
OLR Bill Analysis

sHB 5300 (as amended by House "A")*

AN ACT CONCERNING THE INVEST CT FUND PROGRAM.

SUMMARY

This bill allows applicants for the Invest CT tax credit, from October 1, 2024, to September 30, 2026, to request that the Department of Economic and Community Development (DECD) commissioner consider a business without principal operations in Connecticut as an eligible business for investments under the program. The commissioner may approve the request if he determines that it would significantly advance the program's objectives. An applicant must apply to the commissioner as he prescribes and meet other program requirements (e.g., submit a business plan describing the amount of capital to be invested in an eligible business and the number of jobs expected to be created or retained).

The bill requires the DECD commissioner to report to the Commerce Committee by January 1, 2026 (covering October 1, 2024, to September 30, 2025), and January 1, 2027 (covering October 1, 2025, to September 30, 2026). The reports must include a list of applicants whose requests were approved by the commissioner under the bill's authority and an analysis of the benefit to and impact on the state from these approvals.

The bill also makes conforming changes.

By law, the Invest CT credits apply to the insurance premiums and surplus lines brokers tax, and investors qualify for them by investing in eligible businesses through state-certified Invest CT funds. Under existing law, an eligible business has the following:

1. its principal business operations in Connecticut (i.e., at least 80% of its employees reside in the state or at least 80% of its payroll is paid to people living in the state),

2. fewer than 250 employees at the time of the investment, and
3. no more than \$10 million in net income in the previous year.

*House Amendment "A" requires the applicant, rather than the eligible business, to meet other program requirements when applying to the commissioner.

EFFECTIVE DATE: October 1, 2024

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 24 Nay 0 (03/22/2024)