

# Commerce Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-157  
**Title:** AN ACT CONCERNING A RESEARCH AND DEVELOPMENT EXPENSES TAX CREDIT FOR PASS-THROUGH ENTITIES.  
**Vote Date:** 3/21/2024  
**Vote Action:** Joint Favorable Substitute Change of Reference to Finance, Revenue and Bonding  
**PH Date:** 2/27/2024  
**File No.:**

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## **SPONSORS OF BILL:**

Commerce committee

REP. FOSTER  
REP. POULOS  
REP. WOOD

## **REASONS FOR BILL:**

Connecticut has long been recognized as a hub for innovation & technological advancement and SB-157 is a crucial step in continuing in this direction. To maintain and further boost this reputation, it's important that we provide necessary support mechanisms for businesses, especially small and medium-sized enterprises.

## **Substitute Language: LCO NO. 3066**

Add "Effective January 1, 2025, and applicable to taxable 2 years commencing on or after January 1, 2025" as section 1 of the legislation.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

### **Andy Markowski, State Director, NFIB**

Mr. Markowski believes SB-157 would help show the that the state of Connecticut is committed to further incentivizing our small companies to engage in research and development.

**Ashley Zane, Senior Public Policy Associate, CBIA**

Ms. Zane believes SB-157 would help allow companies to invest in not only equipment and other efficiencies, but people as well. This legislation will help offset the cost of hiring additional engineers, scientists, and other professionals.

**Allen R Nadeau, D Tax Credit, NESM**

Mr. Nadeau believes SB-157 would help encourage NESMA to invest in innovation and technological advancements. Through this legislation, there are mutual beneficiaries. The credit provides cost relief to the organization and the partnership provides the state with increased tax revenue and employment.

**NATURE AND SOURCES OF SUPPORT:**

**Jim Gildea, President, ManufactureCT**

Mr. Gildea believes SB-157 would help the state by fostering an environment where all businesses have the tools to succeed, which in turn would create better economic conditions.

**Garrett Sheehan, President & CEO, GNHCC-QCC**

Mr. Sheehan believes SB-157 would help incentivize these companies to spearhead their research and even actively recruit more businesses into the state. This legislation will also support manufacturing companies, and through expanding R&D tax credits will stabilize and strengthen these industries.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Hassan Ismail**

**Date: 03/25/2024**