

## RESEARCH EXPENSE TAX CREDIT - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states that are similar to the research expense tax credit provided in North Dakota Century Code Section 57-38-30.5. The following table provides an overview of each incentive including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Arizona	Research and Development Income Tax Credit	Arizona Commerce Authority	<p>A taxpayer may claim a credit against income tax liability for a portion of the amount expended for increased research and development activities conducted in Arizona, including research conducted at a state university and funded by the taxpayer. The amount of the credit is equal to 24 percent of the first \$2.5 million in qualifying expenses and 15 percent of any qualifying expenses in excess of \$2.5 million. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years. Taxpayers employing less than 150 full-time employees may elect to claim a refund of up to 75 percent of the excess credit amount in lieu of carrying the credit forward.</p> <p>A taxpayer may claim an additional credit against income tax liability for a portion of the amount expended by the taxpayer for basic research payments made to an Arizona university. The amount of the additional credit is equal to 10 percent of the basic research payments made in the taxable year in excess of the amount made in the calculated base period. Any additional credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years. The amount of additional credits awarded to all taxpayers may not exceed \$10 million in any calendar year.</p>	Arizona Revised Statutes Sections 43-1074.01 and 43-1168
Arkansas	Research and Development Tax Credits	Arkansas Economic Development Commission	<p>A taxpayer may claim a credit against income tax liability for a portion of qualified research expenditures for university-based research, in-house research, and research and development in a startup technology-based enterprise.</p> <p>An eligible business contracting with an Arkansas college or university may claim a credit in the amount of 33 percent of qualified research expenditures. Any credit amount exceeding a taxpayer's liability may be carried forward for up to nine taxable years.</p> <p>An eligible new business conducting in-house research may claim a credit in the amount of 20 percent of qualified expenditures that exceed the base year for a period of three years, and the incremental increase in qualified research and expenditures for the succeeding two years. Any credit amount exceeding a taxpayer's liability may be carried forward for up to nine taxable years.</p> <p>An eligible business investing in in-house research in a field deemed to have long-term economic or commercial value to Arkansas, or in a research and development project offered by the Arkansas Science and Technology Authority, may receive a credit in the amount of</p>	Arkansas Code Annotated Sections 15-4-2708, 26-51-1102, and 26-51-1103

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			33 percent of qualified research expenditures. The maximum credit amount that may be claimed by a taxpayer is limited to \$50,000 per taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to nine taxable years.	
California	Research and Development Tax Credit	California Franchise Tax Board	A taxpayer may claim a credit against income or franchise tax liability for a portion of qualified research expenditures. The amount of the credit is equal to 15 percent of the amount of current year research expenditures that exceed a computed base amount. Any credit amount exceeding a taxpayer's liability may be carried forward to future taxable years until the full amount of the earned credit is extinguished.	California Revenue and Taxation Code Sections 17052.12 and 23609
Connecticut	Research and Development Incremental and Nonincremental Expenditures Tax Credit	Connecticut Department of Revenue Services	<p>A taxpayer may claim a credit against corporate income tax liability for a portion of qualified research and experimental expenditures. The amount of the credit is equal to 20 percent of the amount of qualified expenditures that exceed the amount expended by the corporate taxpayer during the preceding income year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 years.</p> <p>A qualified small business may claim a credit against corporate income tax liability for a portion of qualified research and development expenditures. For purposes of the credit, a qualified small business is a company with gross income of \$100 million or less in the previous income year. The amount of the credit is equal to 6 percent of the amount of qualified research and development expenditures. Any credit amount exceeding a small business's liability may be carried forward to future taxable years until the full amount of the earned credit is extinguished. In lieu of carrying forward any excess credit amount, a small business with no tax liability, and gross income of \$70 million or less in the previous year, may elect to claim a refund of up to 65 percent of the value of the credit in lieu of carrying the credit forward. A maximum of \$1.5 million may be refunded to any one qualified small business in a taxable year.</p>	Connecticut General Statutes Annotated Sections 12-217j and 12-217n
Delaware	Research and Development Tax Credit	Delaware Department of Finance	A taxpayer may claim a credit against income tax liability for a portion of qualified research and development expenditures. A taxpayer may elect to claim a credit in an amount equal to 10 percent of the taxpayer's total Delaware qualified research and development expenses for the taxable year that exceed the taxpayer's Delaware base amount or a credit equal to 50 percent of Delaware's apportioned share of the taxpayer's federal research and development tax credit using the alternative incremental credit method.	30 Delaware Code Sections 2070 and 2075

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			A startup business or a small business with revenues of \$20 million or less may elect to claim a credit equal to 20 percent of the amount of the taxpayer's Delaware qualified research and development expenses for the taxable year that exceed the taxpayer's Delaware base amount or a credit equal to 100 percent of Delaware's apportioned share of the taxpayer's federal research and development tax credit using the alternative incremental credit method. A taxpayer may apply the credit to offset a maximum of 50 percent of the taxpayer's qualified tax liability for the taxable year. Any remaining earned credit may be carried forward for up to 15 taxable years. The maximum credit amount that may be claimed by all taxpayers is limited to \$5 million per state fiscal year.	
Florida	Research and Development Tax Credit	Florida Department of Revenue	A taxpayer may claim a credit against corporate income tax liability for a portion of qualified research expenditures. The amount of the credit is equal to 10 percent of the amount of qualified research expenses incurred by the qualifying target industry business in the taxable year that exceed the average amount of qualified research expense incurred by the business over the four preceding taxable years. If the business was not in existence for at least four taxable years preceding the year in which the credit is being claimed, the credit amount shall be decreased by 25 percent for each year the business did not exist. A business may apply the credit to offset a maximum of 50 percent of the business's income tax liability per taxable year. Any excess credit amount may be carried forward for up to five taxable years. The maximum credit amount that may be claimed by all taxpayers is limited to \$9 million in calendar year 2015 and \$23 million in calendar year 2016.	Florida Statutes Annotated Section 220.196
Georgia	Research and Development Tax Credit	Georgia Department of Revenue	A qualified business may claim a credit against income tax liability for a portion of qualified research expenditures. The amount of the credit is equal to 10 percent of the amount of a business's current year qualified research expenses that exceed a computed base amount. A business may apply the credit to offset a maximum of 50 percent of the business's income tax liability per taxable year. The credit must then be applied to offset the business's state payroll withholding. Any remaining credit amount may be carried forward for up to 10 taxable years.	Georgia Code Annotated Section 48-7-40.12
Idaho	Research and Development Tax Credit	Idaho State Tax Commission	A taxpayer may claim a credit against income tax liability for a portion of qualified research expenditures. The amount of the credit is equal to 5 percent of the amount of the taxpayer's current qualified research expenses that exceed a calculated base amount and 5 percent of the amount expended by the taxpayer's for basic research payments. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years.	Idaho Code Section 63-3029G

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Indiana	Research and Development Tax Credit	Indiana Department of Revenue	A taxpayer may claim a credit against income tax liability for a portion of qualified company research expenses. The amount of the credit is equal to 15 percent of the amount of qualified research expenses exceeding the amount of expenditures made over the prior three-year base period. The amount expended in the base period must be at least one-half of the amount expended in the current year for the expenditures to qualify. If the amount expended for qualifying research expenses during the base period was greater than \$1 million, the amount of the credit is reduced to 10 percent of the amount of qualified research expenses exceeding the amount expended during the base period. If the taxpayer did not have any qualified research expenses in any one of the three preceding taxable years, the amount of the credit is equal to 5 percent of the amount of the taxpayer's qualified research expenses for the taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years.	Indiana Code Sections 6-3.1-4-1 and 6-3.1-4-2
Iowa	Research Activities Tax Credit	Iowa Economic Development Authority	A taxpayer may claim a refundable credit against income tax liability for a portion of qualified research expenditures. The amount of the credit is equal to 6.5 percent of qualified research expenditures that exceed the larger of the taxpayer's base period expenditures or 50 percent of current year expenditures. Any credit amount exceeding a taxpayer's liability may be carried forward to future taxable years or refunded to the taxpayer with interest included. Businesses with tax incentive contracts under the High Quality Jobs Program or the Enterprise Zone Program may also qualify for an additional supplemental research activities tax credit.	Iowa Code Sections 15.335, 422.10, and 422.35
Kansas	Research and Development Credit	Kansas Department of Revenue	A taxpayer may claim a credit against income tax liability for a portion of research and development activity expenditures. The amount of the credit is equal to 6.5 percent of the difference between the actual qualified research and development expenses for the year and the average of the actual expenditures made during the two previous taxable years. A taxpayer may apply a maximum of 25 percent of the amount of the credit earned in a taxable year to offset a taxpayer's income tax liability. Any earned credit amount remaining after four taxable years may be carried forward to future taxable years until fully extinguished.	Kansas Statutes Annotated Section 79-32,182b
Louisiana	Research and Development Tax Credits	Louisiana Economic Development	A taxpayer may qualify for a credit against income tax liability for a portion of qualified research expenses. A taxpayer employing 100 or more individuals may qualify for a credit in an amount equal to 8 percent of the difference between the Louisiana qualified research expenses for the taxable year minus the base amount. A taxpayer employing 50 to 99 individuals may qualify for a credit in an amount equal to 20 percent of the difference between the Louisiana qualified research expenses for the taxable year minus the base amount. A taxpayer employing less than 50 individuals may qualify for a credit	Louisiana Revised Statutes Section 47:6015

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			in an amount equal to 40 percent of the Louisiana qualified research expenses for the taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years.	
Maine	Research Expense Tax Credit and Super Research and Development Tax Credit	Maine Department of Economic and Community Development	<p>A taxpayer may qualify for a credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 5 percent of the amount of qualified research expenses that exceed the average amount of qualified research expenses over the previous three years and 7.5 percent of the amount of basic research expenditures. A taxpayer may apply the credit to offset up to 100 percent of the first \$25,000 in tax liability and up to 75 percent of any tax liability exceeding \$25,000. A taxpayer may carry forward any remaining credit amount for up to 15 taxable years.</p> <p>A taxpayer qualifying for the research expense credit may also qualify for a super research tax credit. The amount of the credit is equal to the amount of qualified research expenses for the taxable year that exceed a super credit base amount. The super credit base amount is equal to the average amount spent on qualified research expenses by the taxpayer in the three preceding taxable years, increased by 50 percent. The amount of credit a taxpayer may earn is limited to 50 percent of the taxpayer's tax due after the allowance of any other credits. A taxpayer may apply earned credits to offset a maximum of 25 percent of the taxpayer's remaining tax due after the allowance of any other credits. A taxpayer may carry forward any remaining credit amount for up to 10 taxable years.</p>	32 Maine Revised Statutes Annotated Sections 5919K and 5219L
Maryland	Research and Development Tax Credit	Maryland Department of Business and Economic Development	A taxpayer may qualify for a credit against income tax liability for a portion of qualified research and development expenses. A taxpayer may claim a basic research and development credit or a growth research and development credit. The amount of the basic credit is equal to 3 percent of the Maryland qualified research and development expenses incurred during the taxable year so long as expenses do not exceed the base amount. The amount of the growth credit is equal to 10 percent of the amount of Maryland qualified research and development expense incurred during the taxable year that exceed the base amount. Any credit amount exceeding a taxpayer's liability may be carried forward for up to seven taxable years. The maximum credit amount that may be awarded to all taxpayers in any taxable year is limited to \$4.5 million for the basic credit and \$4.5 million for the growth credit.	Maryland Code Section 10-721
Massachusetts	Research and Development Tax Credit	Executive Office of Housing and Economic Development	A business corporation may claim a credit against excise tax liability for a portion of qualified research expenses. The amount of the credit is equal to 10 percent of qualified research expenses for the taxable year that exceed a base amount and 15 percent of basic research payments determined under the federal research and development credit. A taxpayer may apply the credit to offset up to	Massachusetts General Laws Annotated 63 Section 38M

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			100 percent of the first \$25,000 in tax liability and up to 75 percent of any tax liability exceeding \$25,000. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years.	
Minnesota	Research and Development Tax Credit	Minnesota Department of Revenue	A taxpayer may qualify for a credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 10 percent of the first \$2 million in excess qualified research expenses over the base amount and 2.5 percent of all qualified research expenses exceeding \$2 million. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years.	Minnesota Statutes Annotated Section 290.068
Nebraska	Nebraska Advantage Research and Development Credit	Nebraska Department of Economic Development	A taxpayer may qualify for a refundable tax credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 15 percent of the amount allowed under the federal research credit. The amount of the credit is increased to 35 percent of the amount allowed under the federal credit for expenditures made on a Nebraska college or university campus or at a facility owned by a Nebraska college or university. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 20 taxable years.	Nebraska Revised Statutes Sections 77-5801.01 through 77-5801.03
New Hampshire	Research and Development Tax Credit	Department of Revenue Administration	A taxpayer may qualify for a credit against income tax liability for a portion of qualified manufacturing research and development expenditures incurred during the fiscal year. The amount of the credit is equal to the lesser of 10 percent of the business organization's qualified manufacturing research and development expenditures or \$50,000. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years. The total credit amount that may be awarded to all taxpayers through June 30, 2017, is limited to \$2 million per fiscal year and the total amount that may be awarded beginning July 1, 2017, is limited to \$7 million per fiscal year.	New Hampshire Revised Statutes Section 77-A:5
New Mexico	Technology Jobs Tax Credit	New Mexico Taxation and Revenue Department	A taxpayer may qualify for a basic and additional tax credit against state tax liability for a portion of qualified expenditures for research, development, and experimentation in a technology-based business. A taxpayer conducting qualified research at a qualified facility may claim a credit equal to 4 percent of qualified expenditures. A taxpayer may claim a credit equal to an additional 4 percent of qualified expenditures if the taxpayer increases annual payroll expenses by \$75,000 for every \$1 million in qualified expenditures. The credit doubles for qualified expenditures made in facilities located in rural areas. A taxpayer may apply the basic credit amount to offset the taxpayer's compensating tax, gross receipts tax, or withholding tax and may apply the additional tax credit to offset the taxpayer's personal or corporate income tax. Any credit amount exceeding a taxpayer's liability may be carried forward to subsequent reporting periods until the full amount of the earned credit is extinguished.	New Mexico Statutes Annotated Sections 7-9F-1 through 7-9F-12

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New York	Research and Development Tax Credit	New York State Department of Taxation and Finance	<p>A taxpayer may claim a credit against corporate income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 9 percent of qualified research expenses incurred by the taxpayer in the taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years.</p> <p>Additional credits are also available to encourage the creation and expansion of emerging technology businesses. These credits include a three-year job creation credit of \$1,000 per employee and a capital credit for investments in emerging technologies.</p>	New York Code, Tax Law Section 606
North Carolina	Credit for North Carolina Research and Development	North Carolina Department of Revenue	<p>A taxpayer may claim a credit against income or franchise tax liability for a portion of qualified research expenses. The percentage of research expenses that may be claimed for purposes of calculating the credit depend on factors including the type of taxpayer making the expenditure and the purpose for which the expenditure was made. For a small business with annual receipts of less than \$1 million, the amount of the credit is equal to 3.25 percent of qualified research expenses. For research performed in a county ranked as a tier one county, the amount of the credit is equal to 3.25 percent of qualified research expenses. For North Carolina university research expenses, the credit is equal to 20 percent of qualified research expenses. For expenses related to research performed in an Eco-Industrial Park, the credit is equal to 35 percent of qualified research expenses. For all other research expenses, the amount of the credit ranges from 1.25 to 3.25 percent based on the total amount of research expenditures. If the qualified research expense falls into more than one category, the credit is equal to the highest percentage offered among the categories. A taxpayer may apply the credit to offset a maximum of 50 percent of a taxpayer's liability per taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years.</p>	North Carolina General Statutes Annotated Sections 105-129.50 through 105-129.55
Ohio	Research and Development Investment Tax Credit	Ohio Development Services Agency	<p>A taxpayer may claim a credit against commercial activity tax liability for a portion of the amount paid for qualified research expenses. The amount of the credit is equal to 7 percent of the amount of qualified research expenses that exceed the taxpayer's average investment in qualifying research expenses over the prior three taxable years. Any credit amount exceeding a taxpayer's liability may be carried forward for up to seven taxable years.</p>	Ohio Revised Code Section 5751.51
Oregon	Qualified Research Activities Credits	Oregon Department of Revenue	<p>A corporate taxpayer may claim a credit against corporate excise tax liability for a portion of basic and qualified research expenses. The amount of the credit is equal to 5 percent of the amount of qualified research expenses that exceed the taxpayer's average investment in qualifying research expenses over the prior three taxable years.</p> <p>If a taxpayer elects to use the alternative option for computing credits, the amount of the credit is equal to 5 percent of qualified</p>	Oregon Revised Statutes Sections 317.152 and 317.154

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			research expenditures in excess of 10 percent of Oregon sales. The credit is limited to a maximum of \$10,000 times the number of percentage points by which the qualifying research expenses exceed 10 percent of Oregon sales. The maximum credit amount allowed per taxpayer per year is limited to \$1 million for either credit. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years.	
Pennsylvania	Research and Development Tax Credits	Pennsylvania Department of Revenue	A taxpayer may claim a credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 10 percent of the taxpayer's qualified research expenses for the taxable year which exceed the amount of qualifying expenditures determined for the base year. For taxpayer's qualifying as a small business, the percentage that may be applied to excess expenses for purposes of calculating the credit is increased from 10 to 20 percent. A small business is classified as a for-profit business having net book value assets totaling less than \$5 million in the taxable year in which the research expenses are incurred. A taxpayer may apply the credit to offset a maximum of 50 percent of a taxpayer's tax liability in a taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years or sold or assigned to another taxpayer. A purchased or assigned credit may not be used to offset more than 75 percent of a taxpayer's liability per taxable year and may not be carried forward to any future taxable years. The maximum credit amount that may be awarded to all taxpayers is limited to \$55 million per fiscal year, \$11 million of which is set aside for credit awards to small businesses.	72 Pennsylvania Statutes Sections 8702-B through 8709-B
Rhode Island	Research and Development Expense Credit	Rhode Island Division of Taxation	A taxpayer may claim a credit against state tax liability for a portion of the amount expended for research and development property acquired, constructed, or reconstructed after July 1, 1994. The amount of the credit is equal to 10 percent of the cost or other basis for federal income tax purposes of the tangible personal property acquired, constructed, or reconstructed. Any credit amount exceeding a taxpayer's liability may be carried forward for up to seven taxable years.	General Laws of Rhode Island Section 44-32-2
South Carolina	Research and Development Credit	South Carolina Department of Revenue	A taxpayer claiming a federal income tax credit for increasing research activities is allowed a credit against state income tax liability or corporate license fees for a portion of qualified research expenses. The amount of the credit is equal to 5 percent of a taxpayer's qualified research expenses incurred in South Carolina. A taxpayer may apply the credit to offset a maximum of 50 percent of a taxpayer's liability remaining after all other credits have been applied. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years.	South Carolina Code Section 12-6-3415



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Texas	Research and Development Tax Credit	Texas Comptroller of Public Accounts	A taxpayer may claim a credit against franchise tax liability for a portion of qualified research expenses. The amount of the credit is equal to 5 percent of the difference between a company's qualified research expenses during the tax period and 50 percent of the average qualified research expenses for the three preceding tax periods. If the taxpayer does not have qualified research expenses in one or more of the three preceding tax periods, the amount of the credit is equal to 2.5 percent of the qualified research expenses incurred during the tax period for which the credit is being claimed. A taxpayer may apply the credit to offset a maximum of 50 percent of a taxpayer's liability per reporting period. Any remaining credit amount may be carried forward for up to 20 reporting periods.	Texas Code Annotated, Tax Code Sections 171.651 through 171.659
Utah	Research Activities Credits	Utah State Tax Commission	A taxpayer may claim a credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 5 percent of the taxpayer's qualified research expenses for the current taxable year that exceed the computed base amount. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 14 taxable years. If a taxpayer does not have qualified research expenses during the base period, the amount of the credit is equal to 7.5 percent of the taxpayer's qualified research expenses during the current year. Any credit amount earned under this computation that exceeds a taxpayer's liability may not be carried forward.	Utah Code Annotated Section 59-10-1012
Vermont	Research and Development Tax Credit	Vermont Department of Taxes	A taxpayer may claim a credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 27 percent of the federal tax credit allowed in the taxable year for eligible research and development expenditures. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years.	32 Vermont Statutes Annotated Section 5930ii
Virginia	Refundable Research and Development Expenses Tax Credit	Virginia Department of Taxation	A taxpayer may claim a credit against income tax liability for a portion of qualified research expenses. The amount of the credit that may be claimed by a business is equal to 15 percent of the first \$234,000 in qualified research and development expenses incurred during the taxable year or 20 percent of the first \$234,000 in qualified research expenses if the qualified research was conducted in conjunction with a Virginia college or university. Any credit amount exceeding a taxpayer's tax liability shall be refunded to the taxpayer. The maximum credit amount that may be claimed by all taxpayers is limited to an annual amount of \$6 million. If applications for credits total less than \$6 million, the remaining credit balance will be prorated among the qualifying applicants in an amount not to exceed twice the amount of each taxpayer's initial credit award. If applications for credits exceed \$6 million, the available amount of credits shall be prorated among all qualifying applicants.	Virginia Code Annotated Section 58.1-439.12:08

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West Virginia	High-Growth Business Investment Tax Credit and Strategic Research and Development Tax Credit	West Virginia Tax Commission	<p>A taxpayer may claim a credit against income and business franchise tax liability for a portion of the amount expended for qualified investments in a West Virginia strategic research and development company with annual gross receipts of less than \$20 million and annual payroll of less than \$2.5 million. A taxpayer may apply the credit to offset a maximum of \$50,000 in tax liability in any taxable year. A taxpayer must apply any earned credit amount to first offset business franchise tax liability, followed by corporate income tax liability, and lastly individual income tax liability. Any credit amount exceeding a taxpayer's liability may be carried forward for up to four taxable years. The maximum credit amount that may be claimed by all taxpayers is limited to \$1 million per fiscal year.</p> <p>A taxpayer conducting qualified research and development activities, or incurring qualified contract research and development expenditures, may claim a credit in an amount equal to 3 percent of the annual combined qualified research and development expenditure in West Virginia or 10 percent of the annual combined qualified research and development expenditures in West Virginia that exceed a calculated base amount. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years.</p>	West Virginia Code Sections 11-13U-1 through 11-13U-4 and 11-13R-2 through 11-13R-6
Wisconsin	Research and Development Tax Credit	Wisconsin Department of Revenue	A taxpayer may claim a credit against income tax liability for a portion of qualified research expenses. The amount of the credit is equal to 5.75 percent of the amount by which a taxpayer's qualified research expenses for the taxable year exceed 50 percent of the average qualified research expenses for the three prior taxable years. If a taxpayer does not have qualified research expenses in any of the three prior taxable years, the amount of the credit is equal to 2.875 percent of the qualified research expenses incurred in the taxable year for which the credit is being claimed. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 15 taxable years.	Wisconsin Statutes Annotated Section 71.07