



— PENNSYLVANIA. BUILT TO ADVANCE. —

# Keystone Innovation Zone Tax Credit & Tax Credit Sale Legislative Report

Annual Report | December 2013



**pennsylvania**  
DEPARTMENT OF COMMUNITY  
& ECONOMIC DEVELOPMENT



## KEYSTONE INNOVATION ZONE TAX CREDIT & TAX CREDIT SALE LEGISLATIVE REPORT

The Corbett administration is pleased to release the 2013 Annual Legislative Report on the Keystone Innovation Zone (KIZ) Tax Credit and Tax Credit Sale programs. The record number of KIZ companies qualifying for the KIZ Tax Credit this year underscores Gov. Corbett’s commitment to provide Pennsylvania’s startup companies and entrepreneurs with the resources they need to grow and thrive. The increase of nearly 12.9 percent in companies approved, coupled with the record-setting growth to over \$15 million in Tax Credits awarded, is a positive indicator that the commonwealth’s economy is flourishing. The program’s growth also exemplifies that the governor’s priority to connect Pennsylvania’s educational institutions with entrepreneurs and startup businesses spurs the creation of innovative, high-paying jobs for graduates.



Gov. Corbett launches Innovate in PA at AlphaLab’s startup facility

### Overview

Administered by the Ben Franklin Technology Development Authority (BFTDA), the Keystone Innovation Zone Tax Credit (Tax Credit) program provides for the award of up to \$25 million annually in tax credits to qualified Keystone Innovation Zone (KIZ) companies. Eligible KIZ companies can receive tax credits for up to \$100,000 annually. To be eligible, a company must be a qualified KIZ company and meet the following requirements:

- 1) Be a for-profit entity located within the geographic boundaries of a BFTDA designated KIZ
- 2) Demonstrate that it has been in operation for less than eight (8) years
- 3) Operate within one (or more) of the targeted industry sectors identified by the KIZ and its regional partnership
- 4) Provide semi-annual reporting measures to the Department of Community and Economic Development (DCED) through its KIZForce reporting tool
- 5) Meet any other requirements as specified by the DCED

Since the program launched in 2006, hundreds of Pennsylvania’s early-stage technology companies have received tax credits through this innovative program. Recipient companies have five years from the date of the award to either use, sell or assign the KIZ Tax Credits. KIZ companies choosing to sell their unused tax credits can either sell them directly or secure a third-party, independent agent to facilitate the transaction on their behalf.

### KIZ Tax Credit Awards

**Chart 1**, below, demonstrates the number of awards made to KIZ companies between 2006 and 2013, while **Chart 2** demonstrates the dollar amount of tax credits awarded to the KIZ companies during the same period. Appendix A highlights the company’s name, its KIZ-affiliation and the dollar amount of KIZ Tax Credits awarded in 2013.

**“Net Driven is a thriving software-as-a-service company based in Scranton, PA. Through the help of the KIZ program, we have been able to achieve growth of nearly 100 percent annually and have added almost 50 new jobs over the last several years. Without the help we receive through the KIZ program, we would not have been able to grow as fast or add nearly as many positions in such a short period of time. Thanks to everyone who worked hard to make this program a reality and those that administer the program on a daily basis.”**

— Pat Sandone,  
President and Founder of Net  
Driven in Scranton,  
Lackawanna County KIZ

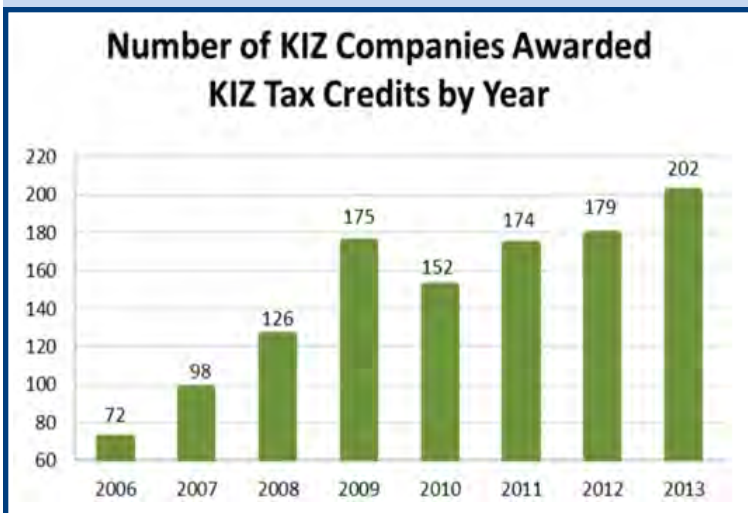


Chart 1

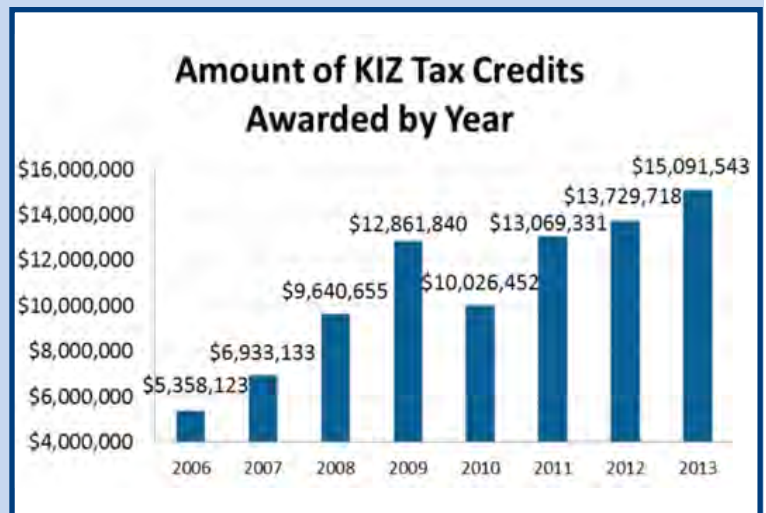


Chart 2



### KIZ Tax Credit Sales/Assignments Program

This element of the KIZ Tax Credit program gives KIZ companies the opportunity to sell or assign any of their unused tax credits for cash. The amount generated on the sale of the credit is determined on several factors, including whether or not the company utilizes the services of a broker, if the sale is done quickly or if the sale is part of a “bundled sale,” often coordinated by a broker. KIZ companies historically have received between 88 cents and 92.8 cents on the dollar when selling their tax credits through a broker. Appendix B details the names of the buyers and the amounts of KIZ Tax Credits they received through this process in 2013.

**Chart 3** reflects the number of sales and/or assignment applications approved by DCED each year since the Sales/Assignment program launched in 2007.

**Chart 4** identifies the amount of KIZ tax credits sold or assigned each year since 2007.

**Chart 5** reflects the average amount paid to a KIZ company who either sold or assigned its Tax Credits.

### Summary

The KIZ Tax Credit program continues to be a critical component of Pennsylvania’s economic development resources. Over the past eight years the KIZ Tax Credit program has infused over \$60 million into qualified KIZ companies. The new capital derived from the sale of the unused KIZ tax credits has increased the ability of these early-stage companies to grow, hire new employees and expand to meet the demands of their customers.

*“Our company has been extremely fortunate to participate in the Keystone Innovation Zone (KIZ) tax credit program. The use of the tax credits has allowed us to continue to promote Research and Development within our business, ensuring that we continue to provide the highest quality prosthetic care in the country.*

*We have used some of the funds to invest in laser 3-D imaging equipment. This equipment has enabled us to create more accurately fit prostheses as well as increase our productivity. We have also used these funds to become one of a handful of companies in the United States to offer a Hi-Fidelity Interface socket system. This system was developed in conjunction with the Department of Defense and requires the use of a proprietary imager system which was acquired with KIZ funds.*

*We appreciate all the support that we have received from the state of Pennsylvania in growing our business.”*

— Michael Rayer with Prosthetic Innovations, LLC, a Delaware County KIZ company

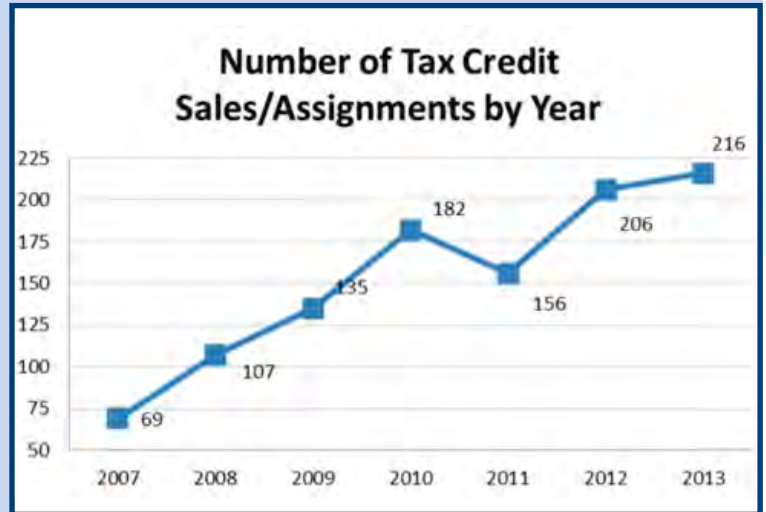


Chart 3



Chart 4

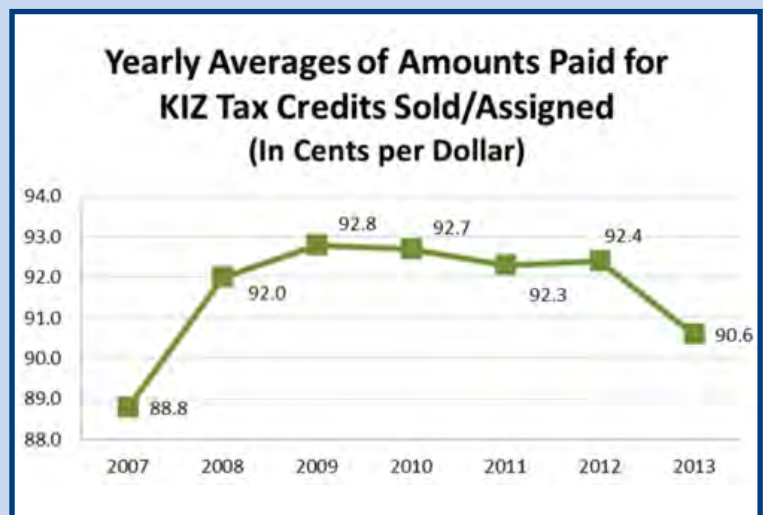


Chart 5

## Appendix A

### 2013 KIZ Tax Credit Awards

Company	Keystone Innovation Zone	Amount of Tax Credit Award
Amptech Technical Services, Inc.	Beaver County	\$86,004
Application Development Group, LLC	Beaver County	\$100,000
Cloud Computing Technologies, LLC	Beaver County	\$100,000
Environmental Monitoring Tech., Inc.	Beaver County	\$9,869
Expert Data Labs, LLC	Beaver County	\$87,567
Government Data Labs, LLC	Beaver County	\$14,050
Healthcare Support Technologies, Inc.	Beaver County	\$100,000
Talktime Speech Therapy, LLC	Beaver County	\$49,346
Vanko Trading, Inc.	Beaver County	\$100,000
1SEO.Com	BioLaunch611+	\$100,000
Biltmore Solutions, Inc.	BioLaunch611+	\$22,070
CD Diagnostics, Inc.	BioLaunch611+	\$100,000
Cognis IT Advisors, LLC	BioLaunch611+	\$100,000
Curotec, LLC	BioLaunch611+	\$49,237
Dinkum Interactive Company	BioLaunch611+	\$80,692
Empathy Lab, LLC	BioLaunch611+	\$100,000
Focus Biomolecules, LLC	BioLaunch611+	\$82,848
Global Computers and Network, LLC	BioLaunch611+	\$88,380
GLOBO Language Solutions	BioLaunch611+	\$74,160
Hybrid Integration, LLC	BioLaunch611+	\$100,000
Inventox, Inc.	BioLaunch611+	\$100,000
Inverse Paradox, LLC	BioLaunch611+	\$100,000
Jade Precision Medical Component, LLC	BioLaunch611+	\$100,000
Media Components, LLC	BioLaunch611+	\$15,332
One World Biotech, Inc.	BioLaunch611+	\$2,833
Opertech Bio, Inc.	BioLaunch611+	\$58,250
Orion Security LSP, LLC	BioLaunch611+	\$100,000
Pic IT Solutions, Inc. (dba Intuitive Company)	BioLaunch611+	\$100,000
QR Pharma, Inc.	BioLaunch611+	\$18,469
RDC Design Group, LLC	BioLaunch611+	\$100,000
Vascular Strategies, LLC	BioLaunch611+	\$100,000
Venture 3 Systems	BioLaunch611+	\$100,000
NeuroDx Development, LLC	BioLaunch611+	\$100,000
Advanced Vertebral Solutions, LLC	Bucks County Bio	\$94,142
David Horn, LLC	Bucks County Bio	\$100,000
Enantigen Therapeutics, Inc.	Bucks County Bio	\$100,000
Flowmetric, Inc.	Bucks County Bio	\$100,000
Fox Chase Chemical Diversity Center, Inc.	Bucks County Bio	\$60,136
Gfree Bio, LLC	Bucks County Bio	\$7,032

Company	Keystone Innovation Zone	Amount of Tax Credit Award
ImCare Biotech, LLC	Bucks County Bio	\$13,510
JBS Science, Inc.	Bucks County Bio	\$99,107
Pharmabridge, Inc.	Bucks County Bio	\$86,708
Airolution, LLC	Chester County	\$100,000
Alliance Pharma, Inc.	Chester County	\$100,000
Brandywine Photonics, LLC	Chester County	\$44,742
Dynamic Energy Solutions, LLC	Chester County	\$100,000
EvolveIP Holdings, LLC	Chester County	\$33,064
Fibrocell Science, Inc.	Chester County	\$76,592
Fogmaker North America, LLC	Chester County	\$100,000
GreenPointeEnergy, LLC	Chester County	\$98,240
LifeSplice Pharma, LLC	Chester County	\$67,228
Next Generation Reporting, LLC	Chester County	\$100,000
OptimalOps Software, Inc.	Chester County	\$58,804
Purispec, LLC	Chester County	\$4,653
QUANTA Technologies, Inc.	Chester County	\$100,000
SparkNET Technologies, LLC	Chester County	\$100,000
Thingworx, Inc.	Chester County	\$100,000
TransSig, Inc.	Chester County	\$8,975
Unifeyed, LLC	Chester County	\$65,622
Venatorx Pharmaceuticals, Inc.	Chester County	\$100,000
Y-Prime, Inc.	Chester County	\$100,000
Hometown Green, LLC	Delaware County	\$59,395
Kerathin, LLC	Delaware County	\$22,349
Prosthetic Innovations, LLC	Delaware County	\$100,000
Beaumont Development, LLC	Erie County	\$100,000
Dura-Tite Systems, LLC	Erie County	\$56,834
Epic Web Studios	Erie County	\$86,451
Flagship Multimedia, Inc.	Erie County	\$68,012
Plastics Services Network, LLC	Erie County	\$13,237
Velocity.Net Communications, Inc.	Erie County	\$100,000
Vista Auctions, LLC	Erie County	\$100,000
Conxx Pennsylvania, Inc.	Greater Johnstown	\$100,000
Entropi Software, LLC	Greater Johnstown	\$100,000
Fractal Systems, Inc.	Greater Johnstown	\$100,000
In-Shore Technologies, Inc.	Greater Johnstown	\$100,000
Nadorlik & Co.	Greater Johnstown	\$19,441
Astrobotic Technology, Inc.	Greater Oakland	\$100,000
Interbots, LLC	Greater Oakland	\$24,300
Nanogriptech, LLC	Greater Oakland	\$17,053
Qrono, Inc.	Greater Oakland	\$20,618
Safaba Translation Solutions, LLC	Greater Oakland	\$100,000

Company	Keystone Innovation Zone	Amount of Tax Credit Award
Shoefitr, Inc.	Greater Oakland	\$100,000
Wombat Security Technologies, Inc.	Greater Oakland	\$100,000
Adhezion Biomedical, LLC	Greater Reading	\$100,000
Colorfin, LLC	Greater Reading	\$100,000
FiberOptics.com, Inc.	Greater Reading	\$100,000
Liquid Interactive	Greater Reading	\$100,000
AIM Innovative, Inc.	Greater Susquehanna	\$27,395
Biomass Fuel Stocks of PA, Inc.	Greater Susquehanna	\$27,441
Bison Analytics, LLC	Greater Susquehanna	\$5,781
Cernostics	Greater Susquehanna	\$100,000
Columbia County Bread	Greater Susquehanna	\$11,528
Ethnogenesis Foods, Inc.	Greater Susquehanna	\$100,000
Fresh Roasted Coffee, LLC	Greater Susquehanna	\$78,282
Icon Legacy Custom Modular Homes, LLC	Greater Susquehanna	\$100,000
MePush, Inc.	Greater Susquehanna	\$100,000
Pinpoint Strategies, LLC	Greater Susquehanna	\$66,107
Safeguard Structures, LLP	Greater Susquehanna	\$100,000
Better Bowls, LLC	Harrisburg Market	\$83,599
Cruzstar, LLC	Harrisburg Market	\$6,875
Markant Corporation	Harrisburg Market	\$100,000
New Era Orthopaedics, LLC	Harrisburg Market	\$100,000
Red Privet, LLC	Harrisburg Market	\$100,000
Vispronet, Inc.	Harrisburg Market	\$100,000
Webpage FX, Inc.	Harrisburg Market	\$100,000
Z-Band Video, Inc.	Harrisburg Market	\$100,000
CMIT Solutions of Central Pennsylvania	Huntingdon County	\$100,000
Greatest Hits Websites, LLC	Huntingdon County	\$100,000
Quinn Analytics, LLC	Huntingdon County	\$18,973
Recycle-It Electronics	Huntingdon County	\$100,000
TR Consulting, LLC	Huntingdon County	\$99,686
Acera Technology, Inc.	I-99 Innovation Corridor	\$18,235
Actuated Medical, Inc.	I-99 Innovation Corridor	\$100,000
Indigo Biosciences, Inc.	I-99 Innovation Corridor	\$100,000
Mission Critical Partners, Inc.	I-99 Innovation Corridor	\$100,000
M-Mech Defense, Inc.	I-99 Innovation Corridor	\$100,000
Nova 6, LLC	I-99 Innovation Corridor	\$24,334
Quantum Potential Corporation	I-99 Innovation Corridor	\$23,601
Silcotek Corporation	I-99 Innovation Corridor	\$100,000
AI Efficiency, LLC	Lackawanna County	\$100,000
Appek, LLC	Lackawanna County	\$73,426
Centerium, LLC	Lackawanna County	\$100,000
EcoIndustrial, LLC	Lackawanna County	\$100,000

Company	Keystone Innovation Zone	Amount of Tax Credit Award
Extundo Innovations, LLC	Lackawanna County	\$100,000
Information Illumination, LLC	Lackawanna County	\$100,000
Iron Tree Voice Networks, Inc.	Lackawanna County	\$41,599
Local Focal, Inc. (d/b/a Net Driven)	Lackawanna County	\$100,000
Nearbid.com, LLC	Lackawanna County	\$100,000
Net Driven Development, LLC	Lackawanna County	\$89,500
Prova Systems & Technologies, Inc.	Lackawanna County	\$17,951
Scranton Post, LLC	Lackawanna County	\$100,000
Cornerstone Counseling and Consulting Specialists, LLC	Luzerne County	\$47,150
Abelian Technology, LLC	Luzerne County	\$29,586
Blue Dimond Management Group, Inc.	Luzerne County	\$100,000
Chatka Interactive, LLC	Luzerne County	\$100,000
KBJ Capital, LP	Luzerne County	\$100,000
Live Mercury, Inc.	Luzerne County	\$10,054
Medetz Surgical Instruments	Luzerne County	\$100,000
Northport USA, LLC	Luzerne County	\$100,000
Outsourcing USA	Luzerne County	\$100,000
Public Charters, Inc.	Luzerne County	\$100,000
Refer Local, LLC	Luzerne County	\$100,000
Revere, LLC	Luzerne County	\$100,000
Tabacalera Republica, Inc.	Luzerne County	\$99,095
USA Business Products, LLC	Luzerne County	\$100,000
WSPC Communications, Inc.	Luzerne County	\$33,750
Building 22 Metalworks, LLC	Navy Yard	\$81,500
Rhoads Marine Industries, Inc.	Navy Yard	\$100,000
Gibraltar Technologies, Inc.	Navy Yard	\$83,021
Recovery Networks, Inc.	Navy Yard	\$100,000
MIND Development & Design, LLC	Northwest Lancaster City	\$37,000
Wilson Engineering Services	Northwest PA	\$46,671
Allpoint Systems, LLC	Pittsburgh Central	\$100,000
Bit-X-Bit, LLC	Pittsburgh Central	\$100,000
Cohera Medical, Inc.	Pittsburgh Central	\$42,640
Ebenefits Solutions, LLC	Pittsburgh Central	\$100,000
ECAP Network, LLC	Pittsburgh Central	\$33,842
eDigital Data Center, Inc.	Pittsburgh Central	\$100,000
Embedded Energy Technology, LLC	Pittsburgh Central	\$29,782
Hydro4GE, Inc.	Pittsburgh Central	\$6,370
NoWait, Inc.	Pittsburgh Central	\$83,333
Pikimal, LLC (dba Webkite)	Pittsburgh Central	\$19,714
Rent Jungle, LLC	Pittsburgh Central	\$100,000
Rubitection, Inc.	Pittsburgh Central	\$17,250
Showclix, Inc.	Pittsburgh Central	\$100,000

Company	Keystone Innovation Zone	Amount of Tax Credit Award
Social Media Intel, C/O CGR Holdings	Pittsburgh Central	\$5,193
Special Pathogens Laboratory, LLC	Pittsburgh Central	\$100,000
Talencea Corporation	Pittsburgh Central	\$40,398
J G Sesta, LLC	Pocono Mountains	\$100,000
Stellar Technology Solutions, LLC.	Pocono Mountains	\$100,000
Cryoconcepts, LP	Southside Bethlehem	\$89,565
DynAccess, Ltd	Southside Bethlehem	\$6,424
Hager Biosciences, LLC	Southside Bethlehem	\$67,796
Lightbox, Inc.	Southside Bethlehem	\$100,000
Micro-Clean Green Technologies, Inc.	Southside Bethlehem	\$79,981
Mosaic Interactive, LLC	Southside Bethlehem	\$20,808
Pivitec, LLC	Southside Bethlehem	\$35,491
Rvibe, LLC	Southside Bethlehem	\$100,000
Third Eye Diagnostics	Southside Bethlehem	\$50,000
Viddler, Inc.	Southside Bethlehem	\$100,000
EcoTech Marine International, Inc.	Southside Bethlehem	\$100,000
HydroSpray Wash Systems, Inc.	Tri-County	\$100,000
Curalate, Inc.	University City	\$100,000
Eight Eleven, Inc.	University City	\$100,000
Global Technology Enterprises	University City	\$100,000
Longevity Biotech, Inc.	University City	\$100,000
Optofluidics, Inc.	University City	\$100,000
RJMetrics, Inc.	University City	\$100,000
Solve Media, Inc.	University City	\$100,000
Ticketleap, Inc.	University City	\$100,000
Torchlight Technology Group, LLC	University City	\$100,000
Vita Products, Inc.	University City	\$48,931
Yorn, LLC	University City	\$37,277
Affiniton, LLC	Williamsport/Lycoming	\$10,413
Johnny's Key, LLC	Williamsport/Lycoming	\$1,825
Lang's Chocolates	Williamsport/Lycoming	\$28,823
Solid State Ceramics, Inc.	Williamsport/Lycoming	\$20,000
Strouse Industrial, LLC	Williamsport/Lycoming	\$2,592
The R.A.T.E. Company, LLC	Williamsport/Lycoming	\$4,468
TLC North, LLC	Williamsport/Lycoming	\$100,000
TQ Electronics, Inc.	Williamsport/Lycoming	\$81,135
Coupling Corporation of America	York County	\$100,000
<b>Total = 202 Approved Applications for KIZ Tax Credits in 2013</b>		<b>\$15,091,543</b>



## Appendix B

### Entities that Acquired KIZ Tax Credits in 2013

Buyer	Amount of Tax Credit Sold/Assigned	Applications Approved
Alan R. Keim	\$11,650	1
Apple, Inc.	\$2,718,837	36
Armstrong Utilities, Inc.	\$412,588.00	6
Bernard Halfpenny	\$50	1
Bill Bole	\$100	1
Brian L. Bark	\$10,611	1
Bruce Bradley	\$182	1
Clifford L. Lewis	\$901	1
Conor Quilan	\$16,766	1
David Boyce	\$5,237	1
David F. Jones	\$107	1
Earl Hennenhoefer	\$456	1
Edward Curry	\$50	1
First Commonwealth Bank	\$1,369,526.00	22
Fred Allegrezza	\$2,397	1
Fulton Bank N.A.	\$186,928.00	2
GTE Wireless, Inc.	\$294,400	3
Hartford Casualty Insurance Company	\$278,642.00	4
Hartford Insurance Company of the Midwest	\$250,000	4
Hartford Insurance Company of the Southeast	\$248,989	3
Hartford Sentinel Insurance Company	\$100,000	1
Hartford Underwriters Insurance Company	\$250,000	3
Irrev. Generation Skipping Trust of Alan R. Keim	\$1,456	1
Jeffrey Snellenburg	\$24	1
Jerry Sljuka	\$48	1
Jing Jing Xu	\$3,688	1
John Bird	\$190	1
John Weinberg	\$13,000	1
Karie A. Craig	\$21,165	1
Lance Bachmann	\$29,404	1
Leonard F. Kowalski	\$10,611	1
Mark Depietro	\$19	1
Mark Levine	\$95	1
Massachusetts Mutual Life Insurance Company	\$1,052,439	14
Matthew Butows	\$8,603	1
Mike Craner	\$521	1
Mike Reinking	\$75	1
MSC Contract Management, Inc.	\$191,729.00	2

Buyer	Amount of Tax Credit Sold/Assigned	Applications Approved
Mutual Benefit Insurance Company	\$646,236	10
Nancy K. Comley	\$1,456	1
Northwest Savings Bank	\$94,427	1
Pete Dooner	\$143	1
R. Kevin Murray	\$15,934	1
Richard M. Scaife	\$298,266.00	3
Richard V. Snyder	\$390	1
Robert Adams	\$19	1
Robert D. Stine	\$326	1
Robert Wisniewski	\$50	1
S&T Bank	\$997,346.00	11
Sam Zeitlan	\$9,801	1
Selective Insurance Company of America	\$395,870.00	4
Selective Insurance Company of the Southeast	\$427,654.00	6
Selective Way Insurance Company	\$370,514.00	5
Sid Tool Company, Inc.	\$100,000	1
Steven Fafel	\$16,813	1
Susquehanna Bank	\$1,369,523.00	30
Thomas Wilson	\$7,080	1
Timothy Court	\$538	1
Todd G. Ross	\$8,603	1
Tom Connelly	\$104	1
Tony Agnello	\$94	1
Trumbull Insurance Company	\$99,729	1
Twin City Fire Insurance Company	\$100,000	1
Unum Life Insurance Company of America	\$100,000	1
William S. Craig, Jr.	\$21,165	1
York Traditions Bank	\$80,835	1
<b>Totals</b>	<b>\$12,654,400</b>	<b>216</b>

For more information, contact:

**Pennsylvania Department of Community and Economic Development**

Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

Tel: 866.466.3972 | [newPA.com](http://newPA.com) |  [@newPAnews](https://twitter.com/newPAnews)

**pennsylvania**  
DEPARTMENT OF COMMUNITY  
& ECONOMIC DEVELOPMENT

