



2023 Acts Affecting Business and Jobs

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July 28, 2023 | 2023-R-0119

Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting businesses and jobs enacted during the 2023 regular session. It does not summarize acts that affect only (1) specific types of businesses (e.g., garages or construction companies) or (2) business sectors covered in other Acts Affecting reports, such as those concerning agriculture, banking, housing and real estate, and insurance. OLR's other Acts Affecting reports are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden.

Complete summaries of public acts are, or will soon be, available on OLR's website:

<https://www.cga.ct.gov/olr/olrsums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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Business and Community Assistance

Enterprise Zone Program and Blight Elimination

A new law expands the enterprise zone program's goal of eliminating housing blight to include eliminating any blight. By law, the program offers various tax incentives and other benefits to businesses that start up in or improve real property in areas designated as enterprise zones ([PA 23-33](#), § 5, effective October 1, 2023).

Grant Program for High Poverty-Low Opportunity Census Tracts

This year's bond act requires the Department of Economic and Community Development (DECD) commissioner to establish a grant program to fund eligible projects in "high poverty-low opportunity census tracts." Under the act, these are census tracts in which at least 30% of the residents have incomes below the federal poverty level, according to the U.S. Census Bureau's most recent five-year American Community Survey. The act also authorizes general obligation (GO) bonds of up to \$50 million per year from FYs 24-29 (\$300 million total) for the program.

An eligible project must seek to reduce concentrated poverty and its effects within the qualifying census tract. These projects generally include (1) building, renovating, and rehabilitating mixed-income rental and owner-occupied housing; (2) establishing or improving workforce development programs; and (3) building, renovating, or rehabilitating public infrastructure to support and improve private investment opportunities, quality of life, and public safety ([PA 23-205](#), §§ 101-102, effective July 1, 2023).

JobsCT Tax Rebate Program

Two new laws make changes to the JobsCT tax rebate program. The first eliminates a requirement that businesses receiving assistance from JobsCT enter into a contract with DECD. It makes conforming changes by requiring that specified terms instead be incorporated in other program documents ([PA 23-96](#), § 1, effective upon passage).

The second new law decreases, from 25 to 15, the number of new full-time equivalent employees (FTEs) that a business must create and maintain to be eligible for JobsCT if at least one of these FTEs is an individual with intellectual disability. By law, the rebate amount is based on a percentage of the state income tax paid by the new FTEs. Generally, it equals 25% of the income tax paid, but the new legislation allows businesses to receive a 50% rebate for income tax paid by FTEs who are individuals with intellectual disability ([PA 23-137](#), § 61, effective January 1, 2024, and applicable to taxable years starting on or after that date).

Workforce Housing Developments

A new law establishes various state and local financial incentives for individuals and businesses investing in and developing rental units set aside for designated workforce populations under certain programs. Among other things, the law does the following:

1. establishes a new tax credit against the personal income and corporation business taxes, administered by the Department of Housing (DOH), for individuals or entities making cash contributions to eligible developers constructing or rehabilitating eligible “workforce housing opportunity development projects” in federally designated opportunity zones;
2. expressly allows businesses making cash contributions to nonprofits developing eligible “workforce housing development projects,” including those in an opportunity zone, to qualify for tax credits under the Connecticut Housing Finance Authority’s (CHFA) Housing Tax Credit Contribution program;
3. exempts both of these categories of workforce housing projects from building permit application fees;
4. allows municipalities to provide up to a seven-year, 70% property tax exemption for workforce housing development projects, offset by a 70% state grant in lieu of taxes;
5. requires CHFA to develop and administer a mortgage assistance program for developers of both categories of these projects; and
6. requires DOH to conduct a workforce housing study and report to the Housing Committee ([PA 23-207](#), §§ 28-35, most provisions effective June 1, 2024).

XL Center

The budget and implementer act allows the Capital Region Development Authority (CRDA) to enter into two separate agreements concerning the XL Center’s (1) management and operation and (2) reconstruction and renovation. Specifically, it allows CRDA to enter into an agreement with the contractor that is operating and managing the XL Center as of July 1, 2023, to continue operating and managing the center. The agreement must require that the contractor manage, operate, and invest in the renovation of the center and bear any losses and share in any profits from the center’s operation.

With respect to the reconstruction and renovation, the act allows CRDA to enter into one or more agreements for a project to renovate and reconstruct the XL Center. The agreement must provide that CRDA, the state, or both together, must contribute no more than \$80 million, and the contractor must contribute at least \$20 million toward the cost of any renovation or reconstruction occurring after January 1, 2023 ([PA 23-204](#), §§ 393-395, effective July 1, 2023).

Business Law and Practice

Cash Refunds for Gift Card Balances

New legislation changes when cash refunds must be issued for gift cards. Under prior law, anyone accepting a gift card as payment had to give the purchaser cash for the remaining balance on the card after the purchase if the (1) balance was less than \$3 and (2) purchaser requested it and provided the proof of purchase or a gift receipt for the card. The new act increases the balance limit from \$3 to \$5 and eliminates the requirement to provide the proof of purchase or a gift receipt ([PA 23-10](#), effective October 1, 2023).

Charitable Organizations Audit Requirement

Identical new laws increase, from \$500,000 to \$1 million, the revenue threshold above which a registered charitable organization must submit to a formal audit. It allows organizations whose revenue exceeds \$500,000 but is less than \$1 million to instead submit to a CPA's financial "review report" ([PA 23-98](#), §§ 16 & 17, and [PA 23-99](#), §§ 30 & 31, effective upon passage).

Free Paper Bills

A new law requires any legal entity that does business in the state and delivers or provides consumer goods or services to issue paper, rather than electronic, bills or invoices to a consumer upon request and for free, if the business regularly issues paper bills ([PA 23-191](#), § 2, effective October 1, 2023).

Paid Solicitors' Disclosures

The legislature made several changes in the Connecticut Solicitation of Charitable Funds Act, generally codifying recent caselaw that deemed certain provisions regulating paid solicitors unenforceable on constitutional grounds. Among other things, the new law (1) reduces, from 20 days to one business day, the prior notice a solicitor must give to the Department of Consumer Protection (DCP) before starting a campaign and (2) eliminates the requirement that copies of the charitable campaign solicitation literature, including the text of any proposed oral solicitations, be shared with DCP ahead of the campaign ([PA 23-98](#), § 15, effective upon passage).

Sales-Based Financing Regulation

A new law requires lenders offering, generally, sales-based financing of \$250,000 or less to annually register with the Department of Banking (DOB) starting by October 1, 2024. Among other things, it requires them to also give applicants for this financing certain disclosures, including the financing amount, finance charges, the total repayment amount, the term, payment amounts, other

potential fees, any prepayment costs, and any collateral requirements. Violations of the act's provisions are subject to the same existing civil penalties for other violations of the state's banking laws under which the DOB commissioner may seek injunctive relief and impose a fine of up to \$100,000 per violation ([PA 23-201](#), effective July 1, 2024).

Small Loan Lending & Retail Installment Contracts

Among other things, provisions in an omnibus banking act increase the small loan limit from \$15,000 to \$50,000, thus capping the interest rate on these loans in amounts between \$5,000 and \$50,000 at 25%. The act also increases the maximum value of retail or installment loan contracts for consumer goods and equipment (from \$50,000 and \$16,000 to \$75,000 and \$25,000, respectively) ([PA 23-126](#), §§ 1-6, effective October 1, 2023).

Ticket Pricing

A new law establishes additional requirements related to ticket pricing disclosures. Among other things, operators that charge an admission price for a place of entertainment must print, endorse, or otherwise disclose on each ticket face for an event the (1) established ticket price and (2) final price of the ticket if the operator or his or her agent sells or resells it (including at auction). Additionally, any person that facilitates ticket sales or resales for an entertainment event must disclose the (1) total ticket price, including all service charges required to buy the ticket, and (2) portion of the ticket price in dollars attributable to service charges charged to the purchaser for the ticket. These requirements do not apply to movie tickets ([PA 23-98](#), § 7, as amended by [PA 23-191](#), § 5, effective October 1, 2023).

Consumer Protection

Automatic Renewal and Continuous Service Provisions

A new law generally prohibits businesses from charging a consumer for any automatic renewal or continuous services without the consumer's affirmative consent. It additionally requires businesses to (1) establish and maintain a toll-free phone number, email address or postal address, and an online option for consumers to prevent automatic renewals or prevent and terminate continuous consumer services and (2) allow a consumer to take any action needed to stop a renewal or service entirely online if the consumer agreement was entered into online. The new law does not apply to utilities, insurance companies, banks, or certain similar services. ([PA 23-191](#), § 1, as amended by [PA 23-205](#), § 156, effective October 1, 2023).

Consumer Health Data Privacy

New legislation sets standards on accessing and sharing consumer health data by certain private entities that do business in Connecticut. Among other things, it generally prohibits them from (1) selling this data without the consumer’s consent or (2) using a “geofence” to create a virtual boundary near mental health or reproductive or sexual health facilities to collect consumer health data. It also places various specific limitations on “consumer health data controllers” (i.e., people or entities that determine the purposes and means of processing consumer health data) by incorporating various provisions on consumer health data controllers into the existing law on consumer data privacy and online monitoring ([PA 23-56](#), §§ 1-5, and [PA 23-204](#), §§ 207-208 & 450, most provisions effective October 1, 2023).

Consumer Privacy and Safeguarding Requirements

Existing law requires people in possession of certain types of personal information to (1) safeguard the data, and computer files and documents containing it, from misuse by third parties and (2) destroy, erase, or make the data, computer files, and documents unreadable before disposing of them. A new law changes the penalty and, in some cases, the enforcement mechanism for these safeguarding requirements. For example, under the new law, (1) violations are an unfair trade practice under the Connecticut Unfair Trade Practices Act and (2) DCP may conduct an administrative hearing and impose a civil penalty of up to \$5,000 per violation ([PA 23-98](#), § 5, as amended by [PA 23-99](#), § 32, effective July 1, 2023).

Minors and Online Services, Products, and Features

This session the legislature established a framework and set requirements for how controllers (i.e., people or entities that determine the purposes and means of processing data) that offer online services, products, and services manage, process, and obtain consent to use the personal data of minors. Among other things, the new law specifically requires them to use reasonable care to avoid having their services, products, and features cause any heightened risk of harm to a minor. It also prohibits them from (1) processing the minor’s personal data without receiving the minor’s or his or her parent’s or guardian’s consent; (2) using any system design feature to significantly increase, sustain, or extend a minor’s use of such online service, product, or feature; and (3) collecting a minor’s precise geolocation data ([PA 23-56](#), §§ 8-13, effective October 1, 2024).

Minors and Social Media Platforms

Under a new law, social media platforms must unpublish (i.e., remove a social media platform account from public visibility) a minor’s account within 15 business days after receiving a request from a minor, or the minor’s parent or legal guardian if the minor is younger than age 16. It also

generally requires the platform, within 45 business days after receiving the request, to (1) delete the account and (2) stop processing the minor’s personal data ([PA 23-56](#), § 7, effective July 1, 2024).

Precise Geolocation Data and Breach Notices

By law, any person that owns, licenses, or maintains computerized data that includes personal information must comply with certain reporting and mitigation requirements when personal information is reasonably believed to have been breached. A new law adds “precise geolocation data” to the types of personal information subject to these requirements, when in combination with a person’s (1) first name or first initial and (2) last name ([PA 23-98](#), § 4, effective October 1, 2023).

Telemarketing and Do Not Call Registries

This session the legislature broadened the applicability of the state’s telemarketing laws, Do Not Call laws, and other related restrictions, generally narrowing the scope of permissible calls and making it easier to pursue violators. Among other changes, the new law generally prohibits telemarketers from making a telephonic sales call to a consumer without the consumer’s prior express written consent ([PA 23-98](#), §§ 8-14 & 25, effective October 1, 2023).

Emerging Technology

Artificial Intelligence (AI) Working Group

The legislature established a 21-member working group to make recommendations on certain issues concerning AI. Among other things, the group must engage stakeholders and experts to assess the White House Office of Science and Technology Policy’s “Blueprint for an AI Bill of Rights” and similar materials and make recommendations concerning (1) regulating AI’s use in the private sector based on, among other things, the blueprint, and (2) adopting a Connecticut AI bill of rights based on the blueprint. The group must submit a report on its findings and recommendations to the General Law Committee by February 1, 2024 ([PA 23-16](#), § 5, effective upon passage).

Virtual Currency Regulation

A new law allows the banking commissioner to adopt regulations, forms, and orders governing the business use of “digital assets” (e.g., virtual currencies and stablecoins) by, generally, state-chartered banks and credit unions. The new law also (1) explicitly subjects virtual currency kiosk owners and operators to licensing and other existing requirements under the state’s Money Transmission Act and (2) imposes several disclosure and receipt requirements on them. Additionally, it caps daily transaction limits at \$2,500 for each virtual currency kiosk customer and

allows the commissioner to establish a schedule of maximum kiosk fees ([PA 23-82](#), effective upon passage, except that the virtual currency kiosk provisions take effect October 1, 2023).

Employers

Employees' First Amendment Rights

A new law allows a broader range of damages to be awarded when an employer illegally disciplines or discharges employees for exercising their First Amendment rights, reverting these damages to how they were prior to the enactment of [PA 22-24](#).

Under PA 22-24, employers who violated this prohibition were liable to the employee for the full amount of gross lost wages or compensation, plus costs and attorney's fees. The new law instead makes these employers liable for damages caused by the discipline or discharge, including punitive damages, plus attorney's fees as part of the costs for the action ([PA 23-46](#), § 24, effective Oct 1, 2023).

Employer Quarterly Wage Reporting Requirements

This session, the legislature enacted a law eliminating certain expanded Department of Labor (DOL) employer data reporting requirements that had yet to take effect and instead authorizing employers to include several additional data points in their quarterly wage reports. The eliminated requirements included various new data points for each employee (e.g., demographic information).

By law, employers subject to the state's unemployment law must submit quarterly wage reports to DOL with information about each employee receiving wages, including name, Social Security number, and the amount of wages paid during the calendar quarter. Beginning with the third quarter of 2026, the new legislation allows these employers to include in their quarterly wage reports data for each employee on (1) occupation and hours worked and (2) the employer's business mailing address zip code ([PA 23-4](#), effective upon passage).

Employment of 15-Year-Olds

Recent legislation expressly allows 15-year-olds to work as youth camp staff members or lifeguards, under adult supervision and subject to existing restrictions on certain other jobs 14- and 15-year-olds may work. This new law also requires the labor commissioner, by July 1, 2023, to implement a pilot program authorizing one amusement establishment in the state to employ 15-year-olds in non-hazardous positions, including as cashiers in a ticket booth or food concession stand. The law generally requires employers of 15-year-olds working as youth camp or amusement establishment

staff members or lifeguards to obtain a certificate documenting the employee's age (i.e., "working papers") ([PA 23-183](#), effective upon passage).

Mental Health Wellness Day

This session, the legislature passed a law requiring employers to allow service workers to use accrued paid sick leave for a "mental health wellness day" to attend to their emotional or psychological well-being. The new law applies to specified service worker occupations covered by the existing paid sick leave law (e.g., certain food, health care, hospitality, retail, and sanitation industry workers) ([PA 23-101](#), §§ 7-8, effective October 1, 2023).

Stop Work Orders & Penalties for Hindering an Investigation

This year the legislature broadened the labor commissioner's authority to issue stop work orders to include instances when a contractor or subcontractor knowingly or willfully pays an employee less than the prevailing wage required on a public works project. The new law also increases the (1) civil penalty for violating a stop work order from \$1,000 to \$5,000 for each day that an order is violated and (2) fine for hindering an investigation of complaints about the prevailing wage, nonpayment of wages, or a failure to provide workers' compensation insurance coverage, from a \$150-\$250 fine, to a fine of at least \$1,000 ([PA 23-162](#), effective October 1, 2023).

Worker's Compensation and Related Matters

A new law makes various changes affecting workers' compensation and related matters. It requires the Workers' Compensation Commission chairperson, in setting standards for approving employer or insurer medical plans, to include whether the plan has an administrative process allowing employees to seek certain information about the medical and health care services recommended by the plan's providers (e.g., their appropriateness and payment).

The act also requires the Judiciary Committee chairpersons or their designees to convene two related working groups. One group must develop legislative recommendations on (1) streamlining third-party medical record requests to health care providers and (2) setting reasonable fees for expenses when responding to these requests, including requests for electronic records. The second group must review the level of partial permanent disability payments available to injured employees under the workers' compensation laws, to assess if the law adequately protects all injured employees. The groups must report to specified committees by February 1, 2024 ([PA 23-32](#), effective October 1, 2023, except the working group provisions are effective upon passage).

Workers' Compensation for Post-Traumatic Stress Injuries

A new law expands eligibility for workers' compensation benefits for post-traumatic stress injuries (PTSI) to cover all employees covered by the workers' compensation law. Prior law generally limited eligibility for these benefits to certain first responders (e.g., police officers, firefighters) diagnosed with PTSI as a direct result of certain qualifying events (e.g., witnessing someone's death) that occur in the line of duty. The new law instead allows any employee covered by workers' compensation law to qualify for the benefits if the same qualifying events occur during the employee's employment. The PTSI benefits provided to them are subject to the same procedures and limitations that currently apply to the PTSI benefits for first responders ([PA 23-35](#), effective January 1, 2024).

Environment and Health

Beverage Container Redemption Program (Bottle Bill)

Continuing with its updates to the bottle bill from recent years, the legislature made the following changes this session:

1. exempting (a) carbonated and non-carbonated products with wine or spirits and (b) non-carbonated food for special dietary use and medical food, as defined under federal law ([PA 23-1](#), § 11, effective upon passage);
2. generally requiring that deposit initiators (e.g., distributors) keep all unclaimed deposits for the first two quarters of FY 24 to reimburse them for the 10-cent deposit scheduled to take effect on January 1, 2024 ([PA 23-204](#), § 373, effective upon passage);
3. allowing dealers (e.g., retailers) and distributors to sell beverage containers labeled with a five-cent deposit on and after January 1, 2024, if they were part of a dealer's or distributor's inventory on December 31, 2023 ([PA 23-76](#), § 2, effective January 1, 2024);
4. requiring dealers and distributors, beginning January 1, 2024, to educate consumers about the 10-cent redemption value that applies on and after that date ([PA 23-76](#), § 3, effective upon passage);
5. reducing, by 5%, the amount of unclaimed deposits that deposit initiators must quarterly remit to the General Fund for FY 25 and, starting in FY 26, tying the remittance percentage to the average statewide redemption rate for the previous fiscal year ([PA 23-204](#), § 373, effective upon passage); and
6. capping at 240 the number of beverage containers a person may redeem at one time at a dealer's reverse vending machine ([PA 23-76](#), § 3, effective upon passage).

Additionally, a provision in the budget and implementer act makes any organization serving people with intellectual and developmental disabilities eligible to participate in the state's beverage

container recycling grant program, within available appropriations. By law, this program provides forgivable grants for new and proposed expansions of beverage container redemption centers ([PA 23-204](#), § 63, effective July 1, 2023).

Food Allergy Awareness in Restaurants

A new law requires Class 2, 3, and 4 food establishments, by March 1, 2024, to display food allergy informational posters that the Department of Public Health creates or approves. The poster must have information on the (1) most common allergy-causing foods, (2) actions a server should take when notified by a consumer about a food allergy, (3) ways the kitchen staff and servers can prevent cross-contact of foods, and (4) need to contact 9-1-1 if a customer has an allergic reaction at the establishment. The food establishments' certified food protection managers must ensure that each employee views the poster and confirms that they are familiar with its contents.

The act also requires these food establishments, by January 1, 2025, to post on their menus and menu boards a request that customers notify their server about any food allergies they have before placing an order ([PA 23-115](#), effective upon passage for the informational poster requirements and July 1, 2023, for the menu requirement).

Organic Materials

The legislature expanded the scope of the law requiring certain organic materials generators (e.g., commercial food wholesalers) to separate the materials and recycle them. Among other things, beginning January 1, 2025, the new legislation:

1. expands this requirement to cover institutions that provide hospitality, entertainment, or rehabilitation and healthcare services; hospitals; educational facilities; and correctional facilities and
2. eliminates a provision that limits the requirement to generators located within 20 miles of certain composting or transfer facilities, thus requiring all generators of at least 26 tons of the organic materials to have them recycled.

Additionally, by March 1, 2025, each entity subject to this law must begin annually submitting an electronic report to the Department of Energy and Environmental Protection (DEEP) that summarizes its (1) amount of donated edible food and (2) amount of food scraps recycled, and the organics recyclers and associated collectors used ([PA 23-170](#), § 5, effective upon passage).

Post-Consumer Recycled Content

A provision in the solid waste management omnibus act requires producers of plastic beverage containers subject to the bottle bill's requirements to register with DEEP and meet certain post-consumer recycled content requirements beginning January 1, 2027 (i.e., at least 25% on average and in the aggregate, and increasing to at least 30% beginning five years later) ([PA 23-170](#), § 1, effective October 1, 2023).

Government Contracting

DAS Contractor Prequalification

The budget and implementer act increases, from \$500,000 to \$1 million, several thresholds relating to Department of Administrative Services (DAS) contractor prequalification (e.g., the cost of a capital project for which the contract must be awarded to a prequalified contractor). It also requires (1) contractors and substantial contractors to include specified information in their bids for DAS contracts of more than \$500,000 but less than \$1 million and (2) DAS to hold an annual training on state contracting requirements ([PA 23-204](#), §§ 433-437, effective October 1, 2023).

Nondiscrimination Affirmation

A new law allows state contractors to affirm their understanding of the law's nondiscrimination requirements with respect to sexual orientation by signing the contract. A parallel nondiscrimination statute (e.g., on the basis of race or religion, among other grounds) in existing law already allows signatories to show their understanding by signing the contract ([CGS § 4a-60](#)) ([PA 23-204](#), § 427, upon passage).

Prevailing Wage Rates for Residential Projects

A new law changes how residential construction rates are set under the law requiring prevailing wages be paid on public works projects that meet the prevailing wage cost thresholds. Under prior law, the labor commissioner had to set the residential construction rates for prevailing wage projects by adopting the applicable wage rates set by the federal labor secretary. Under the new law, she must instead use the rates set in the collective bargaining agreements or understandings covering the same work in the same trade or occupation in the town where the project is located. This is the current method used for determining prevailing wage rates for the three other categories of public building projects (i.e., building, heavy, and highway projects) ([PA 23-175](#), effective July 1, 2023).

Price Preference for IDD Workforce

New legislation allows the DAS commissioner to give a price preference of up to 10% for open market orders or contracts to a business that has a workforce of at least 10% individuals with intellectual or developmental disability (IDD) when it submits its bid or proposal ([PA 23-137](#), § 62, effective October 1, 2023).

Standard Wage Law Changes

The state's standard wage law generally requires private contractors that perform building and property maintenance, property management, or food service work on state property to pay their employees a certain level of wages and benefits set by a statutorily defined process. This year's budget and implementer act modified the law to, among other things, (1) expand it to cover contractors that provide security services; (2) require covered contractors to meet certain notice posting requirements; and (3) allow aggrieved employees to bring a civil action in Superior Court instead of filing a complaint with the labor commissioner ([PA 23-204](#), § 419, effective October 1, 2023).

UConn Contractor Prequalification

The budget and implementer act generally increases, from \$500,000 to \$1 million, the threshold at which UConn must separately prequalify public works contractors. It also eliminates a requirement that the university separately prequalify contractors for each project and instead allows UConn to prequalify contractors for one year and renew the prequalification for two years.

Additionally, prior law required that contractors seeking prequalification from UConn be prequalified by DAS. The new legislation specifies that this requirement applies only when contractors are subject to DAS prequalification ([PA 23-204](#), §§ 431 & 432, effective October 1, 2023).

Occupational Licensing

Gaming Regulation

This session, the legislature made various changes to the state's gaming laws, including creating a new license class ("live game employee") under which certain people associated with live online casino gaming must be licensed. It also made several modifications for "key employees," broadened what is considered a "sporting event" for sports wagering purposes, and expanded the jurisdiction of certain DCP investigators to act as special police officers ([PA 23-54](#), effective upon passage).

Inquiries About a Conviction and DCP Credentialing

[PA 22-88](#) created a process for people who were convicted of a crime to learn if their conviction would disqualify them from obtaining various occupational licenses, certificates, and permits. Under a new law, certain people making a request to DCP determine if a conviction precludes credentialing must agree to a state and national criminal history records check (i.e., prospective accountants, architects, tradespeople, major contractors, and public service gas technicians). The new law eliminates the requirement that they pay a waivable processing fee of up to \$15 ([PA 23-99](#), §§ 3-4, 6, 8 & 17, effective upon passage).

Trade Licensing Law Violations

A new law increases civil penalties for violations of various licensing laws (e.g., engaging in work without the appropriate trade license), generally capping the applicable civil penalty at \$3,000 per violation. The new law also gives the DCP commissioner new civil enforcement options for situations in which employers (1) offer apprenticeships without registering with DOL's apprenticeship program or (2) do not verify that an apprentice is registered with DOL ([PA 23-99](#), § 7, effective upon passage).

Targeted Industry Development

Center for Sustainable Aviation at UConn

A new law requires UConn to submit, or participate in submitting, a proposal for federal funding under the U.S. Department of Energy's Regional Clean Hydrogen Hubs program to establish, develop, and operate a center for sustainable aviation. If UConn is awarded, and accepts, this funding, it must (1) notify DECD and (2) establish the center, including at least one facility on the Storrs campus. The act requires UConn to consult with DECD in completing these requirements.

The act also requires DECD to provide a grant to UConn within 90 days after receiving notice from the university that it was awarded, and has accepted, federal funding to establish the center for sustainable aviation. The grant must be equal to the lesser of (1) the state's share of the center's capital costs, as determined by the DECD commissioner and pursuant to the proposal and final award, or (2) \$20 million ([PA 23-1](#), §§ 2-5, effective upon passage).

Hydrogen Plan and Projects

A new law addresses projects or activities that advance hydrogen in the state by (1) requiring DEEP to develop a hydrogen strategic plan and seek federal funding for hydrogen projects and (2) extending certain wage and workforce requirements to hydrogen projects ([PA 23-156](#), effective July 1, 2023, except the requirement that DEEP seek federal funding is effective upon passage).

Tax Credits and Incentives

Angel Investor Tax Credits for Cannabis Businesses

This session, the legislature eliminated the 40% angel investor tax credit for eligible investments in approved cannabis businesses beginning July 1, 2023. Under prior law, angel investors who invested at least \$25,000 in approved cannabis businesses were eligible for a personal income tax credit equal to 40% of their investment, up to \$500,000. The law previously capped the amount of tax credits that could be reserved for these investments at \$15 million per fiscal year. Under the new law, no new credits may be reserved for these investments in cannabis businesses after June 30, 2023 ([PA 23-204](#), § 355, effective July 1, 2023).

Contributions to ABLE Accounts

Recent legislation allows taxpayers to claim a credit against the corporation business or personal income tax (but not the withholding tax) for contributions they make to the state-administered Achieving a Better Life Experience (ABLE) program accounts of their employees, up to \$2,500 per employee per income or taxable year, as applicable. The credit may be claimed by the shareholders or partners of S corporations or entities treated as partnerships for federal income tax purposes. For single member limited liability companies treated as disregarded entities for federal tax purposes, it may be claimed by their owners ([PA 23-137](#), § 58, effective January 1, 2024, and applicable to taxable and income years beginning on or after that date).

Corporation Stock Share Plan

A new law creates tax incentives for eligible corporations offering an employee stock-sharing arrangement that distributes their common stock to participating employees (i.e., offering a “share plan”). To qualify, the corporation must be subject to Connecticut’s corporation business tax and have at least 100 fulltime employees here.

Under the new law, if the Department of Revenue Services (DRS) commissioner finds that a corporation’s share plan meets specified requirements, the corporation is exempt from the corporation business tax surcharge starting in 2027. If the surcharge expires or is eliminated after the company starts claiming the exemption, it is eligible for a credit against the corporation business tax equal to the surcharge amount it would have owed had it still been in effect. It allows these companies to claim the exemption or credit, as applicable, for 10 successive income years according to a schedule based on whether they begin offering a share plan in 2025, 2026, or 2027 and after. It also exempts from state personal income tax any share plan stock taxpayers receive, starting with the 2025 tax year.

The new law also requires the DRS commissioner, in consultation with the Office of Policy and Management (OPM) secretary, to study the share plan program, including its benefits and fiscal impact, and report his findings to the Finance, Revenue and Bonding Committee by December 15, 2023 ([PA 23-204](#), §§ 390-392, various effective dates).

Donations to Eligible Youth Development Organizations

This session, the legislature established a new tax credit for cash contributions people and businesses make to eligible “youth development organizations” to fund programs such as after-school tutoring, mentoring programs, and workforce preparedness training. Under the new law, these organizations are nonprofits that (1) provide evidence-supported interventions to high-risk youth to improve school and family engagement and (2) offer skills development, transitional employment, and job training and support to help young adults be employed and self-sufficient.

The credit is available for the 2024 and 2025 tax years and may be applied against the corporation business tax or personal income tax but not the withholding tax. It equals 50% of the qualifying contribution, up to a maximum of \$100,000 credit per income year for corporation taxpayers or \$20,000 credit per tax year for personal income taxpayers. The new law caps the total amount of credits that may be reserved for this program at \$2.5 million per fiscal year ([PA 23-205](#), § 161, effective January 1, 2024).

Film and Digital Media Tax Credit Claims

The law allows eligible production companies and certain taxpayers to whom they transfer credits (i.e., transferees) to apply film and digital media production tax credits against the sales and use tax at a reduced amount of their face value. For the 2024 and 2025 income years, the legislature increased this amount from 78% to 92% of the credits’ value ([PA 23-204](#), § 352, effective January 1, 2024).

Fixed Capital Investment

For income years starting on or after July 1, 2025, a new law allows corporations to earn fixed capital investment tax credits for investments made by certain limited liability companies (LLC) they own. Specifically, corporations may do so if they (1) are headquartered in Connecticut; (2) own, directly or indirectly, at least 80% of an LLC that, for federal tax purposes, is treated as a partnership or disregarded as an entity separate from its owner; and (3) provide telecommunications services ([PA 23-204](#), § 354, effective July 1, 2025).

Human Capital Investment Tax Credit

Starting with the 2024 income year, the FY 24-25 tax package increases the human capital investment tax credit from 5% of the amount paid or incurred for eligible investments to (1) 10% for most eligible investments and (2) 25% for currently eligible child care-related investments (i.e., subsidies to in-state employees for in-state child care and facility-related expenses paid to establish a child care center for use primarily by in-state employees' children). It also makes additional child care-related investments eligible for the 25% credit (i.e., donations or capital contributions to nonprofit organizations for site preparation and planning, constructing, renovating, or acquiring facilities to establish a child care center for use by children living in the community, including in-state employees' children).

The new law also authorizes corporations to use the 25% human capital investment tax credits (i.e., credits for the child care-related investments) to reduce up to 70% of their corporation business tax liability each year, exempting them from the 50.01% credit cap that generally applies to other corporation tax credits ([PA 23-204](#), §§ 350 & 351, effective January 1, 2024).

Pre- and Post-Broadway Productions and Live Theatrical Tours

The FY 24-25 budget and implementer act establishes a new tax credit for production companies of eligible pre- and post-Broadway productions and live theatrical tours performed at qualified facilities in Connecticut. The credit equals 30% of the production's eligible expenditures. Taxpayers may apply it against the personal income tax or specified business taxes. The act caps the total amount of these tax credits allowed per fiscal year at \$2.5 million ([PA 23-204](#), § 372, effective January 1, 2024, and applicable to income and tax years starting on or after that date).

Reporting Requirement for Eligible Production Companies

A new law requires production companies applying for a film and digital media production tax credit to include certain information on the jobs they created in their credit applications to the DECD.

Under existing law, within 90 days after the end of an annual period or the last production expenses are incurred, the production company must apply to DECD for a credit voucher and include with its application any information and independent certification the department requires. The new law additionally requires the company to include a report with the number of full- and part-time jobs the company created, a description of each job, and an explanation of what the company considers to be job creation for the report's purposes. DECD must then include this job creation information in the overview of the film tax industry credit program in its annual report to the legislature ([PA 23-204](#), §§ 352 & 353, effective January 1, 2024).

Taxes and Fees

Aviation Fuel

The legislature exempted aviation fuel from the 8.1% petroleum products gross earnings tax (PGET) starting July 1, 2023, and created a new aviation fuel tax that takes effect July 1, 2025, effectively creating a moratorium on the taxation of aviation fuel for FYs 24 and 25.

The new 15 cents per gallon aviation fuel excise tax applies to the (1) first sale in the state by companies distributing aviation fuel in the state and (2) in-state use or consumption of fuel by companies that import aviation fuel into the state or cause it to be imported (but fuel may be taxed only one time). The tax rate must be adjusted every four years according to changes in the consumer price index. Revenue from the aviation fuel tax must be deposited in the Connecticut airport and aviation account, which is spent by the Connecticut Airport Authority for airport and aviation-related purposes ([PA 23-204](#), §§ 368, 370 & 371, effective July 1, 2023).

Cannabis Business Expenses Deduction

Starting with the 2023 tax year, a new law allows personal income and corporation business taxpayers holding medical marijuana or adult-use cannabis licenses to deduct, for state tax purposes, the amount of ordinary and necessary business expenses that would be eligible for a federal tax deduction under federal law but are disallowed because marijuana is a controlled substance under the federal Controlled Substance Act.

Federal tax law specifically prohibits taxpayers from claiming a deduction or a credit for expenses paid or incurred in operating a business consisting of trafficking controlled substances that are prohibited by federal or state law ([126 U.S.C. § 280E](#)). IRS guidance indicates that marijuana business owners may deduct their costs of goods sold (their inventory) but may not deduct “ordinary and necessary” business expenses, such as wages, salaries, and travel expenses ([PA 23-204](#), §§ 377 & 379, effective upon passage).

Corporation Business Tax Surcharge Extension

The FY 24-25 tax package extends the 10% corporation business tax surcharge for three additional years to the 2023, 2024, and 2025 income years. As under existing law, the surcharge applies to companies that have more than \$250 in corporation tax liability and either (1) have at least \$100 million in annual gross income in those years or (2) are taxable members of a combined group that files a combined unitary return, regardless of their annual gross income amount ([PA 23-204](#), §§ 347-349, effective upon passage; surcharge extension is applicable to income years starting on or after January 1, 2023).

Diesel Fuel Tax Rate Freeze

By law, the motor vehicle fuels tax rate for diesel fuel is the sum of two components: the (1) flat rate (29 cents) and (2) variable rate, which is annually calculated by DRS every fiscal year and equals the product of the average wholesale per-gallon price of diesel for the prior year multiplied by the PGET rate (8.1%). Due to high diesel prices in 2022, the diesel tax rate was expected to increase significantly from the current rate of 49.2 cents per gallon when DRS recalculated the rate for FY 24. The budget and implementer act instead temporarily freezes the rate at the current 49.2 cents for FY 24 ([PA 23-204](#), § 367, effective upon passage).

Hartford Tax Agreements

Existing law allows Hartford to negotiate and fix assessments on improvements for retail, commercial, and residential uses that are either (1) located within the Adriaen's Landing site, including on-site related private developments, or (2) are qualifying projects (i.e., "capital city projects"). A new law extends the maximum term of these fixed assessments from 15 to 20 years and eliminates the requirement that a qualifying project have received at least \$5 million in funding from the Capital Region Development Authority in order to qualify for the fixed assessment ([PA 23-205](#), § 152, effective upon passage).

Highway Use Tax Reporting Frequency

The budget and implementer act changed how frequently carriers subject to the highway use tax (i.e., highway use fee or HUF) must file returns and remit payment. Previously, carriers had to do so monthly, but the act instead requires that they do so on a quarterly basis beginning with the fourth calendar quarter of 2023. Under the act, returns and payments are due by the last day of the month following a calendar quarter (i.e., January 31, April 30, July 31, and October 31) ([PA 23-204](#), § 366, effective upon passage).

Pass-Through Entity Tax

Starting with the 2024 tax year, the FY 24-25 budget and implementer act makes the pass-through entity (PE) tax optional. It also changes the method for calculating the tax base by eliminating the "standard base method" and instead requiring all electing PEs to use the "alternative base method" to calculate their tax liability. It also eliminates the option for PEs to file a combined return with one or more commonly owned PEs.

Along with these changes to the PE tax, the new law also reimposes the requirement that PEs file an income tax return and pay the tax on behalf of any nonresident member for whom the business is the only source of Connecticut income. Similar requirements applied prior to 2018, before the PE

tax was established ([PA 23-204](#), §§ 360-365 & 448, effective January 1, 2024, and applicable to tax years starting on or after that date).

Personal Income Tax Rate Cuts

Starting with the 2024 tax year, a new law decreases the bottom two marginal income tax rates from (1) 3% to 2% and (2) 5% to 4.5%. Generally, this lowers taxes on the first (1) \$50,000 in taxable income for single filers and married people filing separately; (2) \$105,000 for joint filers; and (3) \$80,000 for heads of household. The new law gradually eliminates the benefit of these decreased marginal rates for taxpayers beginning with taxable incomes exceeding \$105,000 for single filers and married people filing separately; \$210,000 for joint filers; and \$168,000 for heads of household ([PA 23-204](#), § 376, effective upon passage, and applicable to tax years starting on or after January 1, 2024).

Workforce Development

Advanced Manufacturing Education Center Working Group

This session, the legislature established a working group of at least 11 members to facilitate the expansion of an advanced manufacturing technology center at a regional community-technical college in the state. The working group must develop an implementation plan for the center, including, among other things, establishing an Industry 4.0 manufacturing technology career pathway model for secondary and community-technical college level institutions, robotics programs for K-12 students in underserved communities, and a community robotics center. The group must report to specified legislative committees by January 1, 2024 ([SA 23-4](#), effective upon passage).

Apprenticeship Data Reporting

A new law requires each person sponsoring a DOL-registered apprenticeship program as of, or on or after July 1, 2024, to annually submit certain information about the program to DOL when paying its registration fee. This information includes the (1) current minimum completion rate of the program's apprentices; (2) number of apprentices who separated from the program since the previous registration date; and (3) number of apprentices who completed the program, received a DCP occupational license, and are currently employed by the sponsor ([PA 23-204](#), § 163, effective January 1, 2024).

Aviation and Aerospace Training and High School Feasibility Study

The legislature passed a law that specifically allows school boards to partner with local businesses to provide aerospace and aviation apprenticeship training programs to students. The same law also requires the Connecticut Technical Education Career System executive director to convene a

working group to determine the feasibility, cost, and plan to develop an aerospace advanced manufacturing high school. The executive director must report the working group's conclusions and recommendations to the Education Committee by January 1, 2025 ([PA 23-167](#), §§ 28 & 33, effective July 1, 2023, except the advance manufacturing high school working group provision is upon passage).

Evaluation of Employee Assistance Programs for People With Disabilities

A new law requires OPM, in consultation with specified stakeholders and executive branch officials, to (1) analyze existing employee assistance programs for people with disabilities, including intellectual and developmental disabilities; (2) recommend financial incentives for businesses to hire them; and (3) create a related workforce plan that incentivizes businesses to provide training programs, offer modified interviews, and reserve market-rate, full-time jobs for people with disabilities. The secretary must report to specified legislative committees by January 1, 2025 ([PA 23-137](#), § 2, effective upon passage).

Expanding the Governor's Workforce Council

This session, the legislature expanded the Governor's Workforce Council by adding three new gubernatorially appointed members: (1) a residential construction expert, (2) a regional vocational-technical school representative, and (3) a regional agricultural science and technology school representative. The council consists of stakeholders, legislators, and government agency representatives that advise the governor on workforce development issues ([PA 23-93](#), effective October 1, 2023).

Global Entrepreneur in Residence Program Study

New legislation establishes a working group to study the feasibility of leveraging the H-1B visa cap exemption process at state universities to fill high-value job openings and promote workforce development using the Global Entrepreneur in Residence Program as a model. Among other things, the study must include recommendations for establishing an international workforce pipeline and an examination of barriers businesses face when hiring international students. The working group must report to the Commerce Committee by January 1, 2024 ([SA 23-11](#), effective upon passage).

Green Jobs Workforce Training Plan and Career Ladder

A new law requires the Connecticut Clean Economy Council (CCEC) to develop a workforce training plan for green jobs (i.e., jobs that employ green technology) to accomplish the state's greenhouse gas emissions goals. It must develop the plan by January 1, 2024, and submit it to the Higher

Education and Employment Advancement Committee by February 1, 2024. Among other things, the plan must include developing work-based learning programs and certificate and degree programs, a marketing and recruiting strategy for the programs, and identifying available public or private funding to develop these programs and provide grants to apprentices and students.

The new law also shifts responsibility for establishing and updating the green jobs career ladder to the CCEC. Prior law required the Office of Workforce Strategy (OWS) to do so in consultation with specified agencies, regional workforce development boards, and employers ([PA 23-61](#), effective July 1, 2023).

High School Pre-Apprenticeship Grant Program

A new law requires the State Department of Education (SDE), by January 1, 2024, to establish a pre-apprenticeship grant program for boards of education that include DOL-registered pre-apprenticeship programs in their high school curriculum. It also requires SDE, starting by January 1, 2025, to annually report to the Education Committee on the program, including the amount of grants awarded and types of pre-apprenticeship programs students completed during the prior year ([PA 23-167](#), § 31, effective July 1, 2023).

Human Services Career Pipeline Program

New legislation requires OWS, in consultation with specified stakeholders and executive branch officials, to establish a Human Services Career Pipeline Program to ensure there is a sufficient human services workforce to serve the needs of residents who are elderly or have intellectual or developmental disabilities, physical disabilities, cognitive impairment, or mental illness. The program must include (1) training and certification for CPR, first aid, and medication administration and (2) job placement and retention incentives in the human services job sector after completing the program.

Additionally, the law requires OWS to consult with the labor commissioner and develop a plan for the program that includes (1) a strategy to increase the number of people pursuing human services careers, (2) recommended salary and working conditions needed to retain enough human services providers to serve state residents, and (3) the program's estimated funding needs ([PA 23-137](#), § 11, effective July 1, 2023).

IDD Workforce Development Grant Program

This session the legislature established a workforce development grant program for nonprofit organizations that employ people with IDD. Grants made under this program must be awarded for infrastructure expenditures, start-up costs, or expansion costs. The new law caps the grants at (1)

\$25,000 if individuals with IDD comprise 10%-30% of the organization's workforce and (2) \$75,000 if individuals with IDD comprise more than 30% of the organization's workforce ([PA 23-137](#), § 63, effective July 1, 2023).

OWS Career Accelerator Program

Existing law requires OWS to create a career accelerator program to support people pursuing commercial driver's license (CDL) training using income share agreements or equivalent financial instruments. A new law postpones associated program design, implementation, and reporting deadlines (e.g., postpones the implementation deadline to January 1, 2025). Additionally, it requires OWS to plan, by July 1, 2025, an expansion of the program by identifying (1) additional training opportunities for careers requiring a maximum of one year of training and (2) related training providers to use ([PA 23-75](#), effective upon passage).

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