



## State of Connecticut

### GENERAL ASSEMBLY

STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

Senators LeBeau, Crisco and Frantz, Representatives Berger, Haddad and Camillo and members of the Commerce Committee.

Thank you for raising SB 899 and for affording it a public hearing. We are writing in support of this proposal because of its potential for job creation, capital improvements for both businesses and in housing development in Enterprise Zones. The legislation would allow corporations who currently hold excess Research and Development Tax Credits to work with a qualified and affiliated development entity to monetizing those credits and resell or assign them to other qualified companies. The revenues generated from such a sale would be required to be invested in capital projects that result in business expansion and the creation of jobs in Connecticut.

Currently there is about \$1.3 billion in R&D Tax Credits that the state is currently responsible for honoring. The companies that hold these credits are not able to use them because they have already met the threshold for tax liability that can be offset by those credits in a given fiscal year.

The proposal as currently written provides a framework for how this proposal would be put into operation. It would be our goal to include some other provisions and/or changes to the bill including but limited to:

1. Require job targets for companies who benefit from this policy change.
2. The awarding of the credit would take place over a period of time to ensure that job creation is realized prior to the use of a credit.
3. Qualified commercial development would be limited to the manufacturing, aviation, pharmaceutical, medical device and bioscience industries.
4. A phase-in of this policy limiting the program to \$100 million per year worth of transferable credits over a ten year period to mitigate the impact on the state budget.

We understand that this program comes with a very real cost but it also affords us an opportunity to make use of resources that already exist that have the potential to result in capital investments, job creation and the expansion of industries critical to the future of our state economy. Thank you again for raising the bill and for support of the concept.

Sincerely,

Rep. Jason Rojas  
9<sup>th</sup> Assembly District

Rep. Henry Genga  
10<sup>th</sup> Assembly District

Rep. Timothy Larson  
11<sup>th</sup> Assembly District