

Governor's Weekly Message Transcript: Supporting Innovation in Small Businesses

To reach our state's potential, we must build on our rich history of innovation. Academic research in our state has contributed to the technologies that led to smart phones and tablets. And work done by University of Delaware Professor Richard Heck yielded chemical processes used in pharmaceuticals, energy, and electronics. This type of research supports new and old companies that hire Delawareans, which is why I've proposed funding a grant program that will support more of this work.

We must also ensure that our startups and small businesses have the opportunity to invest in research and development. Along with legislators from both parties, we have introduced legislation to double the research and development tax credit available to small businesses. State R&D tax credits have proven to encourage additional research, attract companies from other states, and boost the high-tech sector.

Currently, only about two percent of the credits go to small companies and that needs to change. And this bill shows we can make it happen without adding to the state's overall spending. As one Delaware CEO said, our effort represents a positive approach for stimulating more entrepreneurship and welcoming high-growth companies to Delaware.

According to Tech America, every technology job supports three jobs in other parts of the economy. So the states and countries that produce the research that leads to more tech

jobs will have a clear advantage. By encouraging research and development at all of our companies and academic institutions, we will incentivize innovation and growth in emerging industries that are vital to our economic future and we'll keep Delaware moving forward.