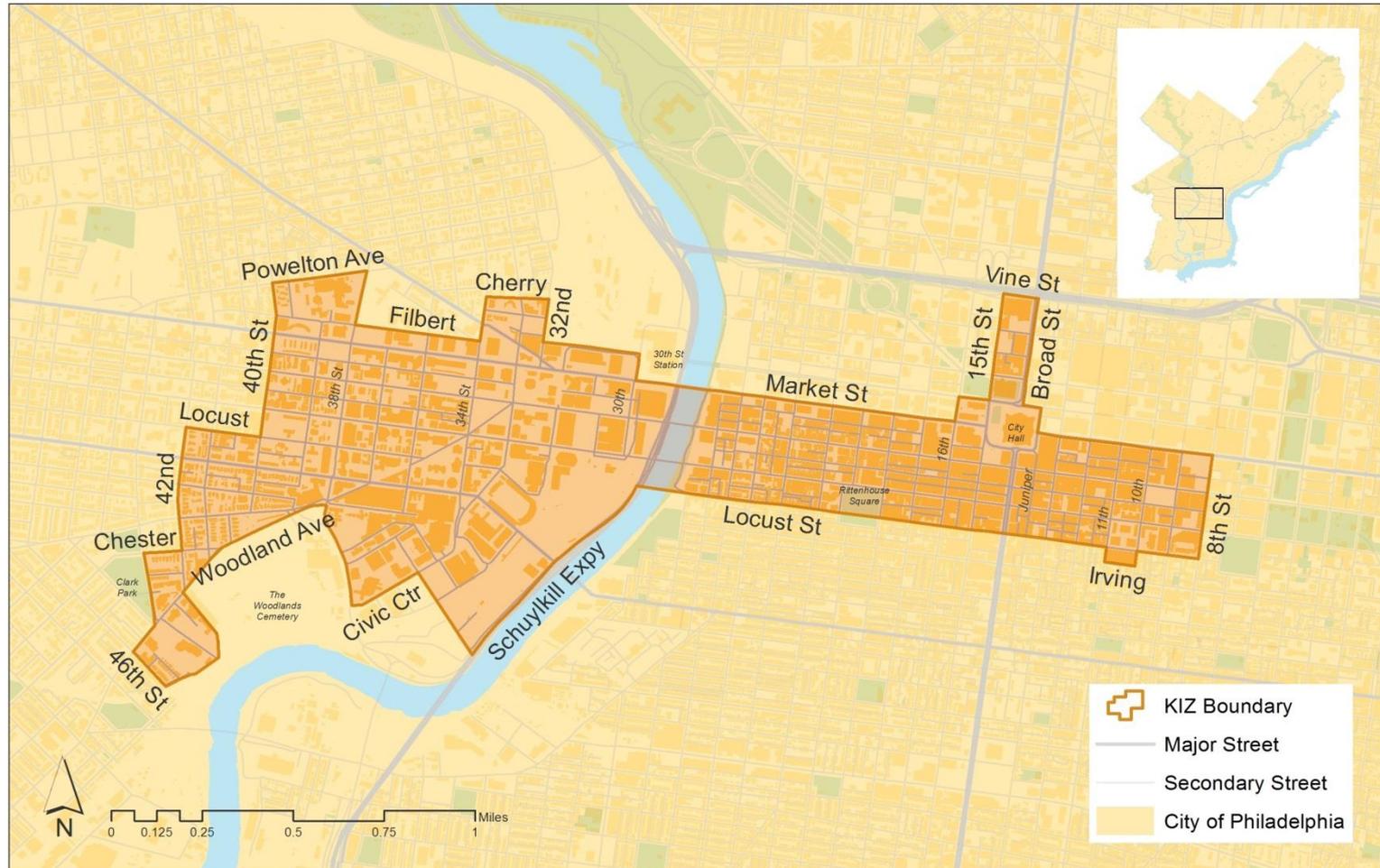


KIZ - Qualifications

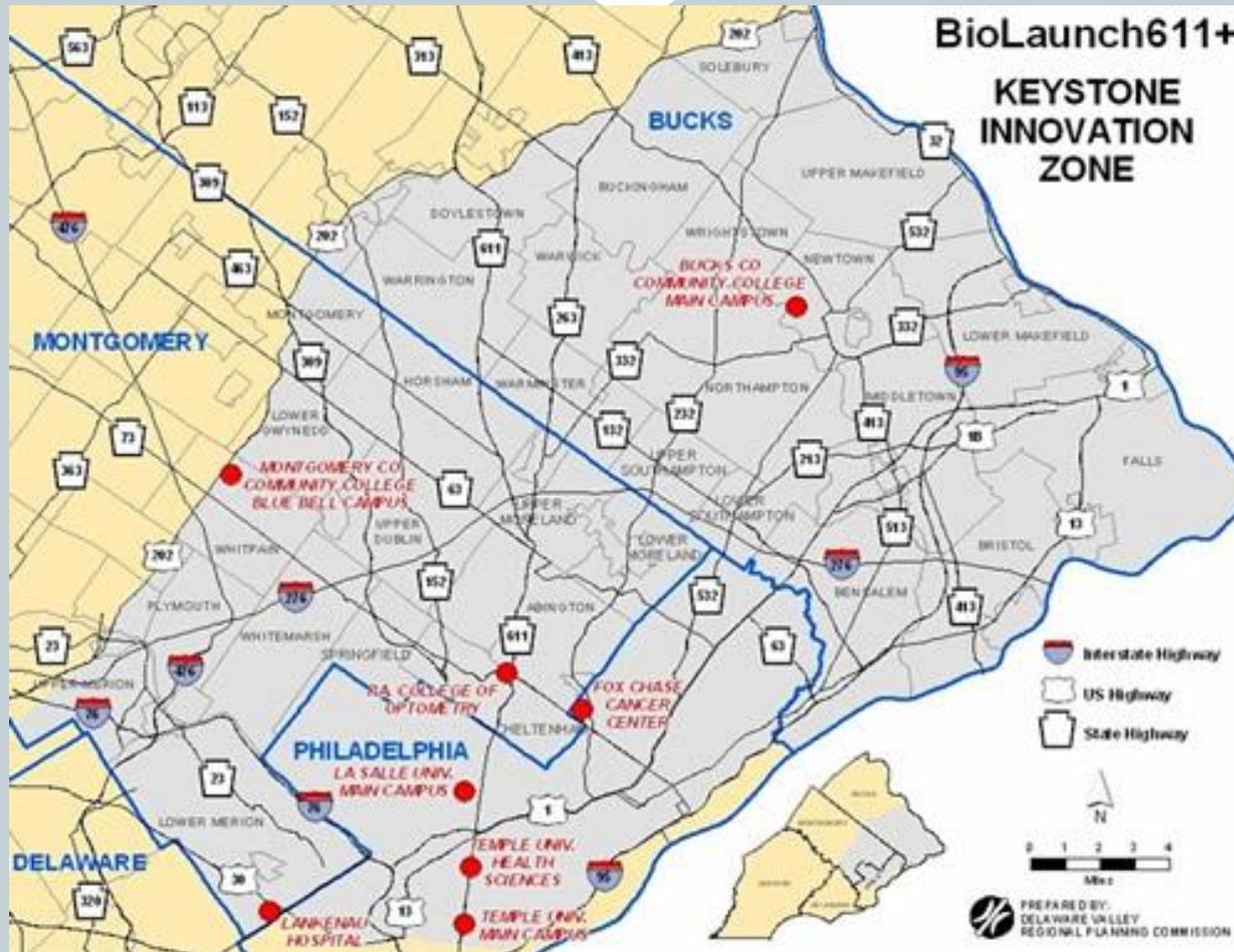


- ❖ For biotech, tech or manufacturing businesses located in a KIZ.
- ❖ Company must be less than 8 years old.
- ❖ Located in KIZ for 2 consecutive years.
- ❖ Demonstrate increasing gross revenues (*including grants*).
- ❖ Must have either payroll *or* property factor in both years.
- ❖ Complete *required* semi-annual KIZ Force reporting.
- ❖ Submit application by September 15th each year, award letters announced December 15th.
- ❖ Maximum tax credit award amount per year is \$100,000 based on 50% of year over year increase in revenues.

University City KIZ



BioLaunch 611 KIZ



Navy Yard KIZ



28 KIZ Locations in PA



❖ Other KIZ located in:

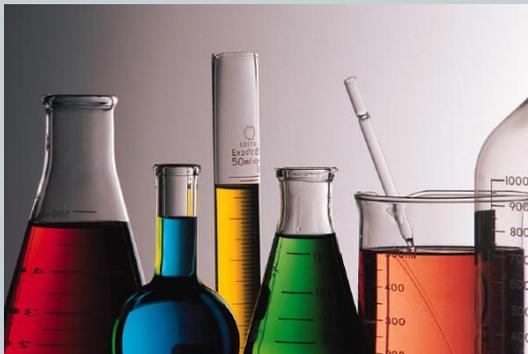
- ❖ Chester County
- ❖ Delaware County
- ❖ Parts of the Lehigh Valley



Research & Development Tax Credit



- ❖ Available to companies who incur qualified research expenses within Pennsylvania.
- ❖ Program created to assist with the growth and development of technology-oriented businesses.
- ❖ Not zone related – available to all for-profit entities.
- ❖ Tax credit is transferable and sellable for cash.



R&D - Qualifications



- ❖ Qualified research expenses (QRE) to be incurred within PA.
- ❖ Minimum 2 years of QREs to apply for tax credit.
- ❖ QREs are defined by IRS Code and may include wages, disposable office supplies, contract research and patent costs.
- ❖ Submit application by September 15th each year, award letters announced December 15th.
- ❖ Companies valued at \$5M or less receive 20% tax credit versus year over year increase in spending.
- ❖ Companies valued over \$5M receive 10% award versus year over year increase in QREs.

Tax Credit Options



- ❖ **Use** - apply credit against state tax liability including personal income tax, corporate net income, capital stock and franchise tax.
- ❖ **Carry forward** - use in future years versus state tax liability according to guidelines which vary according to each program.
- ❖ **Sell** - if the tax credit is sellable/transferable, once you have deducted the state liability from the total award, the remainder can be sold for cash.

**Contact an Experienced
Tax Broker.**



Benefits for BFTP Companies



- ❖ Benefit awards that are monetized can be used to:
 - ❖ **Raise matching funds** – MVM would secure a contract from a credit worthy buyer that will guarantee payment of a certain amount upon the transfer of the credits. The distribution of this payment can be made to a third party such as BFTP.
 - ❖ **Reduce or eliminate debt** – once converted to cash the benefit can be used to pre-pay or payoff a Ben Franklin note in the required timeframe.



Buyers of Tax Credits



- ❖ MVM secures individual buyers and corporations who have a large PA tax liability to purchase credits.
- ❖ Credits are sold throughout the year at a discount.
- ❖ 50% - 75% of a credit can be used to satisfy a variety of liabilities as stipulated in guidelines for each program.
(corporate net income, capital stock tax, franchise tax)
- ❖ MVM Associates sells the majority of all PA sellable tax credits.

Contact Us



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