

# Guide to Connecticut's Business Tax Credits

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## Issue

What business tax credits does Connecticut offer?

This report updates OLR report [2015-R-0049](#).

## Using the Guide

Connecticut offers numerous 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 (e.g., capital investment) and summarizes the credits in 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). The report also includes summary tables listing the credits with carryforward, carryback, and transfer provisions.

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**Table 1: Capital Investments**

Tax Credit Program and Year Enacted	Applicable Taxes	Eligibility Criteria	Credit Limits	Carryforward or Carryback	Transferable
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)	Corporation  Insurance Premiums  Unrelated Business Income  Air Carriers  Railroad Companies  Community Antenna and Satellite TV Companies  Utility Companies	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	Generally no, but an insurer or HMO may transfer it to an affiliate if applied against the insurance premiums tax

Table 1 (continued)

Tax Credit Program and Year Enacted	Applicable Taxes	Eligibility Criteria	Credit Limits	Carryforward or Carryback	Transferable
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> ; 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>
<p>Land Donations</p> <p>(CGS § <a href="#">12-217dd</a>; 1999)</p> <p>(Since 2013, incorporates former tax credit for donation of land for educational use; CGS § <a href="#">12-217ff</a>)</p>	Corporation	<p>Open space land:</p> <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> <p>Land donated to a municipality or political subdivision for educational uses</p>	<p>Credit equals 50% of:</p> <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>	<p>25-year carryforward; no carryback</p> <p>(Credits claimed for the donation of land for educational use in income years before 2013 have 15-year carryforward; no carryback)</p>	No
<p>Neighborhood Assistance Act</p> <p>(CGS §§ <a href="#">12-630aa</a> et seq.; 1982)</p>	<p>Insurance Premiums</p> <p>Corporation</p> <p>Air Carriers</p> <p>Railroad Companies</p> <p>Community Antenna and Satellite TV Companies</p> <p>Utility Companies</p>	<p>Minimum \$250 contribution toward municipally-approved community service program</p>	<p>Total credits for all projects capped at \$5 million per year</p> <p>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</p>	No carryforward; two-year carryback	<p>Generally no, but an insurer or HMO may transfer it to an affiliate if applied against the insurance premiums tax</p>

**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 and located in a severe non-attainment area (no such area is currently designated in Connecticut)	Total credits capped at \$1.5 million  Credit equals 50% of program participation costs, up to \$250 per participating employee	No carryforward or carryback	No
Green Buildings  (CGS § <a href="#">12-217mm</a> ; 2009; sunset November 31, 2017)	Corporation	New or renovated buildings meeting or exceeding specific energy and environmental standards (for income years commencing on and after January 1, 2012, but prior to December 1, 2017)	Total credits capped at \$25 million  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> Businesses can claim only 25% of credit per year	Five-year carryforward; no carryback	Yes

Table 3 (continued)

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
Neighborhood Assistance Act, Energy Conservation  (CGS § <a href="#">12-635</a> ;1982)	Insurance Premiums  Corporation  Air Carriers  Railroad Companies  Community Antenna and Satellite TV Companies  Utility Companies	Minimum \$250 contribution toward municipally-approved community service program	Total credits for all projects capped at \$5 million per year  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>	No carryforward; two-year carryback	Generally no, but an insurer or HMO may transfer it to an affiliate if applied against the insurance premiums tax



**Table 4: Human Capital Investment**

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
Apprenticeship Training  (CGS § <a href="#">12-217g</a> ; 1979)	Corporation	Hiring apprentices participating in state-approved manufacturing, plastics, and construction trades apprenticeship training programs  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	For 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  For manufacturing trade apprenticeship, credit equals maximum of \$7,500 or 50% of such wages during the first half or a two-year term apprenticeship or first three-quarters or a four-year apprenticeship, whichever is less  For construction trade apprenticeship, maximum of \$4,000 or 50% of actual wages paid over first four income years, whichever is less	No carryforward or carryback	Yes, for manufacturing apprenticeship credits, up to three times  No for plastics and construction trades apprenticeship credits

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>
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
Neighborhood Assistance Act, Day Care and Job Training  (CGS §§ <a href="#">12-634</a> and <a href="#">12-635</a> ; 1982)	Insurance Premiums  Corporation  Air Carriers  Railroad Companies  Community Antenna and Satellite TV Companies  Utility Companies	Minimum \$250 contribution toward municipally-approved community service program	Total credits for all projects capped at \$5 million per year  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>	No carryforward; two-year carryback	Generally no, but an insurer or HMO may transfer it to an affiliate if applied against the insurance premiums tax

**Table 5: Real Estate Development**

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
Housing Program Contributions  (CGS § <a href="#">8-395</a> ; 1987)	Insurance Premiums  Corporation  Air Carriers  Railroad Companies  Community Antenna and Satellite TV Companies  Utility Companies	Minimum \$250 cash contribution to Connecticut Housing Finance Authority-approved housing programs managed by nonprofit organizations	Total credits capped at \$10 million per year  Total credit-eligible contributions per program capped at \$500,000 per year per organization	Five-year carryforward and carryback	Generally no, but an insurer or HMO may transfer it to an affiliate if applied against the insurance premiums tax

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>
Historic Homes Rehabilitation  (CGS § <a href="#">10-416</a> ; 1999)	Insurance Premiums  Corporation  Air Carriers  Railroad Companies  Community Antenna and Satellite TV Companies  Utility Companies	Qualified rehabilitation expenditure must exceed \$15,000  Businesses contributing funds towards the rehabilitation qualify for credits if the individual or nonprofit organization that did the work designated them for the credits  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>• occupied as owner's principal residence for at least five years</li> </ul>	Total credits capped at \$3 million per year; \$2.1 million of the credits reserved for homes rehabilitated in targeted areas  Credit equals 30% of eligible construction costs: <ul style="list-style-type: none"> <li>• up to \$30,000 per dwelling unit</li> <li>• up to \$50,000 per unit for businesses that contribute to projects undertaken by nonprofit organizations</li> </ul>	Four-year carryforward; no carryback	Generally no, but an insurer or HMO may transfer it to an affiliate if applied against the insurance premiums tax
Historic Structures Rehabilitation  (CGS § <a href="#">10-416a</a> ; 2006, no new credits may be reserved after July 1, 2014)	Insurance Premiums  Corporation  Air Carrier  Railroad Company  Community Antenna and Satellite TV Companies  Utility Companies	Qualified rehabilitation expenditures for converting historic business structures to residential use  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>	Total credits capped at \$15 million per year  Credit equals 25% of qualified rehabilitation expenditures, up to \$2.7 million	Five-year carryforward; no carryback	Yes, entity awarded the credit may transfer it, but assignee may not further transfer it

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>
Historic Preservation (CGS § <a href="#">10-416b</a> ; 2007, no new credits may be reserved after July 1, 2014)	Insurance Premiums  Corporation  Air Carrier  Railroad Company  Community Antenna and Satellite TV Companies  Utility Companies	Rehabilitation of certified historic business property for mixed residential and nonresidential uses or residential uses  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>	Total credits capped at \$50 million per three-year cycle, beginning with FYs 09-11  Credit equals 25% of qualified rehabilitation expenditures; 30% if project includes units affordable to low- and moderate-income people  No project can receive more than 10% of credits (\$5 million) available for the three-year cycle	Five-year carryforward; no carryback	Yes, entity awarded the credit may transfer it, but assignee may not further transfer it
Historic Rehabilitation (CGS § <a href="#">10-416c</a> ; 2014)	Insurance Premiums  Corporation  Air Carrier  Railroad Company  Community Antenna and Satellite TV Companies  Utility Companies	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

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>
Urban and Industrial Sites Reinvestment (CGS § <a href="#">32-9t</a> ; 2000)	Insurance Premiums Corporation Unrelated Business Income Air Carriers Railroad Companies Community Antenna and Satellite TV Companies Dry Cleaning Utility Companies Public Service Companies Surplus Lines Brokers	Businesses investing in projects developing or redeveloping property, including brownfields, that meet statutory criteria, including generating new tax revenue and other economic benefits  Minimum asset value of each investment depends on whether taxpayers invest directly in a project or invest indirectly through a fund manager	Total credits available for all projects capped at \$950 million  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>	Five-year carryforward; no carryback	Yes, entity awarded the credit may transfer it, but assignee may not further transfer it

**Table 6: Research and Development**

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
Research and Experimental 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  (CGS § <a href="#">12-217n</a> ; 1993)	Corporation	Credit available to any business spending on R&D  Federally deductible R&D and basic research expenditures incurred in Connecticut	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

Tax Credit Program and Year Enacted	Applicable Taxes	Eligibility Criteria	Credit Limits	Carryforward or Carryback	Transferable
<p>Manufacturing Facilities</p> <p>(CGS § <a href="#">12-217e(a)</a>);                      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>Corporation</p>	<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>	<p>No carryforward or carryback</p>	<p>No</p>



Table 7 (continued)

Tax Credit Program and Year Enacted	Applicable Taxes	Eligibility Criteria	Credit Limits	Carryforward or Carryback	Transferable
<p>Service Facilities  (CGS § <a href="#">12-217e(b)</a>; 1996)</p>	<p>Corporation</p>	<p>Credit available to businesses that develop or acquire facilities and create jobs in municipalities with enterprise zones, but outside the zones</p> <p>Facilities must house specified service firms, including business, financial, and health services; warehousing and motor freight; and fishing, hunting, and trapping companies</p>	<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>	<p>No carryforward or carryback</p>	<p>No</p>
<p>Entertainment Facilities  (CGS § <a href="#">12-217e(a)</a>, 1993)</p>	<p>Corporation</p>	<p>Municipality must have designated an entertainment district (option limited to municipalities with enterprise zones)</p> <p>Credit available to businesses that develop or acquire facilities and create jobs in or outside entertainment districts</p> <p>Facility must be used for producing entertainment products or as part of airing, displaying, or providing live entertainment for stage or broadcast</p>	<p>Same as enterprise zone credits for manufacturers, but entertainment facility qualifies for credits regardless of whether it is located in the entertainment district</p>	<p>No carryforward or carryback</p>	<p>No</p>

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>
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	No
Enterprise Zone Credit for Qualifying Corporations  (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>
<p>Film and Digital Media Production (CGS § <a href="#">12-217j</a>, 2006)</p>	<p>Insurance Premiums Corporation Community Antenna and Satellite TV Companies (starting January 1, 2018)</p>	<p>Production companies producing a qualified production must incur specified production expenses and costs in Connecticut and:</p> <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> <p>Qualified productions include “relocated television productions” filming in qualified production facility, investing at least \$25 million, and creating at least 200 jobs</p> <p>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:</p> <ul style="list-style-type: none"> <li>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>	<p>Three-tiered credits:</p> <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> <p>Credit certification for relocated television production companies is good for 10 years</p>	<p>No carryforward or carryback</p> <p>For vouchers issued before July 1, 2015, credit may be claimed in the year the expenses were incurred or in the next three income years; for vouchers issued on or after July 1, 2015, credit may be claimed in the year the expenses were incurred or the next five income 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>

Table 8 (continued)

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
<p>Film Production Infrastructure</p> <p>(CGS § <a href="#">12-217kk</a>, 2007)</p>	<p>Insurance Premiums</p> <p>Corporation</p>	<p>Business must spend at least \$3 million developing building, facilities, and installations needed for film and digital media production</p>	<p>20% credit</p> <p>Infrastructure must be 100% completed before credit can be claimed</p>	<p>No carryforward or carryback</p> <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>
<p>Digital Animation Production</p> <p>(CGS § <a href="#">12-217ll</a>, 2007)</p>	<p>Insurance Premiums</p> <p>Corporation</p>	<p>Business must incur eligible production expenses and costs in Connecticut</p> <p>Eligible costs and expenses include intellectual property, production equipment, and trailers</p>	<p>Total annual credits capped at \$15 million</p> <p>Three-tiered credit:</p> <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>	<p>No carryforward or carryback</p> <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 9: Venture Capital Investments

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
Insurance Reinvestment Fund  (CGS § 38a-88a(b), 1994; no eligibility certificates issued after July 1, 2010)	Corporation  Insurance Premiums  Surplus Lines  Personal Income	Businesses making eligible investments through a fund manager in an insurance business	100% of 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>	Five-year carry forward; no carryback	Yes, credit owner may transfer the credit, but assignee may not further transfer it
Invest CT (i.e., Second Insurance Reinvestment Fund)  (CGS § <a href="#">38a-88a(c)</a> , 2010)	Insurance Premiums  Surplus Lines	Insurance companies making eligible cash investments in state-certified “Invest CT” funds  Funds must invest the cash only in eligible Connecticut-based businesses and meet other investment requirements	100% of investment claimed over 10 years, beginning in the fourth year after investment was made  <ul style="list-style-type: none"> <li>• For investments made before July 1, 2015, 10% per year in years four through seven and 20% per year in years eight through 10</li> <li>• For investments made on or after September 1, 2015, 20% per year in years six through 10</li> </ul> <p>Total annual credits capped at \$40 million (excluding carry forwards); total available credits capped at \$350 million</p>	Five-year carry forward; no carryback	Yes, credit owner may transfer the credit, but assignee may not further transfer it

Table 9 (continued)

<i>Tax Credit Program and Year Enacted</i>	<i>Applicable Taxes</i>	<i>Eligibility Criteria</i>	<i>Credit Limits</i>	<i>Carryforward or Carryback</i>	<i>Transferable</i>
Angel Investment  (CGS § <a href="#">12-704d</a> , 2010; no new credits may be allocated after June 30, 2019)	Personal Income	Minimum \$25,000 investments in businesses operating in Connecticut	Total annual credits capped at \$3 million  Credit equals 25% of cash investment up to \$250,000  Connecticut Innovations, Inc. may reserve up to 75% of available credits for investments in emerging technology businesses (but it may exceed this cap if unreserved credits remain after April 1 in each year)	Five-year carry forward; no carryback	No

**Table 10: Tax Credits with Carryforward Provisions**

<b>Credit Program</b>	<b>Number of Years Allowed</b>
Small Business Guaranty Fee	4
Historic Homes Rehabilitation	4
Electronic Data Processing Equipment	5
Fixed Capital Investments	5
Green Buildings	5
Human Capital Investments	5
Housing Program Contributions	5
Historic Structures Rehabilitation	5
Historic Preservation	5
Historic Rehabilitation	5
Urban and Industrial Sites Reinvestment	5
Insurance Reinvestment Fund	5
Invest CT	5
Angel Investment	5
Research and Experimental Expenditures	15
Land Donations	25
Research and Development	Until Fully Used
Research and Development in Enterprise Zones	Until Fully Used

**Table 11: Tax Credits with Carryback Provisions**

<b>Credit Program</b>	<b>Number of Years Allowed</b>
Neighborhood Assistance Act	2
Housing Program Contributions	5

**Table 12: Transferable Credits**

Credit Program	Transfer Limitations*
Green Buildings	Unlimited
Apprenticeship Training	For manufacturing apprenticeship credits beginning July 1, 2015, up to three times
Historic Structures Rehabilitation	Credit owner may transfer the credit, but assignee may not further transfer it
Historic Preservation	Credit owner may transfer the credit, but assignee may not further transfer it
Historic Rehabilitation	Up to three times
Urban and Industrial Sites Reinvestment	Credit owner may transfer the credit, but assignee may not further transfer it
Film and Digital Media Production	Up to three times, subject to limitations
Film Production Infrastructure	Up to three times
Digital Animation Production	Up to three times
Insurance Reinvestment Fund	Credit owner may transfer the credit, but assignee may not further transfer it
Invest CT	Credit owner may transfer the credit, but assignee may not further transfer it

RP:cmg