



General Assembly

February Session, 2022

Raised Bill No. 5488

LCO No. 3413



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING A RESEARCH AND DEVELOPMENT EXPENSES TAX CREDIT FOR PASS-THROUGH ENTITIES.

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

1 Section 1. (NEW) (*Effective October 1, 2022*) (a) For taxable years
2 commencing on or after January 1, 2023, there shall be allowed a credit
3 against the tax imposed under chapter 229 of the general statutes, other
4 than the liability imposed by section 12-707 of the general statutes, in an
5 amount equal to six per cent of the research and development expenses
6 paid or incurred by a taxpayer during the taxable year. As used in this
7 section, "research and development expenses" has the same meaning as
8 provided in section 12-217n of the general statutes.

9 (b) If the taxpayer is an S corporation or an entity treated as a
10 partnership for federal income tax purposes, the credit may be claimed
11 by the shareholders or partners of the pass-through entity. If the
12 taxpayer is a single member limited liability company that is
13 disregarded as an entity separate from its owner, the credit may be
14 claimed by such pass-through entity's owner, provided such owner is a

15 person subject to the tax imposed under chapter 229 of the general
16 statutes.

17 (c) The Commissioner of Revenue Services may adopt regulations, in
18 accordance with the provisions of chapter 54 of the general statutes, to
19 carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	New section

Statement of Purpose:

To establish a tax credit for research and development expenses of pass-through entities.

[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.]