



General Assembly

***Raised Bill No. 1027***

January Session, 2023

LCO No. 3721



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND  
COMMUNITY DEVELOPMENT'S RECOMMENDATIONS REGARDING  
THE JOBSCT TAX REBATE PROGRAM AND CERTAIN AEROSPACE  
MANUFACTURING PROJECTS.***

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

1 Section 1. Section 32-7t of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Commissioner" means the Commissioner of Economic and  
5 Community Development;

6 (2) "Discretionary FTE" means an FTE that is paid qualified wages  
7 and does not meet the threshold wage requirements to be a qualified  
8 FTE but is approved by the commissioner pursuant to subdivision (4)  
9 of subsection (c) of this section;

10 (3) "Distressed municipality" has the same meaning as provided in  
11 section 32-9p;

12 (4) "Full-time equivalent" or "FTE" means the number of employees  
13 employed at a qualified business, calculated in accordance with  
14 subsection (d) of this section;

15 (5) "Full-time job" means a job in which an employee is required to  
16 work at least thirty-five or more hours per week. "Full-time job" does  
17 not include a temporary or seasonal job;

18 (6) "Median household income" means the median annual  
19 household income for residents in a municipality as calculated from  
20 the U.S. Census Bureau's five-year American Community Survey or  
21 another data source, at the sole discretion of the commissioner;

22 (7) "New employee" means a person or persons hired by the  
23 qualified business to fill a full-time equivalent position. A new  
24 employee does not include a person who was employed in this state by  
25 a related person with respect to the qualified business within twelve  
26 months prior to a qualified [business'] business's application to the  
27 commissioner for a rebate allocation notice for a job creation rebate  
28 pursuant to subsection (c) of this section;

29 (8) "New FTEs" means the number of FTEs that (A) did not exist in  
30 this state at the time of a qualified [business'] business's application to  
31 the commissioner for a rebate allocation notice for a job creation rebate  
32 pursuant to subsection (c) of this section, (B) are not the result of FTEs  
33 acquired due to a merger or acquisition, (C) are filled by a new  
34 employee, (D) are qualified FTEs, and (E) are not FTEs hired to replace  
35 FTEs that existed in the state after January 1, 2020. The commissioner  
36 may issue guidance on the implementation of this definition;

37 (9) "New FTEs created" means the number of new FTEs that the  
38 qualified business is employing at a point-in-time at the end of the  
39 relevant time period;

40 (10) "New FTEs maintained" means the total number of new FTEs  
41 employed throughout a relevant time period;

42 (11) "Opportunity zone" means a population census tract that is a  
43 low-income community that is designated as a "qualified opportunity  
44 zone" pursuant to the Tax Cuts and Jobs Act of 2017, P.L. 115-97, as  
45 amended from time to time;

46 (12) "Part-time job" means a job in which an employee is required to  
47 work less than thirty-five hours per week. "Part-time job" does not  
48 include a temporary or seasonal job;

49 (13) "Qualified business" means a person that is (A) engaged in  
50 business in an industry related to finance, insurance, manufacturing,  
51 clean energy, bioscience, technology, digital media or any similar  
52 industry, as determined by the sole discretion of the commissioner,  
53 and (B) subject to taxation under chapter 207, 208 or 228z;

54 (14) "Qualified FTE" means an FTE who is paid qualified wages of at  
55 least eighty-five per cent of the median household income for the  
56 location where the FTE position is primarily located, scaled in  
57 proportion to the FTE fraction, or thirty-seven thousand five hundred  
58 dollars, scaled in proportion to the FTE fraction, whichever is greater;

59 (15) "Qualified wages" means wages sourced to this state pursuant  
60 to section 12-705;

61 (16) "Rebate period" means the calendar years in which a tax rebate  
62 provided for in this section is to be paid pursuant to a [contract  
63 executed] rebate allocation notice issued pursuant to subsection (c) of  
64 this section; and

65 (17) "Related person" means (A) a corporation, limited liability  
66 company, partnership, association or trust controlled by the qualified  
67 business, (B) an individual, corporation, limited liability company,  
68 partnership, association or trust that is in control of the qualified  
69 business, (C) a corporation, limited liability company, partnership,  
70 association or trust controlled by an individual, corporation, limited  
71 liability company, partnership, association or trust that is in control of  
72 the qualified business, or (D) a member of the same controlled group

73 as the qualified business. For the purposes of this subdivision,  
74 "control" means (i) ownership, directly or indirectly, of stock  
75 possessing fifty per cent or more of the total combined voting power of  
76 all classes of the stock of a corporation entitled to vote, (ii) ownership,  
77 directly or indirectly, of fifty per cent or more of the capital or profits  
78 interest in a partnership, limited liability company or association, or  
79 (iii) ownership, directly or indirectly, of fifty per cent or more of the  
80 beneficial interest in the principal or income of a trust. The ownership  
81 of stock in a corporation, of a capital or profits interest in a  
82 partnership, of a limited liability company or association or of a  
83 beneficial interest in a trust shall be determined in accordance with the  
84 rules for constructive ownership of stock provided in Section 267(c) of  
85 the Internal Revenue Code of 1986, or any subsequent corresponding  
86 internal revenue code of the United States, as amended from time to  
87 time, other than paragraph (3) of said section.

88 (b) There is established a JobsCT tax rebate program under which  
89 qualified businesses that create jobs in this state, in accordance with  
90 the provisions of this section, may be allowed a tax rebate, which shall  
91 be treated as a credit against the tax imposed under chapter 208 or  
92 228z or as an offset of the tax imposed under chapter 207.

93 (c) (1) To be eligible to claim a rebate under this section, a qualified  
94 business shall apply to the commissioner in accordance with the  
95 provisions of this subsection. The application shall be on a form  
96 prescribed by the commissioner and may require information,  
97 including, but not limited to, the number of new FTEs to be created by  
98 the qualified business, the number of current FTEs employed by the  
99 qualified business, feasibility studies or business plans for the  
100 increased number of FTEs, projected state and local revenue that may  
101 reasonably derive as a result of the increased number of FTEs and any  
102 other information necessary to determine whether there will be net  
103 benefits to the economy of the municipality or municipalities in which  
104 the qualified business is primarily located and the state.

105 (2) Upon receipt of an application, the commissioner shall

106 determine (A) whether the qualified business making the application  
107 will be reasonably able to meet the FTE hiring targets and other  
108 metrics as presented in such application, (B) whether such qualified  
109 [business'] business's proposed job growth would provide a net benefit  
110 to economic development and employment opportunities in the state,  
111 and (C) whether such qualified [business'] business's proposed job  
112 growth will exceed the number of jobs at the business that existed  
113 prior to January 1, 2020. The commissioner may require the applicant  
114 to submit additional information to evaluate an application. Each  
115 qualified business making an application shall satisfy the requirements  
116 of this subdivision, as determined by the commissioner, to be eligible  
117 for the JobsCT tax rebate program.

118 (3) The commissioner, upon consideration of an application and any  
119 additional information, may approve an application in whole or in part  
120 or may approve an application with amendments. If the commissioner  
121 disapproves an application, the commissioner shall identify the defects  
122 in such application and explain the specific reasons for the  
123 disapproval. The commissioner shall render a decision on an  
124 application not later than ninety days after the date of its receipt by the  
125 commissioner.

126 (4) The commissioner may approve an application in whole or in  
127 part by a qualified business that creates new discretionary FTEs or  
128 may approve such an application with amendments if a majority of  
129 such new discretionary FTEs are individuals who (A) because of a  
130 disability, are receiving or have received services from the Department  
131 of Aging and Disability Services; (B) are receiving employment  
132 services from the Department of Mental Health and Addiction Services  
133 or participating in employment opportunities and day services, as  
134 defined in section 17a-226, operated or funded by the Department of  
135 Developmental Services; (C) have been unemployed for at least six of  
136 the preceding twelve months; (D) have been convicted of a  
137 misdemeanor or felony; (E) are veterans, as defined in section 27-103;  
138 (F) have not earned any postsecondary credential and are not currently

139 enrolled in an postsecondary institution or program; or (G) are  
140 currently enrolled in a workforce training program fully or  
141 substantially paid for by the employer that results in such individual  
142 earning a postsecondary credential.

143 (5) The commissioner may combine approval of an application with  
144 the exercise of any of the commissioner's other powers, including, but  
145 not limited to, the provision of other financial assistance.

146 (6) [The commissioner shall enter into a contract with an approved  
147 qualified business, which shall include, but need not be limited to, a  
148 requirement that the qualified business consent] By submitting an  
149 application, a qualified business consents to the Department of  
150 Economic and Community Development's access of data compiled by  
151 other state agencies, including, but not limited to, the Labor  
152 Department, for the purposes of audit and enforcement. [and, if a  
153 qualified business is approved by the commissioner in accordance  
154 with subdivision (4) of this subsection, the required wage such  
155 business shall pay new discretionary FTEs to qualify for the tax rebates  
156 provided for in subsection (f) of this section.]

157 (7) [Upon signing a contract with an approved qualified business,  
158 the] The commissioner shall issue a rebate allocation notice stating the  
159 maximum amount of each rebate available to [such] an approved  
160 qualified business for the rebate period and the specific terms that such  
161 business shall meet to qualify for each rebate. Such notice shall certify  
162 to the approved qualified business that the rebates may be claimed by  
163 such business if it meets the specific terms set forth in the notice. Such  
164 terms shall include the required wage, as determined by the  
165 commissioner, such business shall pay new discretionary FTEs to  
166 qualify for the tax rebates provided in subsection (f) of this section.

167 (d) For the purposes of this section, the FTE of a full-time job or  
168 part-time job is based on the hours worked or expected to be worked  
169 by an employee in a calendar year. A job in which an employee  
170 worked or is expected to work one thousand seven hundred fifty

171 hours or more in a calendar year equals one FTE. A job in which an  
172 employee worked or is expected to work less than one thousand seven  
173 hundred fifty hours equals a fraction of one FTE, where the fraction is  
174 the number of hours worked in a calendar year divided by one  
175 thousand seven hundred fifty. The commissioner shall have the  
176 discretion to adjust the calculation of FTE.

177 (e) (1) In each calendar year of the rebate period, a qualified  
178 business approved by the commissioner pursuant to subdivision (3) of  
179 subsection (c) of this section that employs at least twenty-five new  
180 FTEs in this state by December thirty-first of the calendar year that is  
181 two calendar years prior to the calendar year in which the rebate is  
182 being claimed shall be allowed a rebate equal to the greater of the  
183 following amounts:

184 (A) The sum of:

185 (i) The lesser of (I) the new FTEs created in an opportunity zone or  
186 distressed municipality on December thirty-first of the calendar year  
187 that is two calendar years prior to the calendar year in which the  
188 rebate is being claimed, or (II) the new FTEs maintained in an  
189 opportunity zone or distressed municipality in the previous calendar  
190 year, multiplied by fifty per cent of the income tax that would be paid  
191 on the average wage of the new FTEs, as determined by the applicable  
192 marginal rate set forth in chapter 229 for an unmarried individual  
193 based solely on such wages; and

194 (ii) The lesser of (I) the new FTEs created on December thirty-first of  
195 the calendar year that is two calendar years prior to the calendar year  
196 in which the rebate is being claimed, or (II) the new FTEs maintained  
197 in a location other than an opportunity zone or distressed municipality  
198 in the previous calendar year, multiplied by twenty-five per cent of the  
199 income tax that would be paid on the average wage of the new FTEs,  
200 as determined by the applicable marginal rate set forth in chapter 229  
201 for an unmarried individual based solely on such wages; or

202 (B) The greater of:

203 (i) One thousand dollars multiplied by the lesser of (I) the new FTEs  
204 created by December thirty-first of the calendar year that is two  
205 calendar years prior to the calendar year in which the rebate is being  
206 claimed, or (II) the new FTEs maintained in the calendar year  
207 immediately prior to the calendar year in which the rebate is being  
208 claimed; or

209 (ii) For tax credits earned, claimed or payable prior to January 1,  
210 2024, two thousand dollars multiplied by the lesser of (I) the new FTEs  
211 created by December 31, 2022, or (II) the new FTEs maintained in the  
212 calendar year immediately prior to the calendar year in which the  
213 rebate is being claimed.

214 (2) In no event shall the rebate under this subsection exceed in any  
215 calendar year of the rebate period five thousand dollars multiplied by  
216 the lesser of (A) the new FTEs created by December thirty-first of the  
217 calendar year that is two calendar years prior to the calendar year in  
218 which the rebate is being claimed, or (B) the new FTEs maintained in  
219 the calendar year immediately prior to the calendar year in which the  
220 rebate is being claimed.

221 (3) In no event shall an approved qualified business receive a rebate  
222 under this subsection in any calendar year of the rebate period if such  
223 business has not maintained at least twenty-five new FTEs in the  
224 calendar year immediately prior to the calendar year in which the  
225 rebate is being claimed.

226 (f) (1) In each calendar year of the rebate period, a qualified business  
227 approved by the commissioner pursuant to subdivision (4) of  
228 subsection (c) of this section that employs at least twenty-five new  
229 discretionary FTEs in this state by December thirty-first of the calendar  
230 year that is two calendar years prior to the calendar year in which the  
231 rebate is being claimed shall be allowed a rebate equal to the sum of  
232 the amount calculated pursuant to subdivision (1) of subsection (e) of



233 this section and the greater of the following:

234 (A) The sum of:

235 (i) The lesser of the new discretionary FTEs (I) created in an  
236 opportunity zone or distressed municipality on December thirty-first  
237 of the calendar year that is two calendar years prior to the calendar  
238 year in which the rebate is being claimed, or (II) maintained in an  
239 opportunity zone or distressed municipality in the previous calendar  
240 year, multiplied by fifty per cent of the income tax that would be paid  
241 on the average wage of the new discretionary FTEs, as determined by  
242 the applicable marginal rate set forth in chapter 229 for an unmarried  
243 individual based solely on such wages; and

244 (ii) The lesser of the new discretionary FTEs (I) created on December  
245 thirty-first of the calendar year that is two calendar years prior to the  
246 calendar year in which the rebate is being claimed, or (II) maintained  
247 in a location other than an opportunity zone or distressed municipality  
248 in the previous calendar year, multiplied by twenty-five per cent of the  
249 income tax that would be paid on the average wage of the new  
250 discretionary FTEs, as determined by the applicable marginal rate set  
251 forth in chapter 229 for an unmarried individual based solely on such  
252 wages; or

253 (B) The greater of:

254 (i) Seven hundred fifty dollars multiplied by the lesser of the new  
255 discretionary FTEs (I) created by December thirty-first of the calendar  
256 year that is two calendar years prior to the calendar year in which the  
257 rebate is being claimed, or (II) maintained in the calendar year  
258 immediately prior to the calendar year in which the rebate is being  
259 claimed; or

260 (ii) For tax credits earned, claimed or payable prior to January 1,  
261 2024, one thousand five hundred dollars multiplied by the lesser of (I)  
262 the new FTEs created by December 31, 2022, or (II) the new FTEs  
263 maintained in the calendar year immediately prior to the calendar year

264 in which the rebate is being claimed.

265 (2) In no event shall the rebate under this section exceed in any  
266 calendar year of the rebate period five thousand dollars multiplied by  
267 the lesser of the new discretionary FTEs (A) created by December  
268 thirty-first of the calendar year that is two calendar years prior to the  
269 calendar year in which the rebate is being claimed, or (B) maintained  
270 in the calendar year immediately prior to the calendar year in which  
271 the rebate is being claimed.

272 (3) In no event shall an approved qualified business receive a rebate  
273 under this subsection in any calendar year of the rebate period if such  
274 business has not maintained at least twenty-five new discretionary  
275 FTEs in the calendar year immediately prior to the calendar year in  
276 which the rebate is being claimed.

277 (g) (1) Notwithstanding the provisions of subdivisions (3) and (4) of  
278 subsection (c) of this section, the commissioner may not approve an  
279 application in whole or in part if the full amount of rebates that such  
280 applicant may be paid pursuant to subsection (e) or (f) of this section  
281 would result in the aggregate amount of rebates issued to all approved  
282 qualified businesses under this section exceeding forty million dollars  
283 in any fiscal year.

284 (2) Notwithstanding the provisions of subdivision (4) of subsection  
285 (c) of this section, the commissioner may not approve an application in  
286 whole or in part if the full amount of rebates that such applicant may  
287 be paid pursuant to subsection (f) of this section would result in the  
288 aggregate amount of rebates issued pursuant to subsection (f) of this  
289 section exceeding ten million dollars in any fiscal year.

290 (h) (1) A rebate under this section may be granted to an approved  
291 qualified business for not more than seven successive calendar years.  
292 A rebate shall not be granted until at least twenty-four months after  
293 the commissioner's approval of a qualified [business] business's  
294 application.

295 (2) An approved qualified business that has fewer than twenty-five  
296 new FTEs created in each of two consecutive calendar years or, if such  
297 business is approved by the commissioner pursuant to subdivision (4)  
298 of subsection (c) of this section, fewer than twenty-five new  
299 discretionary FTEs in each of two consecutive calendar years shall  
300 forfeit all remaining rebate allocations, unless the commissioner  
301 recognizes mitigating circumstances of a regional or national nature,  
302 including, but not limited to, a recession.

303 (i) Not later than January thirty-first of each year during the rebate  
304 period, each approved qualified business shall provide information to  
305 the commissioner regarding the number of new FTEs or new  
306 discretionary FTEs created or maintained during the prior calendar  
307 year and the qualified wages of such new employees. Any information  
308 provided under this subsection shall be subject to audit by the  
309 Department of Economic and Community Development.

310 (j) Not later than March fifteenth of each year during the rebate  
311 period, the Department of Economic and Community Development  
312 shall issue the approved qualified business a rebate voucher that sets  
313 forth the amount of the rebate, as calculated pursuant to subsections  
314 (e) and (f) of this section, and the taxable year against which such  
315 rebate may be claimed. The approved qualified business shall claim  
316 such rebate as a credit against the taxes due under chapter 208 or 228z  
317 or as an offset of the tax imposed under chapter 207. The commissioner  
318 shall annually provide to the Commissioner of Revenue Services a  
319 report detailing all rebate vouchers that have been issued under this  
320 section.

321 (k) Beginning on January 1, 2023, and annually thereafter, the  
322 commissioner, in consultation with the office of the State Comptroller  
323 and the Auditors of Public Accounts, shall submit a report to the Office  
324 of Policy and Management on the expenses of the JobsCT tax rebate  
325 program and the number of FTEs and discretionary FTEs created and  
326 maintained.

327 Sec. 2. Section 32-4p of the general statutes is repealed and the  
328 following is substituted in lieu thereof (*Effective from passage*):

329 (a) As used in this section:

330 (1) "Aerospace manufacturing project" means a project involving the  
331 production of helicopters in this state that, if certified by the  
332 commissioner as provided in subsection (b) of this section, will require  
333 (A) primary helicopter production for current United States  
334 government programs specified in the assistance agreement, as of the  
335 date of the assistance agreement, to be carried out at one or more  
336 facilities in this state, (B) the undertaking and maintaining of primary  
337 production for helicopters to be produced during the term of the  
338 assistance agreement under one or more future United States  
339 government programs specified in the assistance agreement under  
340 production contracts entered into by the eligible taxpayer after April  
341 28, 2022, to be carried out at one or more facilities in this state, and (C)  
342 minimum requirements for total employment in this state, average  
343 employee wages in this state, supplier spend and capital expenditures  
344 by an eligible taxpayer in furtherance of such project continuing  
345 through at least June 30, 2042;

346 (2) "Annual recapture amount" means the total project tax benefits  
347 utilized by an eligible taxpayer divided by ten;

348 (3) "Assistance agreement" means a contract entered into between  
349 the commissioner and an eligible taxpayer in accordance with  
350 subsection (c) of this section, including any amendments to or  
351 extensions of such contract;

352 (4) "Average wage requirement" means, for compliance years  
353 commencing on or after July 1, 2022, and prior to July 1, 2032, an  
354 average annual wage for full-time employees in this state that is not  
355 less than the amounts specified in the assistance agreement;

356 (5) "Benefit period" means the period commencing on the effective  
357 date of the assistance agreement and ending on June 30, 2032;

358 (6) "Capital expenditure" means bona fide costs to the wholly-  
359 owned subsidiary and its subsidiaries for: (A) Acquisition of lands,  
360 buildings, machinery, equipment or any combination thereof; (B) site  
361 and infrastructure improvements; (C) planning costs; (D) research and  
362 development expenses, as defined in section 12-217n of the general  
363 statutes, revision of 1958, revised to January 1, 2021, and including, but  
364 not limited to, development of new products and markets; and (E)  
365 development of diversification strategies, including plans for regional  
366 diversification strategies and consultants required for the completion  
367 of such strategies and plans;

368 (7) "Capital expenditure requirement" means, for compliance years  
369 commencing on or after July 1, 2022, and prior to July 1, 2032, a total  
370 annual amount of capital expenditures made in this state by the  
371 wholly-owned subsidiary that is not less than:

372 (A) Seventy million two hundred thousand dollars for the  
373 compliance year ending June 30, 2023;

374 (B) Seventy-one million one hundred thousand dollars for the  
375 compliance year ending June 30, 2024;

376 (C) Seventy-two million nine hundred thousand dollars for the  
377 compliance year ending June 30, 2025;

378 (D) Seventy-three million eight hundred thousand dollars for the  
379 compliance year ending June 30, 2026;

380 (E) Seventy-five million six hundred thousand dollars for the  
381 compliance year ending June 30, 2027;

382 (F) Seventy-seven million four hundred thousand dollars for the  
383 compliance year ending June 30, 2028;

384 (G) Seventy-eight million three hundred thousand dollars for the  
385 compliance year ending June 30, 2029;

386 (H) Eighty million one hundred thousand dollars for the compliance  
387 year ending June 30, 2030;

388 (I) Eighty-one million nine hundred thousand dollars for the  
389 compliance year ending June 30, 2031; and

390 (J) Eighty-three million seven hundred thousand dollars for the  
391 compliance year ending June 30, 2032;

392 (8) "Commissioner" means the Commissioner of Economic and  
393 Community Development;

394 (9) "Company" means an entity with a place of business or a wholly-  
395 owned subsidiary located in this state and the direct and indirect  
396 subsidiaries and affiliates of such entity;

397 (10) "Compliance year" means each twelve-month period  
398 commencing July first and continuing through June thirtieth of the  
399 following year, provided the initial compliance year shall commence  
400 on July 1, 2022, and end on June 30, 2023, and the last compliance year  
401 shall commence on July 1, 2031, and end on June 30, 2032. "Annual"  
402 refers to a compliance year;

403 (11) "Contract year" means each twelve-month period commencing  
404 July first and continuing through June thirtieth of the following year,  
405 provided the initial contract year shall commence on July 1, 2022, and  
406 end on June 30, 2023, and the last contract year shall commence on July  
407 1, 2041, and end on June 30, 2042;

408 (12) "Corporation business tax" means the tax due under chapter  
409 208;

410 (13) "Eligible taxpayer" means a company that, at the time  
411 application is made under subsection (b) of this section, (A) is engaged  
412 in the aerospace industry, (B) employs not less than seven thousand  
413 individuals in this state, (C) operates the company's primary helicopter  
414 production facility for its current United States government programs

415 in this state, (D) plans to bid on a production contract or contracts for a  
416 helicopter under one or more United States government programs, and  
417 (E) has a wholly-owned subsidiary with production facilities and its  
418 headquarters, as set forth in the assistance agreement, in this state  
419 prior to April 28, 2022;

420 (14) (A) "Employee requirement" means, for compliance years  
421 commencing on or after July 1, 2022, and prior to July 1, 2032:

422 (i) A minimum level of full-time employees in this state that is not  
423 less than an average of seven thousand three hundred seventy-five for  
424 each compliance year if the eligible taxpayer has entered into a  
425 production contract for one United States government program  
426 specified in the assistance agreement; and

427 (ii) A minimum level of full-time employees in this state that is not  
428 less than an average of seven thousand five hundred for each  
429 compliance year if the eligible taxpayer has entered into production  
430 contracts for two United States government programs specified in the  
431 assistance agreement.

432 (B) The average number of full-time employees for each compliance  
433 year shall be determined by adding the number of full-time employees  
434 at the end of each quarter of the respective compliance year and  
435 dividing the sum of such quarters by four;

436 (15) "Full-time employee" means an employee in this state of the  
437 company who works a minimum of thirty-five hours per week. "Full-  
438 time employee" does not include an employee working on a temporary  
439 or seasonal basis or any individual who does not receive a federal  
440 Form W-2 from the company;

441 (16) "Minimum requirements" means the minimum conditions the  
442 eligible taxpayer must satisfy during each compliance year to qualify  
443 for the sales and use tax offset for such compliance year and the  
444 refundable tax credit for such compliance year, including, but not  
445 limited to, (A) achieving the employee requirement, average wage

446 requirement, supplier spend requirement and capital expenditure  
447 requirement, (B) the maintenance of the wholly-owned subsidiary's  
448 headquarters, as set forth in the assistance agreement, in this state, (C)  
449 the maintenance and operation of the company's primary helicopter  
450 production facility for its current United States government programs,  
451 as of the date of the assistance agreement, in this state, (D) the  
452 undertaking and maintaining in this state of the company's primary  
453 production for helicopters to be produced during the term of the  
454 assistance agreement under one or more future United States  
455 government programs specified in the assistance agreement under  
456 production contracts entered into by the eligible taxpayer after April  
457 28, 2022, and (E) the maintenance of diversity and workforce training  
458 programs by the company in accordance with the terms of the  
459 assistance agreement;

460 (17) "Production" means the various operations related to the  
461 completion of a helicopter, including, but not limited to, procurement,  
462 engineering, manufacture, assembly, integration and testing;

463 (18) "Production contract" means a contract with the United States  
464 government for the production of helicopters;

465 (19) "Project tax benefit" means the total benefit accruing to an  
466 eligible taxpayer with respect to the sales and use tax offset and the  
467 refundable tax credit;

468 (20) "Refundable tax credit" means the credit described in subsection  
469 (e) of this section;

470 (21) "Regular place of business" means any bona fide office, factory,  
471 warehouse or other space in this state at which a supply company is  
472 doing business in its own name in a regular and systematic manner  
473 and which place is continuously maintained, occupied and used by the  
474 supply company in carrying on its business through its employees  
475 regularly in attendance to carry on the supply company's business in  
476 the supply company's own name. "Regular place of business" does not



477 include a place of business for a statutory agent for service of process,  
478 a temporary office or location used by the supply company only for  
479 the duration of the contract or an office maintained, occupied and used  
480 by a person affiliated with the supply company;

481 (22) "Sales and use tax" means the taxes due under chapter 219;

482 (23) "Sales and use tax offset" means the offset described under  
483 subsection (d) of this section;

484 (24) "Supply company" means any commercial business with a  
485 regular place of business in this state that supplies goods and services  
486 necessary to support (A) the manufacturing of company products, or  
487 (B) company operations. "Supply company" does not include any local,  
488 state or federal revenue collection or taxing entity;

489 (25) (A) "Supplier spend requirement" means, for compliance years  
490 commencing on or after July 1, 2022, and prior to July 1, 2032, the total  
491 annual spend by the wholly-owned subsidiary and by the company,  
492 on behalf of the wholly-owned subsidiary, with supply companies in  
493 this state of not less than:

494 (i) Three hundred million dollars for compliance years commencing  
495 on or after July 1, 2022, and prior to July 1, 2024;

496 (ii) Four hundred ten million dollars for compliance years  
497 commencing on or after July 1, 2024, and prior to July 1, 2029; and

498 (iii) Four hundred seventy million dollars for compliance years  
499 commencing on or after July 1, 2029, and prior to July 1, 2032.

500 (B) If an expenditure qualifies for both the supplier spend  
501 requirement and the capital expenditures requirement, the eligible  
502 taxpayer may choose between such categories for which such  
503 expenditure may be counted. In no event shall any such expenditure  
504 be counted towards more than one such category; and

505 (26) "Wholly-owned subsidiary" means a subsidiary of the  
506 company, or such subsidiary's successor to its operations, that has its  
507 headquarters, as set forth in the assistance agreement, in this state.  
508 "Wholly-owned subsidiary" includes any direct or indirect subsidiary  
509 of the company's wholly-owned subsidiary and any limited liability  
510 company wholly owned directly or indirectly by the company's  
511 wholly-owned subsidiary.

512 (b) (1) Any eligible taxpayer that intends to undertake an aerospace  
513 manufacturing project may apply to the commissioner for certification  
514 of such project as a certified aerospace manufacturing project. In order  
515 to receive such certification, an eligible taxpayer shall apply to the  
516 commissioner, in a form acceptable to the commissioner and including  
517 such information as prescribed by the commissioner, including, but  
518 not limited to, (A) a detailed plan outlining the aerospace  
519 manufacturing project, (B) the term of such project, and (C) the  
520 estimated expenditures for such project. The commissioner may  
521 require such eligible taxpayer to submit such additional information as  
522 may be necessary to evaluate the application.

523 (2) All decisions of the commissioner with respect to any application  
524 received under subdivision (1) of this subsection shall be made in the  
525 commissioner's discretion. The provisions of this subsection shall not  
526 be construed to authorize suit against this state by any taxpayer that is  
527 denied certification by the commissioner and shall not be construed as  
528 a waiver of sovereign immunity.

529 (c) (1) Upon certification by the commissioner of an application as  
530 provided in subsection (b) of this section, the commissioner may enter  
531 into an assistance agreement with an eligible taxpayer pursuant to  
532 which the commissioner may, in consideration of the eligible  
533 taxpayer's agreement to meet the minimum requirements in a  
534 compliance year in connection with the certified aerospace  
535 manufacturing project and as further inducement for the eligible  
536 taxpayer to enter into an aerospace manufacturing project, agree to  
537 permit the eligible taxpayer to offset its sales and use tax liability and

538 to claim a credit against its corporation business tax liability up to a  
539 specified amount for the corresponding compliance year.

540 (2) Such assistance agreement shall have a term of not less than  
541 twenty years and shall list:

542 (A) The specifications of the certified aerospace manufacturing  
543 project;

544 (B) The length of time the certified aerospace manufacturing project  
545 will take to complete;

546 (C) The minimum requirements the eligible taxpayer agrees to meet  
547 during each compliance year;

548 (D) The commitment by the eligible taxpayer to (i) maintain the  
549 headquarters, as set forth in the assistance agreement, of the wholly-  
550 owned subsidiary or its successor in this state, (ii) operate its primary  
551 helicopter production facility for its current United States government  
552 programs, as of the date of the assistance agreement, in this state, and  
553 (iii) to undertake and maintain its primary production of helicopters to  
554 be produced during the term of the assistance agreement under one or  
555 more future United States government programs specified in the  
556 assistance agreement in this state under production contracts entered  
557 into by the eligible taxpayer after April 28, 2022;

558 (E) The amount of sales and use tax that the eligible taxpayer is  
559 eligible to offset for each compliance year set forth in the assistance  
560 agreement, provided the eligible taxpayer meets the minimum  
561 requirements for each such compliance year;

562 (F) The terms and conditions of the repayment of any sales and use  
563 tax offsets and other required financial penalties resulting from the  
564 eligible taxpayer's failure to comply with the terms of the assistance  
565 agreement;

566 (G) The amount of corporation business tax, subject to the limits set

567 forth in subsection (e) of this section, against which the eligible  
568 taxpayer is eligible to claim a credit for each compliance year set forth  
569 in the assistance agreement, provided the eligible taxpayer meets the  
570 minimum requirements for each such compliance year;

571 (H) The manner and method for the eligible taxpayer to provide  
572 notice of any disputed claim under the assistance agreement; and

573 (I) Any other terms and conditions the commissioner may require.

574 (3) The commissioner may amend the assistance agreement [shall]  
575 to provide that the project tax benefit be earned [and utilized] during  
576 the first eight years of the term of any production contract and utilized  
577 within the first nine years of the term of any production contract,  
578 provided no project tax benefit may be earned [or utilized] beyond the  
579 benefit period or utilized beyond one year after the end of the benefit  
580 period.

581 (4) Any eligible taxpayer that enters into an assistance agreement  
582 with the commissioner under this subsection may, in the event of any  
583 disputed claim under such assistance agreement, bring an action  
584 against this state to the superior court for the judicial district of  
585 Hartford for the purpose of having such claim determined, provided  
586 notice of such disputed claim is first given to the commissioner in the  
587 manner and method described in such assistance agreement. No such  
588 action shall be allowed unless it is brought not later than two years  
589 after the date on which the eligible taxpayer gave proper notice to the  
590 commissioner in accordance with such assistance agreement. All legal  
591 defenses under such assistance agreement, except sovereign immunity,  
592 are reserved to this state.

593 (5) If the provisions of subsection (c) or (e) of section 32-223 or  
594 section 32-462 are in conflict with the assistance agreement, the  
595 provisions of such assistance agreement shall supersede.

596 (6) Upon the execution of the assistance agreement, the  
597 commissioner shall issue an allocation notice stating the maximum

598 combined amount of the sales and use tax offset and the refundable tax  
599 credit available to the eligible taxpayer for the benefit period and the  
600 specific requirements the eligible taxpayer shall meet to qualify for  
601 such offset and credit. Such notice shall certify to the eligible taxpayer  
602 that the offsets and credits may be claimed by the eligible taxpayer if  
603 the eligible taxpayer meets the specific requirements set forth in the  
604 notice.

605 (d) (1) The assistance agreement shall provide for the offset of sales  
606 and use tax amounts otherwise payable by the eligible taxpayer under  
607 the provisions of chapter 219. Such offset shall be made in the form,  
608 timing and manner determined by the commissioner in consultation  
609 with the Commissioner of Revenue Services. The sales and use tax  
610 offset amounts shall be calculated after the application of all other sales  
611 and use tax exemptions set forth in chapter 219 in effect on April 28,  
612 2022 and any subsequent amendments to said chapter that the eligible  
613 taxpayer is eligible to claim. Nothing in this subsection shall affect the  
614 eligible taxpayer's ability to claim the sales and use tax exemptions that  
615 it otherwise qualifies for under any provision of the general statutes.

616 (2) Subsequent to a production contract taking effect for helicopters  
617 to be produced during the term of the assistance agreement, not later  
618 than sixty days after the end of each compliance year or, if the eligible  
619 taxpayer requests and the commissioner approves an extended date,  
620 not later than such extended date, the eligible taxpayer shall certify,  
621 subject to a third-party audit performed in accordance with the  
622 Department of Economic and Community Development audit guide or  
623 such protocols as may be set forth in the assistance agreement, the  
624 actual employment, wages, supplier spend and capital expenditure  
625 amounts to the commissioner in accordance with the requirements of  
626 the assistance agreement. If the results of such audit reveal that the  
627 eligible taxpayer has claimed a sales and use tax offset in excess of the  
628 amount allowable, the eligible taxpayer shall be subject to the  
629 repayment provisions as set forth in the assistance agreement. At the  
630 end of each compliance year, upon receipt of the eligible taxpayer's

631 certification, the commissioner shall notify the Commissioner of  
632 Revenue Services whether the eligible taxpayer has met all minimum  
633 requirements necessary to qualify for the sales and use tax offset or is  
634 required to repay the amount of such offset in accordance with the  
635 terms of the assistance agreement.

636 (e) (1) If the results of the audit performed pursuant to subdivision  
637 (2) of subsection (d) of this section reveal that the eligible taxpayer was  
638 unable to utilize all of the sales and use tax offset to which it was  
639 entitled under the assistance agreement for a compliance year against  
640 its sales and use tax liability, the assistance agreement shall permit the  
641 eligible taxpayer to claim the excess amount as a refundable tax credit,  
642 not to exceed five million dollars for each compliance year, against the  
643 corporation business tax. If the amount of the excess is greater than  
644 five million dollars for any compliance year, the excess over five  
645 million dollars shall be carried forward to future compliance years to  
646 offset the eligible taxpayer's sales and use tax liability and then as  
647 refundable tax credits of up to five million dollars for each compliance  
648 year against the eligible taxpayer's corporation business tax liability,  
649 until the excess is fully utilized, except that no carry-forward shall  
650 extend beyond one year after the end of the benefit period. Such carry-  
651 forward shall be utilized prior to any sales and use tax offset earned in  
652 any subsequent compliance year.

653 (2) If the amount of the refundable tax credit exceeds the eligible  
654 taxpayer's corporation business tax liability for the applicable income  
655 year, the Commissioner of Revenue Services shall treat such excess as  
656 an overpayment and shall refund the amount of such excess, without  
657 interest, to the eligible taxpayer. In no event shall the refundable tax  
658 credits allowed under this subsection exceed forty-five million dollars  
659 in the aggregate over the term of the assistance agreement. The eligible  
660 taxpayer shall claim the refundable tax credit allowed under this  
661 subsection on its corporate tax return for the income year that ends  
662 during the compliance year and such credit shall not be subject to the  
663 limits set forth in section 12-217zz. Notwithstanding the provisions of

664 section 12-217aa, such credit shall be claimed after all other tax credits  
665 have been claimed.

666 (3) Not later than thirty days after the commissioner receives an  
667 audit performed pursuant to subdivision (2) of subsection (d) of this  
668 section or as provided for in the assistance agreement, during each  
669 year of the benefit period, the Department of Economic and  
670 Community Development shall issue the eligible taxpayer a credit  
671 voucher that sets forth the amount of the refundable tax credit  
672 permitted pursuant to this subsection and the income year for which  
673 such credit may be claimed. The commissioner shall annually provide  
674 to the Commissioner of Revenue Services a report detailing all credit  
675 vouchers that have been issued under this subsection.

676 (f) (1) The eligible taxpayer shall pay the total amount of project tax  
677 benefit that was utilized by the eligible taxpayer for a particular  
678 compliance year and any penalty set forth in the assistance agreement  
679 if the commissioner determines that the eligible taxpayer failed to  
680 satisfy any of the minimum requirements for such compliance year.

681 (2) The project tax benefit utilized by the eligible taxpayer under  
682 subsections (d) and (e) of this section shall be subject to recapture  
683 during the contract years commencing on or after July 1, 2032, and  
684 ending on June 30, 2042, if the eligible taxpayer fails to satisfy during  
685 such time period certain annual thresholds relating to employee head  
686 count, average wages, supplier spend and capital expenditures, as  
687 detailed in the assistance agreement, and such other requirements  
688 including (A) the maintenance of the wholly-owned subsidiary's  
689 headquarters, as set forth in the assistance agreement, in this state, (B)  
690 the maintenance and operation of the company's primary helicopter  
691 production facility for its current United States government programs,  
692 as of the date of the assistance agreement, in this state, (C) the  
693 undertaking and maintaining in this state of the company's primary  
694 production for helicopters to be produced during the term of the  
695 assistance agreement under one or more of its future United States  
696 government programs specified in the assistance agreement under

697 production contracts entered into by the eligible taxpayer after April  
698 28, 2022, and (D) the maintenance of diversity and workforce training  
699 programs by the company in accordance with the terms of the  
700 assistance agreement.

701 (3) If the eligible taxpayer enters into a production contract with the  
702 United States government for one helicopter program specified in the  
703 assistance agreement, the targeted job requirement shall be seven  
704 thousand two hundred fifty, and the minimum job requirement shall  
705 be six thousand for each of the years subject to the recapture under  
706 subdivision (2) of this subsection. If the eligible taxpayer enters into  
707 production contracts with the United States government for two  
708 helicopter programs specified in the assistance agreement, the targeted  
709 job requirement shall be seven thousand seven hundred fifty, and the  
710 minimum job requirement shall be seven thousand for each of the  
711 years subject to the recapture under subdivision (2) of this subsection.  
712 The annual recapture amount shall be (A) repaid if the number of  
713 actual jobs in any year subject to the recapture is less than the  
714 minimum job requirement, and (B) prorated at ninety per cent value of  
715 the annual recapture amount if the number of actual jobs is equal to or  
716 greater than the minimum job requirement but less than the targeted  
717 job requirement. In addition to the recapture job obligation, the  
718 commissioner may require other criteria, including, but not limited to,  
719 wage requirements, with respect to the recapture of the remaining ten  
720 per cent of the annual recapture amount. In no event shall the amount  
721 of the recapture exceed the annual recapture amount.

722 (g) The aggregate amount of the project tax benefit granted by the  
723 commissioner under this section shall not exceed (1) six million two  
724 hundred fifty thousand dollars for each compliance year or fifty  
725 million dollars during the term of the assistance agreement if the  
726 eligible taxpayer has entered into a production contract after April 28,  
727 2022, with the United States government for one helicopter program  
728 specified in the assistance agreement, and (2) nine million three  
729 hundred seventy-five thousand dollars for each compliance year or



