



# House of Representatives

General Assembly

**File No. 313**

January Session, 2023

Substitute House Bill No. 6754

*House of Representatives, March 29, 2023*

The Committee on Commerce reported through REP. MESKERS of the 150th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING INCENTIVES TO INCREASE EMPLOYMENT OF INDIVIDUALS WITH INTELLECTUAL DISABILITY.***

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

1 Section 1. (NEW) (*Effective January 1, 2024, and applicable to income and*  
2 *taxable years commencing on or after January 1, 2024*) (a) As used in this  
3 section:

4 (1) "Employer" means a person engaged in business that has  
5 employees and that is subject to tax under chapter 208 or 229 of the  
6 general statutes;

7 (2) "Income year" means the income year or taxable year, as  
8 determined under chapter 208 or 229 of the general statutes, as the case  
9 may be; and

10 (3) "New qualifying employee" means an individual with intellectual  
11 disability, as defined in section 1-1g of the general statutes, who is hired  
12 by an employer during the employer's income years commencing on or

13 after January 1, 2024.

14 (b) (1) There is established a workforce development credit program  
15 for employers whereby an employer who hires a new qualifying  
16 employee may be allowed a credit against the tax imposed under  
17 chapter 208 or 229 of the general statutes, other than the liability  
18 imposed by section 12-707 of the general statutes.

19 (2) (A) With respect to each new qualifying employee who is hired to  
20 work twenty-five hours or more per week, the credit shall be equal to  
21 thirty per cent of the annual wage of such new qualifying employee,  
22 provided the credit allowed under this subparagraph shall not exceed  
23 five thousand dollars for any such employee for any one income year.

24 (B) With respect to each new qualifying employee who is hired to  
25 work at least eight but less than twenty-five hours per week, the credit  
26 shall be equal to fifteen per cent of the annual wage of such new  
27 qualifying employee, provided the credit allowed under this  
28 subparagraph shall not exceed two thousand five hundred dollars for  
29 any such employee for any one income year.

30 (3) No employer may claim a credit for any new qualifying employee  
31 who (A) is an owner, member or partner in the business of the employer,  
32 (B) is not employed by the employer at the close of the income year of  
33 the employer, (C) is hired to replace a former employee of such  
34 employer who was laid off, or (D) is hired to replace an employee of  
35 such employer who is on strike.

36 (4) No employer claiming the credit under this section, with respect  
37 to a new qualifying employee, may claim any credit against any tax  
38 under any other provision of the general statutes with respect to the  
39 same new qualifying employee.

40 (c) If the employer is an S corporation or an entity treated as a  
41 partnership for federal income tax purposes, the credit may be claimed  
42 by the shareholders or partners of the employer. If the employer is a  
43 single-member limited liability company that is disregarded as an entity

44 separate from its owner, the credit may be claimed by the limited  
45 liability company's owner.

46 (d) For an employer subject to the tax imposed under chapter 229 of  
47 the general statutes, no credit allowed under this section shall exceed  
48 the amount of tax imposed by chapter 229 of the general statutes.

49 Sec. 2. Subsection (c) of section 4a-59 of the general statutes is  
50 repealed and the following is substituted in lieu thereof (*Effective October*  
51 *1, 2023*):

52 (c) All open market orders or contracts shall be awarded to (1) the  
53 lowest responsible qualified bidder, the qualities of the articles to be  
54 supplied, their conformity with the specifications, their suitability to the  
55 requirements of the state government and the delivery terms being  
56 taken into consideration and, at the discretion of the Commissioner of  
57 Administrative Services, life-cycle costs and trade-in or resale value of  
58 the articles may be considered where it appears to be in the best interest  
59 of the state, (2) the highest scoring bidder in a multiple criteria bid, in  
60 accordance with the criteria set forth in the bid solicitation for the  
61 contract, or (3) the proposer whose proposal is deemed by the awarding  
62 authority to be the most advantageous to the state, in accordance with  
63 the criteria set forth in the request for proposals, including price and  
64 evaluation factors. Notwithstanding any provision of the general  
65 statutes to the contrary, each state agency awarding a contract through  
66 competitive negotiation shall include price as an explicit factor in the  
67 criteria in the request for proposals and for the contract award. In  
68 considering past performance of a bidder for the purpose of  
69 determining the "lowest responsible qualified bidder" or the "highest  
70 scoring bidder in a multiple criteria bid", the commissioner shall  
71 evaluate the skill, ability and integrity of the bidder in terms of the  
72 bidder's fulfillment of past contract obligations and the bidder's  
73 experience or lack of experience in delivering supplies, materials,  
74 equipment or contractual services of the size or amount for which bids  
75 have been solicited. In determining the lowest responsible qualified  
76 bidder for the purposes of this section, the commissioner may give a

77 price preference of up to ten per cent for (A) the purchase of goods made  
78 with recycled materials or the purchase of recyclable or remanufactured  
79 products if the commissioner determines that such preference would  
80 promote recycling or remanufacturing. As used in this subsection,  
81 "recyclable" means able to be collected, separated or otherwise  
82 recovered from the solid waste stream for reuse, or for use in the  
83 manufacture or assembly of another package or product, by means of a  
84 recycling program which is reasonably available to at least seventy-five  
85 per cent of the state's population, "remanufactured" means restored to  
86 its original function and thereby diverted from the solid waste stream  
87 by retaining the bulk of components that have been used at least once  
88 and by replacing consumable components and "remanufacturing"  
89 means any process by which a product is remanufactured; (B) the  
90 purchase of motor vehicles powered by a clean alternative fuel; (C) the  
91 purchase of motor vehicles powered by fuel other than a clean  
92 alternative fuel and conversion equipment to convert such motor  
93 vehicles allowing the vehicles to be powered by either the exclusive use  
94 of clean alternative fuel or dual use of a clean alternative fuel and a fuel  
95 other than a clean alternative fuel. As used in this subsection, "clean  
96 alternative fuel" means natural gas, electricity, hydrogen or propane  
97 when used as a motor vehicle fuel; [or] (D) the purchase of goods or  
98 services from a micro business, except that, in the case of a veteran-  
99 owned micro business, the commissioner may give a price preference of  
100 up to fifteen per cent. As used in this subsection, "micro business" means  
101 a business with gross revenues not exceeding three million dollars in the  
102 most recently completed fiscal year, "veteran-owned micro business"  
103 means a micro business of which at least fifty-one per cent of the  
104 ownership is held by one or more veterans and "veteran" has the same  
105 meaning as provided in section 27-103; or (E) the purchase of goods or  
106 services from a business that, at the time when a bid or proposal is  
107 submitted, employs a workforce of which not less than ten per cent  
108 consists of individuals with intellectual disability, as defined in section  
109 1-1g. All other factors being equal, preference shall be given to supplies,  
110 materials and equipment produced, assembled or manufactured in the  
111 state and services originating and provided in the state. Except with

112 regard to contracts that may be paid for with United States Department  
113 of Transportation funds, if any such bidder refuses to accept, within ten  
114 days, a contract awarded to such bidder, such contract may be awarded  
115 to the next lowest responsible qualified bidder or the next highest  
116 scoring bidder in a multiple criteria bid, whichever is applicable, and so  
117 on until such contract is awarded and accepted. Except with regard to  
118 contracts that may be paid for with United States Department of  
119 Transportation funds, if any such proposer refuses to accept, within ten  
120 days, a contract awarded to such proposer, such contract shall be  
121 awarded to the next most advantageous proposer, and so on until the  
122 contract is awarded and accepted. There shall be a written evaluation  
123 made of each bid. This evaluation shall identify the vendors and their  
124 respective costs and prices, document the reason why any vendor is  
125 deemed to be nonresponsive and recommend a vendor for award. A  
126 contract valued at one million dollars or more shall be awarded to a  
127 bidder other than the lowest responsible qualified bidder or the highest  
128 scoring bidder in a multiple criteria bid, whichever is applicable, only  
129 with written approval signed by the Commissioner of Administrative  
130 Services and by the Comptroller. The commissioner shall post on the  
131 department's Internet web site all awards made pursuant to the  
132 provisions of this section.

133 Sec. 3. (NEW) (*Effective October 1, 2023*) (a) (1) The Commissioner of  
134 Economic and Community Development shall establish a workforce  
135 development program to provide grants to nonprofit organizations that  
136 employ individuals with intellectual disability, as defined in section 1-  
137 1g of the general statutes. Such grants shall be awarded for  
138 infrastructure expenditures, start-up costs or expansion costs.

139 (2) Any nonprofit organization that employs, at the time of  
140 application, a workforce of which not less than ten per cent consists of  
141 individuals with intellectual disability, as defined in section 1-1g of the  
142 general statutes, may apply for a grant under the program.

143 (3) Grants awarded pursuant to this section shall not exceed:

144 (A) Twenty-five thousand dollars per nonprofit organization

145 employing a workforce of which between ten and thirty per cent,  
146 inclusive, consists of individuals with intellectual disability; and

147 (B) Seventy-five thousand dollars per nonprofit organization  
148 employing a workforce of which more than thirty per cent consists of  
149 individuals with intellectual disability.

150 (b) The Department of Economic and Community Development may  
151 enter into an agreement, pursuant to chapter 55a of the general statutes,  
152 with a person, firm, corporation or other entity to operate the program  
153 established pursuant to this section.

154 (c) The commissioner shall prescribe the form and manner of the  
155 application and such application procedure shall include a competitive  
156 award process.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2024, and applicable to income and taxable years commencing on or after January 1, 2024</i>	New section
Sec. 2	<i>October 1, 2023</i>	4a-59(c)
Sec. 3	<i>October 1, 2023</i>	New section

**Statement of Legislative Commissioners:**

In Section 3(a)(3)(A), ", inclusive," was added after "between ten and thirty per cent" for clarity and consistency with standard drafting conventions.

**CE**            *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Revenue Services	GF - Revenue Loss	None	Less than 150,000
Department of Revenue Services	GF - Cost	Up to 75,000	None
Department of Economic & Community Development	GF - Cost	See Below	See Below
Various State Agencies	Various - Potential Cost	See Below	See Below

Note: GF=General Fund; Various=Various

**Municipal Impact:** None

**Explanation**

The bill, which establishes various financial incentives for employers to employ people with intellectual disability, results in the following fiscal impacts:

**Section 1** establishes a tax credit for employers who hire employees with intellectual disability, which results in (1) a General Fund revenue loss of less than \$150,000 annually beginning in FY 25, and (2) a one-time cost of up to \$75,000 in FY 24 associated with programming updates to the CTax tax administration system and myconneCT online portal, and form modification.

**Section 2** allows the administrative services commissioner to give a price preference when purchasing goods and services from a business that has a workforce consisting of at least 10% individuals with intellectual disability. To the extent the Department of Administrative

Services provides these businesses a price preference of up to 10%, this results in a potential cost to various state agencies.

**Section 3** results in (1) a cost of \$100,000 to \$150,000 annually to the Department of Economic and Community Development to establish a workforce development program and (2) a cost of at least \$100,000 annually to fund the grants awarded under the program.

**Administration.** The bill allows DECD to enter into an agreement with a third-party contractor to administer the program. It is anticipated that the program will cost \$100,000 to \$150,000 annually for a contractor to administer the program.

**Grants.** The bill allows the program to award grants:

- up to \$25,000 for organizations with a workforce consisting of at least 10% but not more than 30% individuals with intellectual disability;
- up to \$75,000 for organizations with a workforce that has more than 30% individuals with intellectual disability.

The total cost to support the grants under the program will be dependent upon the number of eligible applicants and awards selected.

For illustrative purposes, if five organizations are awarded \$25,000 by exceeding the 10% threshold and five are awarded \$75,000 by exceeding the 30% threshold, then the total cost of the grants would be \$500,000.

It is unclear what source of funding will support the program's grants as the bill does not provide funding towards the program.

### ***The Out Years***

The annualized ongoing cost impact identified above would continue into the future subject to inflation. The annualized ongoing revenue impact identified above would continue into the future subject to growth patterns in the employment of persons with intellectual



disability.

Sources: *American Association of Intellectual and Developmental Disabilities*  
*Moody's Analytics Total Nonagricultural Employment, March 2023 Baseline Scenario*  
*United States Department of Labor Bureau of Labor Statistics "Persons With A Disability: Labor Force Characteristics 2022"*

**OLR Bill Analysis****sHB 6754*****AN ACT CONCERNING INCENTIVES TO INCREASE EMPLOYMENT OF INDIVIDUALS WITH INTELLECTUAL DISABILITY.*****SUMMARY**

This bill creates various financial incentives for employers to employ people with intellectual disability. Among other things, it (1) establishes a workforce development tax credit program for tax years beginning January 1, 2024, and (2) requires the Department of Economic and Community Development (DECD) commissioner to create a grant program for nonprofit organizations that employ a workforce consisting of at least 10% individuals with intellectual disability. By law, an intellectual disability is a significant limitation in intellectual functioning existing concurrently with deficits in adaptive behavior that originated before age 18.

The state's procurement law generally requires the administrative services commissioner to award open market orders or contracts to the lowest responsible qualified bidder. The bill allows the commissioner, when making this determination, to give a price preference of up to 10% when purchasing goods or services from a business that has a workforce consisting of at least 10% individuals with intellectual disability when it submits its bid or proposal (§ 2).

EFFECTIVE DATE: October 1, 2023, except the provision establishing a tax credit program is effective January 1, 2024, and applicable to income and tax years beginning on or after this date.

**§ 1 — WORKFORCE DEVELOPMENT TAX CREDIT PROGRAM**

The bill creates a tax credit applicable to income and tax years beginning January 1, 2024, for employers who hire employees with

intellectual disability. In addition to having intellectual disability, an employee who qualifies for the credit must be hired during, and remain employed at the end of, the income year for which the credit is claimed. The credit cannot be claimed for an employee who is (1) an owner, member, or partner in the business or (2) hired to replace an employee who was laid off or is on strike. An employer who claims this tax credit may not claim any other state tax credit for the same employee.

Under the bill, the value of the tax credit depends on how much the qualifying employee works. For an employee hired to work at least 25 hours per week, the credit equals 30% of the employee's annual wages, up to a maximum of \$5,000 per employee annually. For employees hired to work at least eight hours but less than 25 hours per week, the credit equals 15% of the employee's annual wages, up to a maximum of \$2,500 per employee annually. An employer may not claim more credit than their total amount of income tax.

Employers can claim the credit against the corporation business tax or income tax (but not employee withholding tax). If the employer is an S corporation or treated as a partnership for federal income tax purposes, the employer's shareholders or partners can claim the credit. If an employer is a single-member limited liability company that is disregarded as an entity separate from its owner, the owner may claim the credit.

### **§ 3 — WORKFORCE DEVELOPMENT GRANT PROGRAM**

The bill requires the DECD commissioner to establish a workforce development program that makes grants to nonprofit organizations that employ a workforce consisting of at least 10% individuals with intellectual disability. Grants made under this program must be awarded for infrastructure expenditures, start-up costs, or expansion costs.

Grants awarded under the bill are capped at (1) \$25,000 for organizations with a workforce consisting of at least 10% but not more than 30% individuals with intellectual disability and (2) \$75,000 for

organizations with a workforce that has more than 30% individuals with intellectual disability.

The bill requires DECD to create a competitive application award process and allows the department to enter into an agreement with a third-party to operate the program.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 24 Nay 0 (03/14/2023)