



## GUIDE TO CONNECTICUT'S BUSINESS TAX CREDITS

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### ISSUE

What business tax credits does Connecticut offer?

This report updates OLR report [2013-R-0292](#).

### USING THE GUIDE

Connecticut offers over 30 business tax credits for actions ranging from purchasing machinery and equipment to investing in start-up technology businesses. Some of the credits apply to money or assets businesses donate for public or charitable purposes, such as the Neighborhood Assistance tax credit. Most apply to one or more business taxes; a few apply to the personal income tax.

This report groups the credits by purpose and summarizes each group. The table of contents has hyperlinks to each table and credit program.

For each credit, the tables indicate the (1) taxes against which the credit applies, (2) eligibility criteria, (3) credit limits, (4) carryforward or carryback limitations (i.e., rules allowing taxpayers to apply unused credits to prior or succeeding tax periods), and (5) transfer limitations (i.e., whether taxpayers earning the credit may sell or assign it to other taxpayers).

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**Table 1: Fixed Capital Investments**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Machinery and Equipment  (CGS § <a href="#">12-217o</a> ; 1993)	Corporation	Businesses qualify if the expenditure for machinery and equipment used in Connecticut exceeds the prior year's expenditure for machinery and equipment used in Connecticut	Credit amount depends on the number of employees: <ul style="list-style-type: none"> <li>• 10% for businesses with 250 or fewer employees</li> <li>• 5% for businesses with between 251 and 800 employees</li> </ul>	No carryforward or carryback	No
Electronic Data Processing Equipment  (CGS § <a href="#">12-217t</a> ; 1994)	<ul style="list-style-type: none"> <li>• Corporation</li> <li>• Unrelated Business Income</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> <li>• Insurance Premiums</li> </ul>	Businesses paying property taxes on computers, printers, peripheral computer equipment, bundled software, and similar equipment	Credit equals 100% of property tax paid on electronic data processing equipment	Five-year carryforward; no carryback	No
Fixed Capital Investments  (CGS § <a href="#">12-217w</a> ; 1997)	Corporation	Tangible property must: <ul style="list-style-type: none"> <li>• be acquired from an unrelated person for use by the business</li> <li>• have a class life of more than four years</li> <li>• not be leased during first 12 months after acquisition</li> <li>• be held or used in Connecticut for at least five years after acquisition</li> </ul>	5% of fixed capital costs incurred during income year	Five-year carryforward; no carryback	No
Small Business Guaranty Fee  (CGS § <a href="#">12-217cc</a> ; 1999; sunset December 31, 2013)	Corporation	Businesses with gross annual revenues under \$5 million receiving SBA-guaranteed bank loans	100% credit for fee paid to SBA for the loan guarantee (fees vary depending on loan amount)	Four-year carryforward; no carryback	No

**Table 2: Contributions and Donations**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Land Donations  (CGS § <a href="#">12-217dd</a> ; 1999)	Corporation	<ul style="list-style-type: none"> <li>• Open space land:                             <ul style="list-style-type: none"> <li>○ donated to state, municipality, water company, or nonprofit land conservation organization and</li> <li>○ permanently preserved as open space or used as public water supply</li> </ul> </li> <li>• Land donated to a municipality or political subdivision for educational uses</li> </ul>	Credit equals 50% of: <ul style="list-style-type: none"> <li>• donated land's fair market value or</li> <li>• value of discounted sales price or interest in land</li> </ul>	25-year carryforward; no carryback	No
Land Donations for Educational Uses  (CGS § <a href="#">12-217ff</a> ; 2004; sunset January 1, 2013, but incorporated into land donations credit above)	Corporation	Land donated to a municipality or political subdivision for educational uses	<ul style="list-style-type: none"> <li>• Credit equals 50% of:                             <ul style="list-style-type: none"> <li>○ donated land's fair market value or</li> <li>○ value of discounted sales price or interest in land</li> </ul> </li> </ul>	15-year carryforward; no carryback	No
Neighborhood Assistance Act  (CGS §§ <a href="#">12-630aa</a> et seq.; 1982)	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> <li>• Businesses subject to Business Entity Tax (e.g., S corporations)<sup>1</sup></li> </ul>	Minimum \$250 contribution toward municipally-approved community service program	<ul style="list-style-type: none"> <li>• Total credits for all projects capped at \$5 million per year</li> <li>• Credit equals 100% for energy conservation and college access loan forgiveness programs; 60% for all other programs; in both cases, credit amount capped at \$150,000 annually</li> </ul>	No carryforward; two-year carryback	No

<sup>1</sup>[PA 11-140](#) expanded the credits to these businesses but did not make corresponding changes to allow them to apply the credits against the business entity tax.

**Table 3: Energy Conservation and Environmental Protection**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Traffic Reduction  (CGS § <a href="#">12-217s</a> ; 1994)	Corporation	Businesses with at least 100 employees participating in traffic reduction program	<ul style="list-style-type: none"> <li>Total credits capped at \$1.5 million</li> <li>Credit equals 50% of program participation costs, up to \$250 per participating employee</li> </ul>	No carryforward or carryback	No
Green Buildings  (CGS § <a href="#">12-217mm</a> ; 2009)	Corporation	New or renovated buildings meeting or exceeding specific energy and environmental standards	<ul style="list-style-type: none"> <li>Total credits capped at \$25 million</li> <li>Credit amount:                             <ul style="list-style-type: none"> <li>equals 5% to 10.5% of allowable costs based on building type and standards met</li> <li>additional 0.5% credit if building meets other specified criteria</li> </ul> </li> <li>Businesses can claim only 25% of credit per year</li> </ul>	Five-year carryforward; no carryback	Yes
Neighborhood Assistance Act, Energy Conservation  (CGS § <a href="#">12-635</a> ;1982)	<ul style="list-style-type: none"> <li>Insurance Premiums</li> <li>Corporation</li> <li>Air Carrier</li> <li>Railroad Company</li> <li>Community Antenna and Satellite TV Companies</li> <li>Utility Companies</li> <li>Businesses subject to Business Entity Tax (e.g., S corporations)<sup>1</sup></li> </ul>	Minimum \$250 contribution toward municipally-approved community service program	<ul style="list-style-type: none"> <li>Total credits for all projects capped at \$5 million per year</li> <li>100% credit for energy conservation in properties:                             <ul style="list-style-type: none"> <li>where at least 75% of the occupants earn no more than 150% of the poverty level or</li> <li>owned and occupied by charitable corporations, foundations, trusts or other entities</li> </ul> </li> </ul>	No carryforward; two-year carryback	No

<sup>1</sup> [PA 11-140](#) expanded the credits to these businesses but did not make corresponding changes to the statutory procedures for claiming the credit.

**Table 4: Human Capital Investment**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Apprenticeship Training  (CGS § <a href="#">12-217g</a> ; 1979)	Corporation	<ul style="list-style-type: none"> <li>Hiring apprentices participating in state-approved manufacturing, plastics, and construction trades apprenticeship training programs</li> <li>For businesses hiring plastics trade apprentices, the number of apprentices hired must exceed the average number of such apprentices hired during the previous five years</li> </ul>	<ul style="list-style-type: none"> <li>For manufacturing or plastics trade apprenticeship, credit equals maximum of \$4,800 or 50% of actual wages paid during the first half of a two-year term apprenticeship or first three-quarters of a four-year apprenticeship, whichever is less</li> <li>Effective July 1, 2015, manufacturing trade apprenticeship credit equals maximum of \$7,500 or 50% of such wages, whichever is less</li> <li>For construction trade apprentices, maximum of \$4,000 or 50% of actual wages paid over first four income years, whichever is less</li> </ul>	No carryforward or carryback	Yes, for manufacturing apprenticeship credits beginning July 1, 2015, up to three times <sup>1</sup>  No for plastics and construction trades apprenticeship credits
Human Capital Investments  (CGS § <a href="#">12-217x</a> ;1997)	Corporation	Eligible investments: <ul style="list-style-type: none"> <li>job training</li> <li>work education</li> <li>child care subsidies</li> <li>day care facilities</li> <li>donations to colleges and universities for technology</li> <li>contributions to Individual Development Account Reserve funds</li> </ul>	Credit equals 5% of investment	Five-year carryforward; no carryback	No

Table 4 (continued)

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
<p>Small Business Creating Jobs</p> <p>(CGS § <a href="#">12-217nn</a>; 2010; sunset December 31, 2012)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Personal Income</li> </ul>	<ul style="list-style-type: none"> <li>• Businesses with fewer than 50 employees in Connecticut that create new jobs filled by Connecticut residents</li> <li>• New employees must work at least 35 hours per week for at least 48 weeks per calendar year</li> <li>• Credits available only for jobs created between May 6, 2010 and December 31, 2012</li> </ul>	<ul style="list-style-type: none"> <li>• Total credits for these and other job creation tax credits capped at \$20 million per year<sup>2</sup></li> <li>• Three-year, \$200 per month per new employee credit</li> </ul>	No carryforward or carryback	No
<p>Job Expansion Tax (JET) Credit Program</p> <p>(CGS § <a href="#">12-217pp</a>; 2011; sunset December 31, 2013)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Utility Companies</li> <li>• Corporation</li> <li>• Personal Income</li> </ul>	<ul style="list-style-type: none"> <li>• Business creating jobs between January 1, 2012 and December 31, 2013</li> <li>• Required number of jobs to be created depends on number of existing employees</li> <li>• Minimum required hours depending on type of employee: <ul style="list-style-type: none"> <li>○ New employees must work at least 35 hours per week for at least 48 weeks per calendar year</li> <li>○ Previously unemployed employees and those receiving services from the Departments of Rehabilitation Services or participating in Department of Social Services programs must work at least 20 hours per week for 48 weeks per calendar year (i.e., qualifying employees)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Total credits for these and other job creation tax credits capped at \$40 million over the duration of the JET credit program<sup>2</sup></li> <li>• Three-year credit: <ul style="list-style-type: none"> <li>○ \$500 per new employee or</li> <li>○ \$900 per qualifying employee meeting specified criteria</li> </ul> </li> <li>• Economic and community development commissioner must base her decision on whether to approve second- or third-year credits for new employees on whether doing so is consistent with the state's economic development priorities</li> </ul>	No carryforward or carryback	No

Table 4 (continued)

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Neighborhood Assistance Act, Day Care and Job Training  (CGS §§ <a href="#">12-634</a> and <a href="#">12-635</a> ; 1982)	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> <li>• Businesses subject to Business Entity Tax<sup>3</sup></li> </ul>	Minimum \$250 contribution toward municipally-approved community service program	<ul style="list-style-type: none"> <li>• Total credits for all projects capped at \$5 million per year</li> <li>• Credit equals 60% credit for contributions to:                             <ul style="list-style-type: none"> <li>○ daycare facilities used primarily by business' employees (capped at \$50,000 per year per business) or</li> <li>○ specified job training programs</li> </ul> </li> </ul>	No carryforward; two-year carryback	No

<sup>1</sup> Beginning July 1, 2015, PA 14-217 (§ 251) allows S corporations, limited liability companies, limited liability partnerships, and limited partnerships to earn apprenticeship tax credits for manufacturing trades and transfer them to other taxpayers.

<sup>2</sup> The law caps the total amount of tax credits that may be issued under four job creation tax credit programs (i.e., new job creation, small business job creation, vocational rehabilitation job creation, and job expansion tax credits). [PA 13-232](#) changed the credit cap on the JET credits, from \$20 million per year to \$40 million over the duration of the JET program, but did not make conforming changes to the caps in the other programs' statutes. Two of these credit programs, the new job creation and vocational rehabilitation job creation tax credits, are now defunct.

<sup>3</sup> [PA 11-140](#) expanded the credits to these businesses but did not make corresponding changes to the statutory procedures for claiming the credit.

**Table 5: Real Estate Development**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
<p>Contributions to Low- and Moderate-Income Housing Programs</p> <p>(CGS § <a href="#">8-395</a>; 1987)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> </ul>	<p>Minimum \$250 cash contribution to Connecticut Housing Finance Authority-approved housing programs managed by nonprofit organizations</p>	<ul style="list-style-type: none"> <li>• Total credits capped at \$10 million per year</li> <li>• Total credit-eligible contributions per program capped at \$500,000 per year per organization</li> </ul>	<p>Five-year carryforward and carryback</p>	<p>No</p>
<p>Historic Homes Rehabilitation</p> <p>(CGS § <a href="#">10-416</a>; 1999)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> </ul>	<ul style="list-style-type: none"> <li>• Qualified rehabilitation expenditure must exceed \$25,000 (threshold reduced to \$15,000 effective July, 1, 2015)</li> <li>• Businesses contributing funds towards the rehabilitation qualify for credits if the individual or nonprofit organization that did the work designated them for the credits</li> <li>• Property must be: <ul style="list-style-type: none"> <li>○ one- to four-unit dwelling</li> <li>○ listed on the national or state Register of Historic Places or be located in an historic district and contribute to its character</li> <li>○ located in targeted areas (available statewide effective July 1, 2015, subject to annual credit cap)</li> <li>○ occupied as owner's principal residence for at least five years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Total credits capped at \$3 million per year; beginning July 1, 2015, \$2.1 million of the credits reserved for homes rehabilitated in targeted areas</li> <li>• Credit equals 30% of eligible construction costs, up to \$30,000 per dwelling unit (up to \$50,000 per unit, effective July 1, 2015, for businesses that contribute to projects undertaken by nonprofit organizations)</li> </ul>	<p>Four-year carryforward; no carryback</p>	<p>No</p>

Table 5 (continued)

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
<p>Converting Historic Business Property to Residential Uses</p> <p>(CGS § <a href="#">10-416a</a>; 2006, no new credits may be reserved after July 1, 2014)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> </ul>	<ul style="list-style-type: none"> <li>• Qualified rehabilitation expenditures for converting historic business structures to residential use</li> <li>• The following types of property listed on the national or state Register of Historic Places or located in an historic district on the national or state register:               <ul style="list-style-type: none"> <li>○ commercial or industrial</li> <li>○ cultural</li> <li>○ institutional</li> <li>○ government</li> <li>○ residential with at least five units</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Total credits capped at \$15 million per year</li> <li>• Credit equals 25% of qualified rehabilitation expenditures, up to \$2.7 million</li> </ul>	<p>Five-year carryforward; no carryback</p>	<p>Yes, credit owner may transfer the credit, but assignee may not further transfer it</p>
<p>Rehabilitating Historic Business Property for Mixed Residential and Commercial Use</p> <p>(CGS § <a href="#">10-416b</a>; 2007, no new credits may be reserved after July 1, 2014)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitation of certified historic business property for mixed residential and nonresidential uses or residential uses</li> <li>• The following types of property listed on the national or state Register of Historic Places or located in an historic district on the national or state register:               <ul style="list-style-type: none"> <li>○ commercial or industrial</li> <li>○ cultural</li> <li>○ institutional</li> <li>○ government</li> <li>○ residential with at least five units</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Total credits capped at \$50 million per three-year cycle, beginning with FYs 09-11</li> <li>• Credit equals 25% of qualified rehabilitation expenditures; 30% if project includes units affordable to low- and moderate-income people</li> <li>• No project can receive more than 10% of credits (\$5 million) available for the three-year cycle</li> </ul>	<p>Five-year carryforward; no carryback</p>	<p>Yes, credit owner may transfer the credit, but assignee may not further transfer it</p>

Table 5 (continued)

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Rehabilitating Certified Historic Structures  (CGS § 10-416c; 2014)	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna and Satellite TV Companies</li> <li>• Utility Companies</li> </ul>	Property (1) listed on the national or state Register of Historic Places or (2) located in an historic district on the national or state register and certified as contributing to its historic character	<ul style="list-style-type: none"> <li>• Total credits capped at \$31.7 million per year</li> <li>• Credit equals 25% of qualified rehabilitation expenditures; 30% if project includes units affordable to low- and moderate-income people</li> <li>• No project can receive more than \$4.5 million in credits</li> </ul>	Five-year carryforward; no carryback	Yes, up to three times
Urban and Industrial Sites Reinvestment (CGS § <a href="#">32-9t</a> ; 2000)	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna</li> <li>• Utility Companies and Satellite TV Companies</li> <li>• Other specified business taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Businesses investing in projects developing or redeveloping property, including brownfields, that meet statutory criteria, including generating new tax revenue and other economic benefits</li> <li>• Minimum asset value of each investment depends on whether taxpayers invest directly in a project or invest indirectly through a fund manager</li> </ul>	<ul style="list-style-type: none"> <li>• Total credits available for all projects capped at \$800 million</li> <li>• Credit equals 100% of investment up to \$100 million, spread out over 10 years:                             <ul style="list-style-type: none"> <li>○ 0% in first three years after investment was made</li> <li>○ 10% per year in the next four years, and</li> <li>○ 20% in the remaining three years</li> </ul> </li> </ul>	Five-year carryforward; no carryback	Yes, credit owner may transfer the credit, but assignee may not further transfer it

**Table 6: Research and Development**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Incremental Research and Development Expenditures  (CGS § <a href="#">12-217j</a> ; 1992)	Corporation	Business must spend more on R&D than it did in prior year	Credit equals 20% of the amount spent on R&D over and above the amount spent during prior year	15-year carryforward; no carryback <sup>1</sup>	No
Research and Development Expenditures  (CGS § <a href="#">12-217n</a> ; 1993)	Corporation	<ul style="list-style-type: none"> <li>• Credit available to any business spending on R&amp;D</li> <li>• Federally deductible R&amp;D and basic research expenditures incurred in Connecticut</li> </ul>	Credit determined according to statutory formula: <ul style="list-style-type: none"> <li>• Amounts range from 1% for expenditures of \$50 million or less to 6% for expenditures over \$200 million</li> <li>• Only one-third of credit can be taken per year</li> </ul>	May be carried forward until fully used; no carryback <sup>1</sup>	No

<sup>1</sup> Small businesses with R&D credits that they cannot claim may apply to the state for a refund equal to 65% of the credits' value (CGS § [12-217ee](#)).

**Table 7: Targeted Area Development**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
<p>Developing Manufacturing and Specified Service Facilities in Enterprise Zones (1981 and 1986, respectively), Enterprise Corridor Zones (1994), Targeted Investment Communities (1990), Railroad Depot Zones (1996), Qualified Manufacturing Plants (1996) Airport Development Zones (2010 and 2011), and Bioscience Enterprise Corridor Zones (2010)</p> <p>(CGS § <a href="#">12-217e(a)</a>)</p>	Corporation	<p>Credit available to businesses in designated zones that develop or acquire facilities and create jobs</p> <p>Facility must:</p> <ul style="list-style-type: none"> <li>• be newly acquired, constructed, substantially renovated, or expanded</li> <li>• be used for manufacturing or specified financial services</li> <li>• house new jobs</li> </ul>	<p>10-year credit against tax allocable to facility:</p> <ul style="list-style-type: none"> <li>• 25% or</li> <li>• 50% if at least 150 of the new jobs or at least 30% of them go to zone or municipal residents who qualify for federal job training assistance</li> </ul>	No carryforward or carryback	No
<p>Developing Service Facilities in Targeted Investment Communities</p> <p>(CGS § <a href="#">12-217e (b)</a>, 1996)</p>	Corporation	<ul style="list-style-type: none"> <li>• Credit available to businesses that develop or acquire facilities and create jobs in municipalities with enterprise zones, but outside the zones</li> <li>• Facilities must house specified service firms, including business, financial, and health services; warehousing and motor freight; and fishing, hunting, and trapping companies</li> </ul>	<p>10-year credit based on the number of jobs created:</p> <ul style="list-style-type: none"> <li>• 15% for 300-599 jobs</li> <li>• 20% for 600-899 jobs</li> <li>• 25% for 900-1,189 jobs</li> <li>• 30% for 1,200-1,499 jobs</li> <li>• 40% for 1,500-1,999 jobs</li> <li>• 50% for 2,000 or more jobs</li> </ul>	No carryforward or carryback	No

**Table 7 (continued)**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Developing Entertainment Facilities in Municipalities with Entertainment Districts  (CGS § <a href="#">12-217e(a)</a> , 1993)	Corporation	<ul style="list-style-type: none"> <li>• Municipality must have designated an entertainment district (option limited to municipalities with enterprise zones)</li> <li>• Credit available to businesses that develop or acquire facilities and create jobs in or outside entertainment districts</li> <li>• Facility must be used for producing entertainment products or as part of airing, displaying, or providing live entertainment for stage or broadcast</li> </ul>	Same as enterprise zone credits for manufacturers, but entertainment facility qualifies for credits regardless of whether it is located in the entertainment district	No carryforward or carryback	No
Research and Development by Businesses Located in Enterprise Zones  (CGS § <a href="#">12-217n(c)</a> , 1999)	Corporation	Limited to businesses: <ul style="list-style-type: none"> <li>• headquartered in an enterprise zone;</li> <li>• employing over 2,500 people; and</li> <li>• with annual revenues over \$3 billion</li> </ul>	Greater of 3.5% of total R&D expenditure or the amount derived from the statutory two-step formula used by big businesses located outside enterprise zones	May be carried forward until fully used; no carryback <sup>1</sup>	No
Starting Corporations in Enterprise Zones  (CGS § <a href="#">12-217v</a> , 1996)	Corporation	Corporation must be created in an enterprise zone and meet one of the following hiring goals: <ul style="list-style-type: none"> <li>• hire at least 375 people, at least 40% of whom reside in the municipality with the zone and qualify for federal job training assistance</li> <li>• hire 375 or fewer people, at least 150 of whom reside in the municipality with the zone or qualify for federal job training assistance</li> </ul>	10-year credit: <ul style="list-style-type: none"> <li>• 100% for the first three years</li> <li>• 50% of the next seven years</li> </ul>	No carryforward or carryback	No

**Table 8: Targeted Industries Development**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Financial Institutions (CGS § <a href="#">12-217u</a> and CGS § <a href="#">32-236(b)</a> , 1994, sunset December 31, 2013)	Corporation	Banks and financial institutions constructing minimum 900,000 square foot facilities and creating an average of 1,200 to 2,000 new jobs in Connecticut over a maximum 15-year period	<ul style="list-style-type: none"> <li>• Maximum \$145 million credit claimed over 15 years based on annual job levels</li> <li>• For first 10 years, maximum \$120 million credit subject to the following limits:               <ul style="list-style-type: none"> <li>○ 30% for each year business maintains at least 1,200 qualified jobs</li> <li>○ 40% for each year business maintains at least 1,600 qualified jobs</li> <li>○ 50% for each year business maintains at least 2,000 qualified jobs</li> </ul> </li> <li>• For next five years, 25% for each year business maintains at least 3,000 qualified jobs</li> <li>• Total credit for the 15-year period cannot exceed \$145 million</li> </ul>	No carryforward or carryback	No

Table 8 (Continued)

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
<p>Film Production (CGS § <a href="#">12-217jj</a>, 2006; two-year moratorium for FY 14 and FY 15)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Production companies producing a qualified production must incur specified production expenses and costs in Connecticut and:                             <ul style="list-style-type: none"> <li>○ conduct at least 50% of principal photography days in Connecticut or</li> <li>○ incur 50% or \$1 million of post production costs here</li> </ul> </li> <li>• Qualified productions include “relocated television productions”:                             <ul style="list-style-type: none"> <li>○ filming in qualified production facility</li> <li>○ investing at least \$25 million</li> <li>○ creating at least 200 jobs</li> </ul> </li> <li>• For FY 14 and FY 15, no tax credit vouchers may be issued for motion pictures that not have been designated as state-certified productions prior to July 1, 2013, with the following exception:                             <ul style="list-style-type: none"> <li>○ During FY 15, a motion picture may receive a voucher if it conducts at least 25% of its principal photography days in a Connecticut facility that (1) receives at least \$25 million in private investment and (2) opens for business on or after July 1, 2013</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Three-tiered credits:                             <ul style="list-style-type: none"> <li>○ 10% for eligible expenditures between \$100,000-\$500,000</li> <li>○ 15% for eligible expenditures between \$500,000 and \$1 million</li> <li>○ 30% for eligible expenditures over \$1 million</li> </ul> </li> <li>• Credit certification for relocated television production companies is good for 10 years</li> </ul>	<p>All or any part of the tax credit may be claimed in the year the production expenses or costs were incurred or in any of the three succeeding years</p>	<p>Yes, up to three times, subject to limitations</p> <p>With certain exceptions, an entity that is not subject to the insurance premiums or corporation tax may not assign more than 25% of its tax credits in any one income year</p>
<p>Film Production Infrastructure (CGS § <a href="#">12-217kk</a>, 2007)</p>	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> </ul>	<p>Business must spend at least \$3 million developing building, facilities, and installations needed for film and digital media production</p>	<ul style="list-style-type: none"> <li>• 20% credit</li> <li>• Infrastructure must be 100% completed before credit can be claimed</li> </ul>	<p>All or any part of the tax credit may be claimed in the year the production expenses or costs were incurred or in any of the three succeeding years</p>	<p>Yes, up to three times</p>

Table 8 (Continued)

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Digital Animation Production  (CGS § <a href="#">12-217ll</a> , 2007)	<ul style="list-style-type: none"> <li>• Insurance Premiums</li> <li>• Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Business must incur eligible production expenses and costs in Connecticut</li> <li>• Eligible costs and expenses include intellectual property, production equipment, and trailers</li> </ul>	<ul style="list-style-type: none"> <li>• Total annual credits capped at \$15 million</li> <li>• Three-tiered credit:                             <ul style="list-style-type: none"> <li>○ 10% for expenditures between \$100,000-\$500,000</li> <li>○ 15% for expenditures between \$500,000 and \$1 million</li> <li>○ 30% for expenditures over \$1 million</li> </ul> </li> </ul>	All or any part of the tax credit may be claimed in the year the production expenses or costs were incurred or in any of the three succeeding years	Yes, up to three times

**Table 9: Venture Capital Investments**

<b>Tax Credit Program and Year Enacted</b>	<b>Applicable Taxes</b>	<b>Eligibility Criteria</b>	<b>Credit Limits</b>	<b>Carryforward or Carryback</b>	<b>Transferable</b>
Insurance Reinvestment (CGS § <a href="#">38a-88a</a> , 1994)	Insurance Premiums	<ul style="list-style-type: none"> <li>Insurance companies investing cash in state-certified "insurance reinvestment funds"</li> <li>Funds must invest the cash only in eligible Connecticut-based businesses and meet other investment requirements</li> </ul>	<ul style="list-style-type: none"> <li>100% of cash investment claimed over 10 years, beginning in the fourth year after investment was made:                             <ul style="list-style-type: none"> <li>10% per year in years four through seven</li> <li>20% per year in years eight through 10</li> </ul> </li> </ul>	Five-year carry forward; no carryback	Yes, credit owner may transfer the credit, but assignee may not further transfer it
Angel Investment (CGS § <a href="#">12-704d</a> , 2010; no new credits may be allocated after June 30, 2016)	Personal Income	Minimum \$25,000 investments in start-up technology-based businesses operating in Connecticut	<ul style="list-style-type: none"> <li>Total annual credits capped at \$3 million</li> <li>Credit equals 25% of cash investment up to \$250,000</li> </ul>	Five-year carry forward; no carryback	No

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