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May 9, 2012

The Honorable Henry T. Perea, Chair
Assembly Revenue and Taxation Committee
State Capitol, Room 4112
Sacramento, CA 95814

Re: AB 1818 (Perea), as amended March 29, 2012
Scheduled for hearing in the Assembly Revenue and Taxation Committee on
May 14, 2012
Position: SUPPORT

Dear Assembly Member Perea:

The University of California (UC) is pleased to support AB 1818 (Perea), legislation that would provide a tax credit against an undetermined percentage of qualified UC-owned patent royalties paid by California taxpayers.

UC research has contributed to California's emergence as the intellectual and economic power that it is today. In fact, many of the technological industries in which California leads the world – biotechnology, telecommunications, digital media, computers and semi-conductors, and environmental technologies – grew out of University-based research. Yet it is often the transfer of viable research discoveries to the marketplace that can pose the greatest challenge to innovators and entrepreneurs. Providing an incentive for these efforts - through a tax credit on royalty payments to the University - has the potential to spawn greater investment in, and broader commercialization of, UC inventions and discoveries.

We thank you for your consideration of the University's views on this important measure. Should you have questions about the University's position on this bill, please do not hesitate to contact me at (916) 445-5584.

Sincerely,

A handwritten signature in cursive script that reads "Jason W. Murphy".

Jason Murphy
Legislative Director

cc: Members, Assembly Revenue and Taxation Committee
President Mark G. Yudof
Provost Lawrence Pitts
Executive Vice President Nathan Brostrom
Senior Vice President Daniel M. Dooley
Associate Vice President and Director Steve Juarez