

# UTC'S 2012 HIGH-PRIORITY PUBLIC POLICY ACCOMPLISHMENTS

## FUNDING for Future Growth and Quality Workforce

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### **\$2.5 Million to Fuel Industry's Talent Pipeline**

#### ***The Engineering Initiative II***

UTC's top priority this session was to secure \$2.5 million in ongoing funding for the Engineering Initiative, a proven program that will have critical impact in bolstering Utah's pool of highly skilled engineers and software developers.

Engineers are essential to Utah's continued growth, economic prosperity and innovation. They're key to attracting exceptional companies in the technology industry, such as Adobe, Ancestry.com, DOMO, EMC and Idaho Technology, and to sustaining our state's major employers including Edwards Lifesciences, IM Flash, L-3 Communications, Myriad Genetics, Nelson Labs, ARUP, Goldman Sachs, Watson Labs and ATK.

Working closely with our institutions of higher education, UTC pushed unrelentingly to make the case to the State Legislature on the gravity of this new appropriation. For many years the pursuit of such *ongoing funding* has come close but this year UTC's adamant role helped make it a reality! This monumental achievement will increase the state's number of engineering grads by 150 per year.

### **\$6 Million to Attract Grant-Winning Rainmakers**

#### **USTAR**

Another one of UTC's top priorities this session was supporting the request of the industry to increase funding for USTAR, one of our state's greatest investments in economic development. UTC helped to acquire \$6 million (\$3 million ongoing/\$3 million one-time) in new funding for the program, which will fuel the continuation of university-developed innovation and, ultimately, create potentially hundreds of new companies and thousands of new jobs in Utah.

### **Protecting Our Ally in International Expansion**

#### **World Trade Center**

Again this year, funding for the highly-impactful World Trade Center of Utah appeared to be in jeopardy late in the session. Through the great efforts of Lew Cramer, UTC and the Governor's office, this essential program—which helps guide Utah's companies to expand into new markets internationally—was fully funded on an *ongoing basis*.

## GROWTH

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### **Small Medical Device 35% Angel Incentive**

***Life Science and Technology Tax Credit Amendments (SB 23 by Sen. Curt Bramble and Rep. Patrick Painter)—PASSED***

By making essential improvements to a policy put into place last year (HB 496), this bill will attract new angel investors to invest in Utah's smaller medical device companies with a 35% tax credit incentive. These tax credits will encourage the early-stage capital investment necessary to begin to bridge the "valley of death" gap for medical device companies.

This policy cleanup turned out to be one of the more extensive issues UTC undertook this session. Despite extensive dialogue with policymakers for six months, UTC maintained focus on improving this program for the Life Science industry. We ultimately led various policymakers to develop policy framework that will stimulate long-lasting economic development and growth for Utah's medical device companies!

### **Improved Landmark Tax Environment for Cloud Computing - Exempts 60% Sales Tax**

***Sales and Use Tax—Computer Software and Other Tangible Personal Property Amendments (HB 36 by Rep. Wayne Harper and Sen. Curt Bramble)—PASSED***

It's essential that Utah maintain a software business-friendly sales tax environment for cloud computing services! This bill brings Utah sales tax practices in line with the sales tax streamline efforts of several other states. Through UTC's amendments, we were able to provide much-needed clarity for "cloud computing" and software repair service contracts. In doing so, this bill exempts 60% sales tax on cloud software computing and protects Utah's business-friendly environment. Clarification of software maintenance contracts was also sought, but last-minute disputes on the potential revenue loss to the state caused us to set this issue aside until the next legislative session.

**Extension of Beneficial Tax Credits**

***Revisions to Tax (HB 365 by Sen. John Valentine and Rep. John Dougall)—PASSED***

This bill extended critical tax credits utilized by numerous members of our industry that were set to expire, including a 7.5% income tax credit. Additionally, it provided advantageous tax policy for the Life Science Industry, enacting sales tax exemptions for construction material and certain equipment used in life science facilities (where over 50% of the facility is being utilized for research and development).

**Resolved Internet Industry-Harming Bill**

***Internet Gambling (HB 108 by Sen. John Valentine and Rep. Stephen Sandstrom)—PASSED with Critical Amendments***

The original intent of this bill was to solidify Utah's Constitutional ban on gambling. However, due to poorly-constructed language, the legislation criminalized Internet Service Providers and raised great concerns across the board with networkers and other industry members. As your advocate and the gatekeeper for the industry, UTC stepped forward to defend the infringement, albeit unintentional, upon the industry. Working along with many of UTC's great members, we led the bill sponsor and other leaders in the Legislature to amend the legislation—with language written by, reviewed and accepted by the industry.

## **QUALITY WORKFORCE**

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**Enhancing Students' Opportunities to Learn**

***Statewide Online Education System (SB 178 by Sen. Howard Stephenson and Rep. Brad Daw)—PASSED***

This bill provides Utah businesses with a potentially more qualified, better educated future workforce, by improving the quality and accessibility of online high school education. This bill was an improvement on last year's high-priority support of Statewide Online Education (SB 65) by the same sponsors. It addressed numerous issues that arose during the implementation of the program, including a need to improve the breakdown on the pricing of online courses.

Unlike many bills brought forward to simplify/improve an already-established program, this became a highly-debated issue with competing bills run to fundamentally change what UTC accomplished last year. Ultimately, UTC was able to help facilitate an acceptable solution and opposition turned to support, resulting in a much-improved and flourishing online education program for Utah's high school students.