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October 18, 2010

**Sent Via FedEx**

Mr. Gerald J. Shields  
Internal Revenue Service  
1111 Constitution Ave. NW  
Washington, D.C. 20224

Re: Request for comment on Qualifying Therapeutic Discovery Project Program

Mr. Shields:

Enclosed you will find our comments regarding the Qualifying Therapeutic Discovery Project Program.

Thank you again for your time and assistance and please do not hesitate to contact me if you have any questions. With best regards, I remain

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Frank", written over a horizontal line.

Shane T. Frank  
Senior Managing Director

Enclosures (as stated)

## **Comment on Qualifying Therapeutic Discovery Project Program**

In response to the Treasury's August 20, 2010 request, alliantgroup, LP would like to take the opportunity to comment on the qualifying therapeutic discovery project program and in particular, Form 8942. As a firm that works extensively with small businesses in the life science and biotech industries, alliantgroup, LP has had the opportunity to assist several hundred companies in their applications for the qualifying therapeutic discovery project grant. Our work has allowed us to interact with treasury officials on several occasions and we very much appreciate their diligent assistance and responsiveness.

We would specifically like to comment on two items on Form 8942. Line 20 asks whether a project will "create and sustain (directly or indirectly) high-quality, high-paying jobs in the United States?" Though the question is open-ended, the only response that the taxpayer is permitted to make is to check a box yes or no. Since the Secretary may consider only those projects which show the greatest potential to create and sustain high-paying jobs, the businesses with which we worked expressed a desire to elaborate on their plans for job creation. There are a number of ways taxpayers may present this information. One option might be to allow them to attach a statement describing the type and number of jobs they plan to create and sustain and when they intend to implement them. Such a statement could be limited to 250 words, as were the statements for Lines 26 and 27; a limitation we found to be quite reasonable. Another option may be to add sections to Lines 21 and 22 to allow taxpayers to list the number of employees and contractors they plan to hire in the future and the amount which the taxpayer intends to pay them. Though it may be difficult to accurately predict the future regarding job creation, it has been our experience that businesses are capable of providing information which will be useful in substantiating their project's potential to create and sustain high-quality, high-paying jobs.

Line 22 of Form 8942, which inquired into the number of contractors who had worked on the project and the compensation for such contractors, also presented some confusion. Specifically, taxpayers were unsure as to how to calculate the number of individual contractors who had worked on a given project and the average number of hours that said individuals had worked. Often, businesses had engaged a company to work on their project but did not know the actual number of individuals that the contractor had used for the project. For future allocation rounds, or future years if this program is extended, additional clarification in the identification of individual contractors would be welcomed by our constituents. Further, many companies would be able to provide more complete responses if they were able to include information regarding future contractor expenses on line 22. This would provide a more in-depth analysis of the project's potential for creating high-quality, high-paying jobs in the United States.

In summation, we have been extremely pleased with Treasury's implementation of the qualifying therapeutic discovery project program. They have done an excellent job of keeping both taxpayers and practitioners abreast of the law and the application requirements, while creating and implementing a detailed program in a short amount of time allotted by Congress. We are deeply grateful for their efforts and look forward to working together to sharpen the application process in an effort to distribute funds to those qualified companies that greatly need this assistance.