

Testimony:

Thank you Madam Chair, members of the Committee, my name is Leah Lindahl and I am the Vice President of the Colorado Bioscience Association. I'd like to first thank Representative Fisher for his sponsorship and work on House Bill 1235.

CBSA is a nonprofit organization providing services and support for Colorado's bioscience industry. Today, Colorado is home to roughly 600 bioscience companies and over 27,000 direct employees within the biotechnology, medical device, diagnostic, agricultural-bio, and pharmaceutical industries.

Over the last several years, Colorado and the General Assembly have done an incredible job of shaping policy that provides unique and focused incentives to encourage the growth of the bioscience and high-tech industries. The 2009 statute creating a Sales & Use Tax Refund for Medical Device and Cleantech companies was one example of this. The concentrated tax refund specifically incentivized early stage companies with fewer than 50 employees who were planning on establishing their R&D facilities and headquarters in the state. Medical device and cleantech companies, particularly in the growth stages, are incredibly capital intensive with much of the needed equipment costing hundreds of thousands of dollars. Once they lay the initial groundwork and begin to move into growth phase, the more tied they are to the facility and to the state. This is exactly the way our industry will grow into one of the top clusters in the nation, by growing our own. We need to encourage companies to invest in Colorado, lay their roots here and help develop them into national and international industry players, but they need to support along the way.

House Bill 1325 will help fulfill the intent the 2009 statute by clarifying and fixing some of the language in the original version. The 2009 legislation was put in place to help companies in the earlier stages of development who were looking to establish a base in Colorado to conduct their research and development activities, and I hope we are able to honor that commitment.

Due to the date in which the legislation was implemented and the trigger that was put in place, companies haven't been able to access the refund and now the expiration date of July 1st is looming. Today, we are asking the committee to approve House Bill 1325 in order for companies to access this refund and honor the intent of the 2009 statute.

Thank you committee, and I am happy to take any questions.