



General Assembly

February Session, 2026

Raised Bill No. 5569

LCO No. 2978



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING A SMALL BUSINESS TAX CREDIT FOR QUALIFIED LOCAL MEDIA ADVERTISING EXPENSES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective January 1, 2027*) (a) As used in this section:
- 2 (1) "Local newspaper" means any print or digital publication:
- 3 (A) That primarily serves the needs of a regional or local community;
- 4 (B) For which the primary content of such publication is original
- 5 content derived from primary sources and relating to news and current
- 6 events;
- 7 (C) Which publication's publisher:
- 8 (i) Employs at least one full-time local news journalist who resides in
- 9 such regional or local community;
- 10 (ii) Employs not more than seven hundred fifty employees; and

11 (iii) Is not (I) an organization described in Section 501(c)(4), 501(c)(5)
12 or 501(c)(6) of the Internal Revenue Code of 1986, or any subsequent
13 corresponding internal revenue code of the United States, as amended
14 from time to time, (II) a political organization, as defined in Section
15 527(e) of said Internal Revenue Code, or (III) controlled by one or more
16 organizations set forth in subclause (I) or (II) of this clause; and

17 (D) That did not receive more than one hundred thousand dollars in
18 the aggregate for the preceding income or taxable year from
19 organizations set forth in subparagraph (B)(iii) of this subdivision;

20 (2) "Local news journalist" means any individual who regularly
21 gathers, prepares, produces, collects, edits, photographs, records,
22 directs the recording of, writes, presents or reports news or information
23 that concerns local events or other matters of local public interest;

24 (3) "Qualified local media advertising expenses" means amounts paid
25 or incurred in the ordinary course of a trade or business for advertising
26 in a local newspaper or advertising on any broadcast radio or television
27 station licensed by the Federal Communications Commission to serve a
28 local community; and

29 (4) "Small business" means a business located in the state with fifty
30 employees or less.

31 (b) For the income or taxable years commencing on or after January
32 1, 2027, and prior to January 1, 2032, there shall be allowed a credit for
33 small businesses against the tax imposed under chapter 208 or 229 of the
34 general statutes, other than the liability imposed by section 12-707 of the
35 general statutes. The credit shall be a percentage of the qualified local
36 media advertising expenses paid or incurred by such small business for
37 an income or taxable year as follows:

38 (1) For the income or taxable year commencing on or after January 1,
39 2027, and prior to January 1, 2028, eighty per cent of the qualified local
40 media advertising expenses paid or incurred by the small business for

41 said income or taxable year, not to exceed five thousand dollars; and

42 (2) For each of the income or taxable years commencing on or after
43 January 1, 2028, and prior to January 1, 2032, fifty per cent of the
44 qualified local media advertising expenses paid or incurred by the small
45 business for the applicable income or taxable year, not to exceed two
46 thousand five hundred dollars for each such income or taxable year.

47 (c) If the taxpayer is an S corporation or an entity treated as a
48 partnership for federal income tax purposes, the credit may be claimed
49 by the taxpayer's shareholders or partners. If the taxpayer is a single
50 member limited liability company that is disregarded as an entity
51 separate from its owner, the credit may be claimed by such limited
52 liability company's owner, provided such owner is subject to the tax
53 imposed under chapter 208 or 229 of the general statutes.

54 (d) No small business may claim a credit for and deduct as a business
55 expense the same qualified local media advertising expenses.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2027</i>	New section

Statement of Purpose:

To establish a five-year tax credit for small businesses for qualified local media advertising expenses.

[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.]