OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
http://www.cga.ct.gov/ofa

sHB-7166
AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S RECOMMENDATIONS FOR REVISIONS TO CERTAIN TAX CREDIT STATUTES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Department of Revenue Services	GF - Potential Revenue Loss	0.3 million - 0.8 million	0.3 million - 0.8 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill allows a limited liability company (LLC) that meets specified employment and industry parameters to earn Research & Development (R&D) tax credits. To the extent the credits could be claimed, this results in a General Fund revenue loss of between $0.3 million and $0.8 million beginning in FY 26.[1]

The bill also makes various clarifying, conforming, and administrative changes to the state's film and digital media production and film infrastructure development tax credits that do not result in any fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would

[1] It is uncertain whether R&D credits earned under the bill would be able to be claimed as the bill does not allow qualifying LLCs to claim the credits against any taxes for which they are liable or transfer them to an eligible taxpayer.

Primary Analyst: CW
Contributing Analyst(s): EW
Reviewer: MM

5/8/25

continue into the future subject to credit-qualifying R&D activity.