



General Assembly

January Session, 2025

Raised Bill No. 7268

LCO No. 6839



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE JOBSCT TAX REBATE PROGRAM.

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 Section 32-7t of the general statutes is repealed and the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 October 1, 2025*):

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) of
9 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) "Intellectual disability" has the same meaning as provided in
19 section 1-1g;

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

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

31 (9) "New FTEs" means the number of FTEs that (A) did not exist in
32 this state at the time of a qualified business's application to the
33 commissioner for a rebate allocation notice for a job creation rebate
34 pursuant to subsection (c) of this section, (B) are not the result of FTEs
35 acquired due to a merger or acquisition, (C) are filled by a new
36 employee, (D) are qualified FTEs, and (E) are not FTEs hired to replace
37 FTEs that existed in the state within the two-year period occurring
38 immediately prior to the date a qualified business submits an
39 application to the commissioner for a rebate pursuant to subsection (c)
40 of this section. The commissioner may issue guidance on the
41 implementation of this definition;

42 (10) "New FTEs created" means the number of new FTEs that the
43 qualified business is employing at a point-in-time at the end of the
44 relevant time period;

45 (11) "New FTEs maintained" means the total number of new FTEs
46 employed throughout a relevant time period;

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

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

54 (14) "Qualified business" means a person that is (A) engaged in
55 business in an industry related to finance, insurance, manufacturing,
56 clean energy, bioscience, technology, digital media or any similar
57 industry, as determined by the sole discretion of the commissioner, and
58 (B) subject to taxation under chapter 207 [L] or 208 or has elected to pay
59 the tax imposed by chapter 228z;

60 (15) "Qualified FTE" means an FTE who is paid qualified wages in an
61 amount that is not less than at least one of the following amounts: (A)
62 At least eighty-five per cent of the median household income for the
63 location where the FTE position is primarily located, scaled in
64 proportion to the FTE fraction, or the product of one hundred twenty
65 per cent of the minimum fair wage, as defined in section 31-58, on the
66 date a qualified business submits an application to the commissioner for
67 a rebate pursuant to subsection (c) of this section multiplied by two
68 thousand hours, scaled in proportion to the FTE fraction, whichever is
69 greater, or (B) at least one hundred per cent of the median household
70 income for the municipality with the lowest median household income
71 of all municipalities that are contiguous to the municipality where the
72 FTE position is primarily located, scaled in proportion to the FTE
73 fraction, or one hundred per cent of the state-wide median household
74 income, scaled in proportion to the FTE fraction, whichever is greater;

75 (16) "Qualified wages" means wages sourced to this state pursuant to

76 section 12-705;

77 (17) "Rebate period" means the calendar years in which a tax rebate
78 provided for in this section is to be paid pursuant to a rebate allocation
79 notice issued pursuant to subsection (c) of this section; and

80 (18) "Related person" means (A) a corporation, limited liability
81 company, partnership, association or trust controlled by the qualified
82 business, (B) an individual, corporation, limited liability company,
83 partnership, association or trust that is in control of the qualified
84 business, (C) a corporation, limited liability company, partnership,
85 association or trust controlled by an individual, corporation, limited
86 liability company, partnership, association or trust that is in control of
87 the qualified business, or (D) a member of the same controlled group as
88 the qualified business. For the purposes of this subdivision, "control"
89 means (i) ownership, directly or indirectly, of stock possessing fifty per
90 cent or more of the total combined voting power of all classes of the
91 stock of a corporation entitled to vote, (ii) ownership, directly or
92 indirectly, of fifty per cent or more of the capital or profits interest in a
93 partnership, limited liability company or association, or (iii) ownership,
94 directly or indirectly, of fifty per cent or more of the beneficial interest
95 in the principal or income of a trust. The ownership of stock in a
96 corporation, of a capital or profits interest in a partnership, of a limited
97 liability company or association or of a beneficial interest in a trust shall
98 be determined in accordance with the rules for constructive ownership
99 of stock provided in Section 267(c) of the Internal Revenue Code of 1986,
100 or any subsequent corresponding internal revenue code of the United
101 States, as amended from time to time, other than paragraph (3) of said
102 section.

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

108 (c) (1) To be eligible to claim a rebate under this section, a qualified
109 business shall apply to the commissioner in accordance with the
110 provisions of this subsection. The application shall be on a form
111 prescribed by the commissioner and may require information,
112 including, but not limited to, the number of new FTEs to be created by
113 the qualified business, the number of current FTEs employed by the
114 qualified business, feasibility studies or business plans for the increased
115 number of FTEs, projected state and local revenue that may reasonably
116 derive as a result of the increased number of FTEs and any other
117 information necessary to determine whether there will be net benefits to
118 the economy of the municipality or municipalities in which the qualified
119 business is primarily located and the state.

120 (2) Upon receipt of an application, the commissioner shall determine
121 (A) whether the qualified business making the application will be
122 reasonably able to meet the FTE hiring targets and other metrics as
123 presented in such application, (B) whether such qualified business's
124 proposed job growth would provide a net benefit to economic
125 development and employment opportunities in the state, and (C)
126 whether such qualified business's proposed job growth will exceed the
127 number of jobs at the business that existed prior to the two-year period
128 occurring immediately prior to the date a qualified business submits an
129 application to the commissioner for a rebate pursuant to this subsection.
130 The commissioner may require the applicant to submit additional
131 information to evaluate an application. Each qualified business making
132 an application shall satisfy the requirements of this subdivision, as
133 determined by the commissioner, to be eligible for the JobsCT tax rebate
134 program, except that if the commissioner determines that the applicant
135 is not reasonably able to satisfy the targets and metrics under
136 subparagraph (A) of this subdivision, the commissioner may substitute
137 another requirement or metric similar in intent to the requirement or
138 metric such applicant was determined to not be able to reasonably
139 satisfy.

140 (3) The commissioner, upon consideration of an application and any

141 additional information, may approve an application in whole or in part
142 or may approve an application with amendments. If the commissioner
143 disapproves an application, the commissioner shall identify the defects
144 in such application and explain the specific reasons for the disapproval.
145 The commissioner shall render a decision on an application not later
146 than ninety days after the date of its receipt by the commissioner.

147 (4) The commissioner may approve an application in whole or in part
148 by a qualified business that creates new discretionary FTEs or may
149 approve such an application with amendments if a majority of such new
150 discretionary FTEs are individuals who (A) because of a disability, are
151 receiving or have received services from the Department of Aging and
152 Disability Services; (B) are receiving employment services from the
153 Department of Mental Health and Addiction Services or participating in
154 employment opportunities and day services, as defined in section 17a-
155 226, operated or funded by the Department of Developmental Services;
156 (C) have been unemployed for at least six of the preceding twelve
157 months; (D) have been convicted of a misdemeanor or felony; (E) are
158 veterans, as defined in section 27-103; (F) have not earned any
159 postsecondary credential and are not currently enrolled in a
160 postsecondary institution or program; or (G) are currently enrolled in a
161 workforce training program fully or substantially paid for by the
162 employer that results in such individual earning a postsecondary
163 credential.

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

167 (6) By submitting an application, a qualified business consents to the
168 Department of Economic and Community Development's access of data
169 compiled by other state agencies, including, but not limited to, the Labor
170 Department, for the purposes of audit and enforcement.

171 (7) The commissioner shall issue a rebate allocation notice stating the

172 maximum amount of each rebate available to an approved qualified
173 business for the rebate period and the specific terms that such business
174 shall meet to qualify for each rebate. Such notice shall certify to the
175 approved qualified business that the rebates may be claimed by such
176 business if it meets the specific terms set forth in the notice. Such terms
177 shall include the required wage, as determined by the commissioner,
178 such business shall pay new discretionary FTEs to qualify for the tax
179 rebates provided in subsection (f) of this section.

180 (d) For the purposes of this section, the FTE of a full-time job or part-
181 time job is based on the hours worked or expected to be worked by an
182 employee in a calendar year. A job in which an employee worked or is
183 expected to work one thousand seven hundred fifty hours or more in a
184 calendar year equals one FTE. A job in which an employee worked or is
185 expected to work less than one thousand seven hundred fifty hours
186 equals a fraction of one FTE, where the fraction is the number of hours
187 worked in a calendar year divided by one thousand seven hundred fifty.
188 The commissioner shall have the discretion to adjust the calculation of
189 FTE.

190 (e) (1) [In each calendar year of the rebate period] To be allowed a
191 rebate, a qualified business approved by the commissioner pursuant to
192 subdivision (3) of subsection (c) of this section [that employs] shall
193 employ, in each calendar year of the rebate period, at least (A) twenty-
194 five new FTEs in this state, [or,] (B) fifteen new FTEs in this state, if at
195 least one of the new FTEs is an individual with intellectual disability or
196 at least three of the new FTEs are individuals who reside in a
197 concentrated poverty census tract, as defined in section 32-7x, [fifteen
198 new FTEs in this state] or (C) five new FTEs in this state, if a qualified
199 business employs seventy-five or fewer employees, by December thirty-
200 first of the calendar year that is two calendar years prior to the calendar
201 year in which the rebate is being claimed. [shall be allowed a]

202 (2) The rebate shall be equal to the greater of the following amounts:

203 (A) The sum of:

204 (i) The lesser of (I) the new FTEs created in an opportunity zone or
205 distressed municipality on December thirty-first of the calendar year
206 that is two calendar years prior to the calendar year in which the rebate
207 is being claimed, or (II) the new FTEs maintained in an opportunity zone
208 or distressed municipality in the previous calendar year, multiplied by
209 fifty per cent of the income tax that would be paid on the average wage
210 of the new FTEs, as determined by the applicable marginal rate set forth
211 in chapter 229 for an unmarried individual based solely on such wages;
212 and

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

221 (B) The greater of:

222 (i) One thousand dollars multiplied by the lesser of (I) the new FTEs
223 created by December thirty-first of the calendar year that is two calendar
224 years prior to the calendar year in which the rebate is being claimed, or
225 (II) the new FTEs maintained in the calendar year immediately prior to
226 the calendar year in which the rebate is being claimed; or

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

232 [(2)] (3) Except as provided in subdivision [(4)] (5) of this subsection,

233 in no event shall the rebate under this subsection exceed in any calendar
234 year of the rebate period five thousand dollars multiplied by the lesser
235 of (A) the new FTEs created by December thirty-first of the calendar year
236 that is two calendar years prior to the calendar year in which the rebate
237 is being claimed, or (B) the new FTEs maintained in the calendar year
238 immediately prior to the calendar year in which the rebate is being
239 claimed.

240 ~~[(3)]~~ (4) In no event shall an approved qualified business receive a
241 rebate under this subsection in any calendar year of the rebate period if
242 such business has not maintained, in the calendar year immediately
243 prior to the calendar year in which the rebate is being claimed, at least
244 (A) twenty-five new FTEs, [or] (B) fifteen new FTEs, if at least one of the
245 new FTEs is an individual with intellectual disability or at least three of
246 the new FTEs are individuals who reside in a concentrated poverty
247 census tract, as defined in section 32-7x, or (C) five new FTEs, if a
248 qualified business employs seventy-five or fewer employees.

249 (4) An approved qualified business that, by December thirty-first of
250 the calendar year immediately prior to the calendar year in which the
251 rebate is being claimed, employs at least fifteen new FTEs where at least
252 one of the new FTEs is an individual with intellectual disability shall be
253 allowed an additional rebate equal to twenty-five per cent of the wages
254 paid to each such individual during the calendar year in which the
255 rebate is being claimed. The rebate allowed under this subdivision shall
256 be added to any other rebate allowed under this subsection.

257 (f) (1) In each calendar year of the rebate period, a qualified business
258 approved by the commissioner pursuant to subdivision (4) of subsection
259 (c) of this section that employs at least twenty-five new discretionary
260 FTEs in this state by December thirty-first of the calendar year that is
261 two calendar years prior to the calendar year in which the rebate is being
262 claimed shall be allowed a rebate equal to the sum of the amount
263 calculated pursuant to subdivision [(1)] (2) of subsection (e) of this
264 section and the greater of the following:

265 (A) The sum of:

266 (i) The lesser of the new discretionary FTEs (I) created in an
267 opportunity zone or distressed municipality on December thirty-first of
268 the calendar year that is two calendar years prior to the calendar year in
269 which the rebate is being claimed, or (II) maintained in an opportunity
270 zone or distressed municipality in the previous calendar year,
271 multiplied by fifty per cent of the income tax that would be paid on the
272 average wage of the new discretionary FTEs, as determined by the
273 applicable marginal rate set forth in chapter 229 for an unmarried
274 individual based solely on such wages; and

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

284 (B) The greater of:

285 (i) Seven hundred fifty dollars multiplied by the lesser of the new
286 discretionary FTEs (I) created by December thirty-first of the calendar
287 year that is two calendar years prior to the calendar year in which the
288 rebate is being claimed, or (II) maintained in the calendar year
289 immediately prior to the calendar year in which the rebate is being
290 claimed; or

291 (ii) For tax credits earned, claimed or payable prior to January 1, 2024,
292 one thousand five hundred dollars multiplied by the lesser of (I) the new
293 FTEs created by December 31, 2022, or (II) the new FTEs maintained in
294 the calendar year immediately prior to the calendar year in which the
295 rebate is being claimed.

296 (2) In no event shall the rebate under this subsection exceed in any
297 calendar year of the rebate period five thousand dollars multiplied by
298 the lesser of the new discretionary FTEs (A) created by December thirty-
299 first of the calendar year that is two calendar years prior to the calendar
300 year in which the rebate is being claimed, or (B) maintained in the
301 calendar year immediately prior to the calendar year in which the rebate
302 is being claimed.

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

308 (g) In addition to the rebates allowed under subsections (e) and (f) of
309 this section, on and after January 1, 2025, an approved qualified business
310 that employs at least one new FTE that is an individual who resides in a
311 concentrated poverty census tract, as defined in section 32-7x, shall be
312 allowed an additional rebate equal to fifty per cent of the income tax that
313 would be paid on the wages paid to such individual during the calendar
314 year immediately prior to the calendar year in which the rebate is being
315 claimed, as determined by the applicable marginal rate set forth in
316 chapter 229 for an unmarried individual based solely on such wages,
317 provided such individual was a resident of such census tract for at least
318 six months of the calendar year immediately prior to the calendar year
319 in which the rebate is being claimed.

320 (h) (1) Notwithstanding the provisions of subdivisions (3) and (4) of
321 subsection (c) of this section, the commissioner may not approve an
322 application in whole or in part if the full amount of rebates that such
323 applicant may be paid pursuant to subsection (e), (f) or (g) of this section
324 would result in the aggregate amount of rebates issued to all approved
325 qualified businesses under this section exceeding forty million dollars
326 in any fiscal year.

327 (2) Notwithstanding the provisions of subdivision (4) of subsection
328 (c) of this section, the commissioner may not approve an application in
329 whole or in part if the full amount of rebates that such applicant may be
330 paid pursuant to subsection (f) of this section would result in the
331 aggregate amount of rebates issued pursuant to subsection (f) of this
332 section exceeding fifteen million dollars in any fiscal year.

333 (i) (1) A rebate under this section may be granted to an approved
334 qualified business for not more than seven successive calendar years. A
335 rebate shall not be granted until at least twenty-four months after the
336 commissioner's approval of a qualified business's application.

337 (2) An approved qualified business that has fewer than twenty-five
338 new FTEs or, if at least one of the new FTEs is an individual with
339 intellectual disability or at least three of the new FTEs are individuals
340 who reside in a concentrated poverty census tract, as defined in section
341 32-7x, fewer than fifteen new FTEs, created in each of two consecutive
342 calendar years or, if such business is approved by the commissioner
343 pursuant to subdivision (4) of subsection (c) of this section, fewer than
344 twenty-five new discretionary FTEs in each of two consecutive calendar
345 years shall forfeit all remaining rebate allocations, unless the
346 commissioner recognizes mitigating circumstances of a regional or
347 national nature, including, but not limited to, a recession.

348 (j) Not later than January thirty-first of each year during the rebate
349 period, each approved qualified business shall provide information to
350 the commissioner regarding the number of new FTEs or new
351 discretionary FTEs created or maintained during the prior calendar year
352 and the qualified wages of such new employees. Any information
353 provided under this subsection shall be subject to audit by the
354 Department of Economic and Community Development.

355 (k) Not later than March fifteenth of each year during the rebate
356 period, the Department of Economic and Community Development
357 shall issue the approved qualified business a rebate voucher that sets

358 forth the amount of the rebate, as calculated pursuant to subsections (e),
359 (f) and (g) of this section, and the taxable year against which such rebate
360 may be claimed. The approved qualified business shall claim such
361 rebate as a credit against the taxes due under chapter 208 or 228z or as
362 an offset of the tax imposed under chapter 207. The commissioner shall
363 annually provide to the Commissioner of Revenue Services a report
364 detailing all rebate vouchers that have been issued under this section.

365 (l) Beginning on January 1, 2023, and annually thereafter, the
366 commissioner, in consultation with the office of the State Comptroller
367 and the Auditors of Public Accounts, shall submit a report to the Office
368 of Policy and Management on the expenses of the JobsCT tax rebate
369 program and the number of FTEs and discretionary FTEs created and
370 maintained.

371 (m) Not later than January 1, 2025, the commissioner shall post, on
372 the Department of Economic and Community Development's Internet
373 web site, information on the JobsCT tax rebate program established
374 under this section, including, but not limited to, information concerning
375 tax rebates available for qualified businesses that, in accordance with
376 the provisions of this section, employ individuals with intellectual
377 disability in this state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025</i>	32-7t

Statement of Purpose:

To reduce the number of new full-time equivalents required under the JobsCT tax rebate program for a qualified business with seventy-five or fewer employees.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]