



General Assembly

January Session, 2023

Raised Bill No. 6932

LCO No. 6561



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT INCREASING THE RATE OF THE CREDIT REFUND VALUE FOR CERTAIN EXPENDITURES BY BIOTECHNOLOGY COMPANIES.

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

1 Section 1. Section 12-217ee of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) (1) Any taxpayer that [(1)] (A) is a qualified small business, [(2)]
4 (B) qualifies for a credit under section 12-217j or section 12-217n, and
5 [(3)] (C) cannot take such credit in the taxable year in which the credit
6 could otherwise be taken as a result of having no tax liability under this
7 chapter may elect to carry such credit forward under this chapter or may
8 apply to the commissioner as provided in subsection (b) of this section
9 to exchange such credit with the state for a credit refund equal to sixty-
10 five per cent of the value of the credit or, for a biotechnology company,
11 equal to eighty per cent of the value of the credit.

12 (2) Any amount of credit refunded under this section shall be
13 refunded to the taxpayer under the provisions of this chapter, except
14 that such credit refund shall not be subject to the provisions of section

15 12-227. Payment of the capital base tax under section 12-219 for an
16 income year commencing on or after January 1, 2002, in which year the
17 taxpayer reports no net income, as defined in section 12-213, or payment
18 of the minimum tax of two hundred fifty dollars under section 12-219 or
19 12-223c for any income year, shall not be considered a tax liability for
20 purposes of this section.

21 (b) An application for refund of such credit amount shall be made to
22 the Commissioner of Revenue Services, at the same time such taxpayer
23 files its return for the income year on or before the original due date or,
24 if applicable, the extended due date of such [year's] year's return, on
25 such forms and containing such information as prescribed by said
26 commissioner. No application for refund of such credit amount may be
27 made after the due date or extended due date, as the case may be, of
28 such return.

29 (c) If the commissioner determines that the taxpayer qualifies for a
30 credit refund under this section, the commissioner shall notify, no later
31 than one hundred twenty days from receipt of the application for such
32 credit refund, the State Comptroller of the name of the eligible taxpayer,
33 and the State Comptroller shall draw an order on the State Treasurer.
34 The amount of the credit refund shall be limited as follows:

35 (1) In the case of an application for such credit refund filed by the
36 taxpayer for income years beginning during 2000 or 2001 where such
37 credit refund has not been paid as of July 1, 2002, the taxpayer shall be
38 entitled to receive no more than one million dollars during the [state's]
39 state's fiscal year in which the initial refund is paid, with any remaining
40 unpaid balance to be paid in two equal installments during the [state's]
41 state's next two succeeding fiscal years; and

42 (2) [in] In the case of an application for such credit refund filed by the
43 taxpayer for the income years beginning during 2002 or thereafter, the
44 taxpayer shall be entitled to receive no more than one million five
45 hundred thousand dollars for any one such income year.

46 (d) The Commissioner of Revenue Services may disallow the credit

47 refund of any credit otherwise allowable for a taxable year under this
 48 section if the company claiming the exchange has any amount of taxes
 49 due and unpaid to the state including interest, penalties, fees and other
 50 charges related thereto for which a period in excess of thirty days has
 51 elapsed following the date on which such taxes were due and which are
 52 not the subject of a timely filed administrative appeal to the
 53 commissioner or of a timely filed appeal pending before any court of
 54 competent jurisdiction. Before any such disallowance, the commissioner
 55 shall send written notice to the company, stating that it may pay the
 56 amount of such delinquent tax or enter into an agreement with the
 57 commissioner for the payment thereof, by the date set forth in said
 58 notice, provided, such date shall not be less than thirty days after the
 59 date of such notice. Failure on the part of the company to pay the
 60 amount of the delinquent tax or enter into an agreement to pay the
 61 amount thereof by said date shall result in a disallowance of the credit
 62 refund being claimed.

63 (e) For purposes of this section, (1) "qualified small business" means
 64 a company that [(1)] (A) has gross income for the previous income year
 65 that does not exceed seventy million dollars, and [(2)] (B) has not, in the
 66 determination of the commissioner, met the gross income test through
 67 transactions with a related person, as defined in section 12-217w, and
 68 (2) "biotechnology company" has the same meaning as provided in
 69 subsection (b) of section 12-217j.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	12-217ee

Statement of Purpose:

To increase the rate of the credit refund value for research and experimental expenditures or research and development expenses of biotechnology companies.

[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.]