

## **Massachusetts Life Sciences Center Announces 2010 Tax Incentives Targeted at**

January 3, 2011 3:39 PM ET

### **Massachusetts Life Sciences Center Announces 2010 Tax Incentives Targeted at Cambridge-based Companies**

***Center approves \$23.9 million to foster job growth and stimulate the life sciences sectors, including \$9.6 million for companies in Cambridge***

For Immediate Release.:

Date: January 3, 2011

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**Waltham, MA** – The Massachusetts Life Sciences Center has approved \$23.9 million in 2010 tax incentives to encourage growth at 30 life sciences companies. The recipient companies have committed to creating nearly 1000 new jobs in 2011. Among them are ten companies based in Cambridge that will receive a combined total of over \$9.6 million in tax incentives. The Cambridge companies have committed to the creation of 451 jobs in 2011.

The Life Sciences Tax Incentive Program, established in 2008 as part of the state's ten-year, \$1 billion Life Sciences Initiative, authorizes up to \$25 million in tax incentives each year for companies engaged in life sciences research and development, commercialization, and manufacturing. The primary goal of the program is to incentivize life sciences companies to create new sustained jobs in Massachusetts.

The Life Sciences Act provides for nine different incentives, which address the significant capital expenditures associated with the life sciences R&D cycle and the high costs of translating research into commercially viable products. This is the second year that incentives have been provided under the program.

"The Life Sciences Initiative is all about jobs and better health," said Governor Deval Patrick. "These incentives help us build a stronger foundation for our economy and for healing for years to come."

"These tax incentives are providing a solid return on our state's investment in both the short and long term, with this year's round of recipients committing to create nearly 1,000 new jobs during the coming year," said Dr. Susan Windham-Bannister, President & CEO of the Massachusetts Life Sciences Center. "We are utilizing these incentives to encourage the creation of jobs in sectors where Massachusetts is a global leader, and where jobs typically pay more than the average salary in Massachusetts. This tax incentive program is already working to stimulate our economy, while holding the companies involved accountable for their job creation commitments."

"The companies that will receive these incentives are adding jobs in a cutting-edge industry that is a strength for Massachusetts," said Massachusetts Administration and Finance Secretary Jay Gonzalez, Co-chairman of the Center's Board of Directors. "The Governor's Life Sciences initiative not only offers hope to those waiting for cures for diseases, but to the Commonwealth as a whole as we look to grow our economy and lay the foundation for long-term economic competitiveness and success."

"These investments continue to position the Commonwealth for long term sustainable job growth and further support our place as a global leader in the innovation economy," said Massachusetts Secretary of Housing & Economic Development Gregory Bialecki, Co-chairman of the Center's Board of Directors.

The Tax Incentive Program is jointly administered by the Center and the Massachusetts Department of Revenue (DOR), which will oversee the technical administration of the incentives. Jobs that are created must be maintained for at least five years. The Tax Incentive Program mandates that awarded companies submit reports and respond to inquiries by the Center and DOR regarding employment figures. If a company receiving a tax incentive under the program does not meet and maintain their job creation commitment, the credit can be "clawed back" (recovered) by DOR, requiring that the company pay back all or a portion of the tax incentives they've received.

The life sciences companies that have been authorized to receive tax incentives in Cambridge, the amount awarded and the company's job creation commitments are as follows:

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**About the Massachusetts Life Sciences Center**

The Massachusetts Life Sciences Center (MLSC) is a quasi-public agency of the Commonwealth of Massachusetts tasked with implementing the Massachusetts Life Sciences Act, a ten-year, \$1 billion initiative that was signed into law in June of 2008. The Center's mission is to create jobs in the life sciences and support vital scientific research that will improve the human condition. This work includes making financial investments in public and private institutions that are advancing life sciences research, development and commercialization as well as building ties between sectors of the Massachusetts life sciences community. For more information, visit [www.masslifesciences.com](http://www.masslifesciences.com).

**About the Life Sciences Tax Incentive Program**

The Life Sciences Initiative authorizes the Center to award up to \$25 million in tax incentives each year. Applicants are generally companies that have transitioned or are transitioning from pure life sciences research and development ("R&D") to commercialization and manufacturing. The Center recognizes that many companies struggle to address the significant capital investment associated with the long life sciences R&D cycle and the high cost of translating research into a commercially viable product. This solicitation is designed to help sustain these companies through a critical stage of development and to leverage additional sources of capital to bring cutting edge innovation to the marketplace.

Company Quotes:

"We are very pleased to have been selected as a recipient of these funds and appreciate the support of the Governor's Life Sciences initiative," said Nick Leschly, President and CEO of bluebird bio. "Massachusetts continues to be a leader in the promotion of life sciences job growth and innovation, and bluebird bio has benefitted from the extraordinary talent pool in the Cambridge area, as well as the unique expertise of our local, leading edge academic medical centers. These funds will enable us to continue to build a world-class company while further advancing our innovative gene therapies for severe genetic disorders." "Massachusetts overall, and Cambridge in particular, is a hub of life sciences innovation, and this award from Governor Patrick's Life Sciences initiative accelerates Aileron's ability to invest in highly-skilled, well-paying scientific jobs that will further our mission of creating breakthrough medicines utilizing our innovative Stapled Peptide technology, said Steven Kafka, Ph.D., Chief Financial Officer & VP, Finance and Operations for Aileron Therapeutics, Inc. "Aileron has just moved into a new state-of-the-art facility in Cambridge, and expects to add 20 new jobs at our facility in 2011. Building a biotech company that aims to have a meaningful and breakthrough impact on human health is expensive and risky. The tax incentive provides us with access to precious non-dilutive capital and demonstrates a commitment to keeping the Commonwealth at the leading edge of economic growth – and importantly in improving human health."

"We are very happy that for the second year Merrimack is a recipient of the State's Life Science Tax Incentive Program," said Robert Mulroy, President & CEO of Merrimack Pharmaceuticals. "As a Massachusetts company, we work to build strong relationships with local institutions to help further our goal of using our Network Biology platform to develop novel medicines for cancer patients. We appreciate the support that the Life Science Center offers to us and the scientific community in Massachusetts."

Legislative Quotes:

"We all know that Massachusetts needs job creation right now, and security in the years to come," said State Representative Alice Wolf, D-Cambridge. "I am delighted that these state tax incentives going to companies in Cambridge will not only create job opportunities this year, they will also boost long-term economic growth in fields that hold promise for a healthier future for our residents."

"The fact that nearly half of the companies receiving tax credit awards are located in Cambridge demonstrates the city's importance in the life sciences field," said Representative Martha Walz, whose district includes Kendall Square and Cambridgeport. "These tax credits will spur job growth, giving local residents work opportunities close to home. This is precisely why the legislature so enthusiastically supported the Life Sciences Initiative."

"This investment will create long-term employment opportunities in the City of Cambridge, foster continued innovation in

improving human health and help grow our local economy,” said State Senator Sal DiDomenico (D-Everett).

"The future of Massachusetts' economy lies in our ability to attract new cutting edge businesses to the Boston area. In doing so we must leverage Boston's world class institutions of higher learning and hospitals," said State Senator Steven A. Tolman (D-Boston). "The decision to offer tax incentives to these ten companies, which have pledged to create jobs in Cambridge, is a great way to jump start Massachusetts' economy and to keep Massachusetts at the center of the life science industry. I am optimistic that the tax incentives will enable these ten companies to continue their research, growth and investment in Cambridge."

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