



General Assembly

January Session, 2017

Committee Bill No. 5583

LCO No. 3827



Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT EXPANDING INVESTMENT ELIGIBILITY UNDER THE ANGEL INVESTOR TAX CREDIT PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-704d of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2017, and applicable to taxable years commencing on or after January 1,*
4 *2017*):

5 (a) As used in this section:

6 (1) "Angel investor" means an accredited investor, as defined by the
7 Securities and Exchange Commission, or network of accredited
8 investors who review new or proposed businesses for potential
9 investment and who may seek active involvement, such as consulting
10 and mentoring, in a Connecticut business, but "angel investor" does
11 not include (A) a person controlling fifty per cent or more of the
12 Connecticut business invested in by the angel investor, (B) a venture
13 capital company, or (C) any bank, bank and trust company, insurance
14 company, trust company, national bank, savings association or
15 building and loan association for activities that are a part of its normal

16 course of business;

17 (2) "Cash investment" means the contribution of cash, at a risk of
18 loss, to a qualified Connecticut business in exchange for qualified
19 securities;

20 (3) "Connecticut business" means any business with its principal
21 place of business in Connecticut; [that is engaged in bioscience,
22 advanced materials, photonics, information technology, clean
23 technology or any other emerging technology as determined by the
24 Commissioner of Economic and Community Development;] and

25 [(4) "Bioscience" means manufacturing pharmaceuticals, medicines,
26 medical equipment or medical devices and analytical laboratory
27 instruments, operating medical or diagnostic testing laboratories, or
28 conducting pure research and development in life sciences;

29 (5) "Advanced materials" means developing, formulating or
30 manufacturing advanced alloys, coatings, lubricants, refrigerants,
31 surfactants, emulsifiers or substrates;

32 (6) "Photonics" means generation, emission, transmission,
33 modulation, signal processing, switching, amplification, detection and
34 sensing of light from ultraviolet to infrared and the manufacture,
35 research or development of opto-electronic devices, including, but not
36 limited to, lasers, masers, fiber optic devices, quantum devices,
37 holographic devices and related technologies;

38 (7) "Information technology" means software publishing, motion
39 picture and video production, teleproduction and postproduction
40 services, telecommunications, data processing, hosting and related
41 services, custom computer programming services, computer system
42 design, computer facilities management services, other computer
43 related services and computer training;

44 (8) "Clean technology" means the production, manufacture, design,
45 research or development of clean energy, green buildings, smart grid,

46 high-efficiency transportation vehicles and alternative fuels,
 47 environmental products, environmental remediation and pollution
 48 prevention; and]

49 [(9)] (4) "Qualified securities" means any form of equity, including a
 50 general or limited partnership interest, common stock, preferred stock,
 51 with or without voting rights, without regard to seniority position that
 52 must be convertible into common stock.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017, and applicable to taxable years commencing on or after January 1, 2017</i>	12-704d(a)

Statement of Purpose:

To support the growth of small businesses in Connecticut by allowing investments in additional types of businesses to qualify for an angel investor tax credit.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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H.B. 5583