

March 13, 2013

TO: Senator John Fonfara & Representative Patricia Widlitz  
Co-Chairs - Finance, Revenue & Bonding Committee

FROM: Commissioner Kevin B. Sullivan  
Department of Revenue Services

SUBJECT: **SB 1055 – AN ACT CONCERNING VARIOUS TAX CREDITS**

On March 11, 2013, the Finance, Revenue & Bonding Committee held a hearing on SB 1055 – AN ACT CONCERNING VARIOUS TAX CREDITS. The bill is a combination of proposals from the Department of Revenue Services (DRS) and the Department of Economic and Community Development (DECD). At Commissioner Smith's request, I agreed to include DECD's proposals in what was otherwise a bill requested by DRS.

Section 6 of SB 1055 was proposed by DECD. It would provide a 15 year limit for the carryforward of new (not already earned) R&D tax credits based on the same limit for R&E credits. I briefly mentioned this in my testimony before the committee and indicated that DECD Commissioner Smith had filed written testimony. Upon later seeing Commissioner Smith's written testimony, I discovered that DECD apparently no longer supported its proposal. Therefore, I need to be clear that my comments at the public hearing were only intended to be supportive of DECD and that DRS in fact takes no position with respect to Section 6 of SB 1055.

I will appreciate having this supplemental testimony entered into the record. Thank you for your consideration.

cc: Paul Mounds, Office of the Governor  
Catherine Smith, Commissioner, DECD  
John Rathgeber, President, CBIA