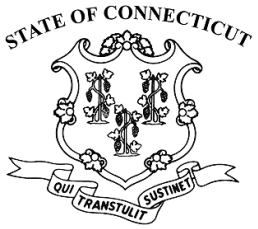

Substitute House Bill No. 7166

Public Act No. 25-165

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

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

Section 1. Section 12-217n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income and taxable years commencing on or after January 1, 2025*):

(a) There shall be allowed as a credit against the tax imposed by this chapter the amount determined under subsection (c) of this section in respect of the research and development expenses paid or incurred during any income year, subject to the limitations of this section.

(b) **[**For purposes of**]** <u>As used in</u> this section:

(1) "Research and development expenses" means research or experimental expenditures deductible under Section 174 of the Internal Revenue Code of 1986, as in effect on May 28, 1993, determined without regard to Section 280C(c) thereof or any elections made by a taxpayer to amortize such expenses on its federal income tax return that were otherwise deductible, and basic research payments as defined under

Section 41 of said Internal Revenue Code to the extent not deducted under said Section 174, provided: (A) Such expenditures and payments are paid or incurred for such research and experimentation and basic research conducted in this state; and (B) such expenditures and payments are not funded, within the meaning of Section 41(d)(4)(H) of said Internal Revenue Code, by any grant, contract, or otherwise by a person or governmental entity other than the taxpayer unless such other person is included in a combined return with the person paying or incurring such expenses;

(2) "Combined return" means a combined unitary tax return under section 12-222;

(3) "Commissioner" means the Commissioner of Economic and Community Development;

(4) "Qualified small business" means a **[**company**]** taxpayer that (A) has gross income for the previous income year that does not exceed one hundred million dollars, and (B) has not, in the determination of the commissioner, met the gross income test through transactions with a related person, as defined in section 12-217w; and

(5) "Taxpayer" means (A) a taxpayer, as defined in section 12-213, and (B) a single member limited liability company that (i) has more than three thousand employees in this state, and (ii) is engaged in manufacturing, with expertise in mechatronics, alignment and sensor technology and optical fabrication. For purposes of this section, if a single member limited liability company is disregarded as an entity separate from its owner for federal income tax purposes, the calculation of the total number of employees in this state of the limited liability company shall include both the employees of the limited liability company and the employees of such limited liability company's owner.

(c) (1) The amount allowed as a credit in any income year shall be the

tentative credit calculated under subdivision (2) of this subsection, modified as provided in subsection (e) or (f) of this section, if applicable, except that in the case of a qualified small business the tentative credit allowed for research and development expenses shall be equal to six per cent of such expenses or in the case of any business employing over two thousand five hundred people in the state of Connecticut with annual revenues in excess of three billion dollars and headquartered in an enterprise zone the tentative credit allowed for research and development expenses shall be equal to the greater of (A) the tentative credit calculated under subdivision (2), modified as provided in subsection (e) or (f) of this section, if applicable, or (B) three and one-half per cent of such expense.

(2) Where the research and development expenses paid or incurred in the income year equal: (A) Fifty million dollars or less, the tentative credit allowed shall be an amount equal to one per cent of such expenses; (B) more than fifty million dollars but not more than one hundred million dollars, the tentative credit allowed shall be equal to five hundred thousand dollars plus two per cent of the excess of such expenses over fifty million dollars; (C) more than one hundred million dollars but not more than two hundred million dollars, the tentative credit allowed shall be equal to one million five hundred thousand dollars plus four per cent of the excess of such expenses over one hundred million dollars; and (D) more than two hundred million dollars, the tentative credit allowed shall be equal to five million five hundred thousand dollars plus six per cent of the excess of such expenses over two hundred million dollars.

(d) (1) The credit provided for by this section shall be allowed for any income year commencing on or after January 1, 1993, provided any credits allowed for income years commencing on or after January 1, 1993, and prior to January 1, 1995, may not be taken until income years commencing on or after January 1, 1995, and, for the purposes of

subdivision (2) of this subsection, shall be treated as if the credit for each such income year first became allowable in the first income year commencing on or after January 1, 1995.

(2) No more than one-third of the amount of the credit allowable for any income year may be included in the calculation of the amount of the credit that may be taken in that income year.

(3) The total amount of the credit under subdivision (1) of this subsection that may be taken for any income year may not exceed the greater of (A) fifty per cent of the taxpayer's tax liability or in the case of a combined return, fifty per cent of the combined tax liability, for such income year, determined without regard to any credits allowed under this section, and (B) the lesser of (i) two hundred per cent of the credit otherwise allowed under subsection (c) of this section for such income year, and (ii) ninety per cent of the taxpayer's tax liability or in the case of a combined return, ninety per cent of the combined liability for such income year, determined without regard to any credits allowed under this section.

(4) (A) Credits that are allowed under this section for income years commencing prior to January 1, 2021, that exceed the amount permitted to be taken in an income year pursuant to the provisions of subdivision (1), (2) or (3) of this subsection shall be carried forward to each of the successive income years until such credits, or applicable portion thereof, are fully taken.

(B) Credits that are allowed under this section for income years commencing on or after January 1, 2021, that exceed the amount permitted to be taken in an income year pursuant to the provisions of subdivision (1), (2) or (3) of this subsection shall be carried forward to each of the successive income years until such credits, or applicable portion thereof, are fully taken. No credit or portion thereof allowed under this section for income years commencing on or after January 1,

2021, shall be carried forward for a period of more than fifteen years.

(C) No credit allowed under this section shall be taken in any income year until the full amount of all allowable credits carried forward to such year from any prior income year, commencing with the earliest such prior year, that otherwise may be taken under subdivision (2) of this subsection in that income year, have been fully taken.

(D) If the taxpayer that pays or incurs research and development expenses is a single member limited liability company that is disregarded as an entity separate from its owner, the credit may be claimed by such limited liability company's owner, provided such owner is subject to the tax imposed under this chapter.

(e) In addition to the wage base test set forth in subsection (f) of this section, any aerospace company or in the case of a combined return, any combined group including an aerospace company, shall be subject to this subsection for any income year commencing on or after January 1, 1993, and prior to January 1, 1996. For purposes of this subsection, an aerospace company is any taxpayer, whether or not included in a combined return, engaged principally in the aerospace industry whose research and development expenses during each of the income years beginning on or after January 1, 1990, 1991 and 1992, respectively, exceeded two hundred million dollars. No aerospace company, or in the case of a combined return, a combined group including an aerospace company, shall be allowed any credit under this section for any income year to which this subsection applies in which the aggregate transfers by an aerospace company, if any, of historical economic base functions outside of this state, other than to a location outside the United States, since January 1, 1993, through the end of such income year, have materially reduced the historical economic base functions in this state. For purposes of this subsection, the historical economic base functions shall be those economic base functions conducted by an aerospace company, which need not be all economic base functions of the

aerospace company, in this state on January 1, 1993, whose continuance in this state, as determined by the commissioner in his discretion, will further the policies set forth in section 32-221. Such historical economic base functions shall be set forth in a binding memorandum of understanding between the commissioner and an aerospace company that may be entered into at any time prior to the expiration of the first income year to which this subsection applies, with sufficient specificity to allow the commissioner and the aerospace company to determine in all income years subject to this subsection whether there has been such a reduction in said historical economic base functions. As a prerequisite to the allowance of any credit otherwise allowable under this section for any income year to which this subsection applies, each aerospace company shall obtain a certificate of eligibility issued by the commissioner to the aerospace company for such income year. The aerospace company shall not later than sixty days after the close of each income year to which this subsection applies certify to the commissioner that there has been no such aggregate material reduction in the historical economic base functions in this state for the income year just completed that otherwise has not been offset as provided below. Within sixty days thereafter, the commissioner shall review the certification and, if the commissioner determines that there has been no such net aggregate material reduction in the historical economic base functions in this state, the commissioner shall issue a certificate of eligibility for said income year. The following shall not constitute a material reduction in the historical economic base functions in this state: (1) A reduction of not more than two per cent of the historical economic base functions; (2) transfer of an historical economic base function to a person in this state; (3) transfer of a historical economic base function outside of the United States; or (4) reductions in historical economic base functions attributable to reductions in volume, productivity improvements or the discontinuance of operations due to obsolescence or the like. Any transfers that may otherwise be counted in determining if a material reduction occurred may be offset to the extent economic base functions

listed in, or comparable to those listed in, the memorandum of understanding are increased in this state, transferred into this state, or established in this state. Any such increase, transfer or establishment made during an income year, or subsequent to such income year but prior to the filing of the return for such income year, shall be effective for such income year and all income years thereafter. The commissioner may issue or reissue a certificate of eligibility for the applicable income year following any such offset. The commissioner shall, upon request, provide a copy of the certificate of eligibility and memorandum of understanding to the Commissioner of Revenue Services.

(f) The tentative credit allowable to the taxpayer, or in the case of a combined return, the combined group, that pays or incurs research and development expenses in excess of two hundred million dollars for the income year shall be reduced for any income year in which the workforce reductions, if any, exceed the percentages set forth below. For purposes of this subsection, workforce reductions shall be reductions of the historical Connecticut wage base of the taxpayer, or in the case of a combined return, the combined group, as a result of the transfer outside of this state, other than to a location outside the United States, of work done by employees of the taxpayer, or in the case of a combined return, the combined group. Such reduction in the tentative credit shall be as follows: (1) If the historical Connecticut wage base for the income year is so reduced by not more than two per cent, the tentative credit allowable for the income year shall not be reduced; (2) if the historical Connecticut wage base for the income year is so reduced by more than two per cent but not more than three per cent, the tentative credit allowable for the income year shall be reduced by ten per cent; (3) if the historical Connecticut wage base for the income year is so reduced by more than three per cent but not more than four per cent, the tentative credit allowable for the income year shall be reduced by twenty per cent; (4) if the historical Connecticut wage base for the income year is so reduced by more than four per cent but not more than five per cent, the

tentative credit allowable for the income year shall be reduced by forty per cent; (5) if the historical Connecticut wage base for the income year is so reduced by more than five per cent but not more than six per cent, the tentative credit allowable for the income year shall be reduced by seventy per cent; and (6) if the historical Connecticut wage base for the income year is so reduced by more than six per cent, no credit for the income year shall be allowed. The Connecticut wage base for any income year shall be the total wages assigned to Connecticut for such income year under section 12-218 excluding wages paid to the ten most highly-compensated executives of the taxpayer, or in the case of a combined return, the combined group, and any compensation that does not subject the recipient thereof to federal income tax thereon in said income year. The historical Connecticut wage base shall be the Connecticut wage base for the third full income year immediately preceding the current income year; provided the historical Connecticut wage base for the first three income years commencing on or after January 1, 1993, shall be the Connecticut wage base for May 1993, converted to an annual basis. The following shall not constitute a workforce reduction for any income year: (A) A reduction of wages attributable to the transfer of work done by a taxpayer, or in the case of a combined return, by the combined group, in this state to a party in this state; (B) a reduction of wages attributable to the transfer of work done by a taxpayer, or in the case of a combined return, by the combined group, outside the United States; or (C) a reduction in wages attributable to reductions in volume, productivity improvements or the discontinuance of operations due to obsolescence or the like. Solely for purposes of determining whether the allowable credit is to be reduced under this subsection for any income year, the Connecticut wages attributable to any new jobs or jobs moved into this state by the taxpayer, or in the case of a combined return, the combined group, during such income year or subsequent to such income year but prior to the filing of the return for such income year shall be an offset to any workforce reduction of a taxpayer, or in the case of a combined return,

the combined group, for said income year. A new job shall be a job that did not exist in the business of a taxpayer, or in the case of a combined return, a member of the combined group, in this state at the end of the income year just completed. Notwithstanding subsection (g) of this section, a taxpayer may elect for any income year to separately compute its allowable tentative credit under this subsection for any one or more business units that had gross revenues for such income year in excess of one hundred million dollars. Any taxpayer subject to this subsection shall not later than sixty days after the close of each income year certify to the commissioner whether or not there has been any workforce reduction for the income year just completed, the amount thereof, and any offsets thereto as provided above. Not later than sixty days thereafter, the commissioner shall review the certification and, if the commissioner determines that there has been no more than a six per cent workforce reduction, net of any such offsets, the commissioner shall issue a certificate of eligibility stating the amount of net workforce reduction so determined for said income year, if any. The commissioner shall not issue a certificate of eligibility for any income year in which the commissioner determines that there has been more than a six per cent net workforce reduction. The commissioner shall, upon request, provide a copy of the certificate of eligibility to the Commissioner of Revenue Services.

(g) Where one or more taxpayers properly included in a combined return pays or incurs research and development expenses, all allowances and limitations under this section shall be made on an aggregate basis for all taxpayers included in such combined return, provided, the credit attributable to a qualified small business may be taken only against the combined tax liability attributable to such qualified small business. The amount of the combined tax for all corporations properly included in a combined corporation business tax return that is attributable to a qualified small business shall be in the same ratio to such combined tax that the net income apportioned to this

state of the qualified small business bears to the net income, in the aggregate of all corporations included in such combined return. Solely for the purposes of computing such ratio, any net loss apportioned to this state by a corporation included in such combined return shall be disregarded.

(h) Any taxpayer, or in the case of a combined return, any combined group of taxpayers, that claims a credit under section 12-217j, as amended by this act, for any income year shall reduce the amount of research and development expenses that otherwise may be taken into account in computing the allowable credit under subsection (c) of this section for such income year by the amount of excess research and experimental expenditures, as computed under said section 12-217j, for which the credit thereunder is given.

(i) The commissioner may adopt regulations, in accordance with the provisions of chapter 54, to carry out the purposes of this section.

Sec. 2. Section 12-217j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income and taxable years commencing on or after January 1, 2025*):

(a) (1) There shall be allowed as a credit against the tax imposed on any **[**corporation**]** taxpayer under this chapter, with respect to income years of such **[**corporation**]** taxpayer commencing on or after January 1, 1994, an amount equal to twenty per cent of the amount spent by such **[**corporation**]** taxpayer directly on research and experimental expenditures, as defined in Section 174 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, which are conducted in this state and which exceeds the amount spent by such **[**corporation**]** taxpayer during the preceding income year of such **[**corporation**]** taxpayer for such expenditures.

(2) As used in this section, "taxpayer" means (A) a taxpayer, as defined in section 12-213, and (B) a single member limited liability company that (i) has more than three thousand employees in this state, and (ii) is engaged in manufacturing, with expertise in mechatronics, alignment and sensor technology and optical fabrication. For purposes of this section, if a single member limited liability company is disregarded as an entity separate from its owner for federal income tax purposes, the calculation of the total number of employees in this state of the limited liability company shall include both the employees of the limited liability company and the employees of such limited liability company's owner.

(b) (1) With respect to any income year commencing on or after January 1, 2000, a credit or any portion of a credit that is allowed under this section but that is not used by a taxpayer because the amount of the credit exceeds the tax due and owing by the taxpayer shall be carried forward to each of the successive income years until such credit, or applicable portion of the credit, is fully taken. In no case shall a credit, or any portion of a credit, that is not used by a taxpayer be carried forward for a period of more than fifteen years.

(2) (A) With respect to any income year commencing on or after January 1, 1997, and prior to January 1, 2000, a credit or any portion of a credit that is allowed under this section but that is not used by a biotechnology company because the amount of the credit exceeds the tax due and owing by the taxpayer shall be carried forward to each of the successive income years until such credit, or applicable portion of the credit, is fully taken. In no case shall a credit, or any portion of a credit, that is not used by a biotechnology company be carried forward for a period of more than fifteen years.

(B) For purposes of this subsection, "biotechnology company" means a company engaged in the business of applying technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular

biology, genetics and genetic engineering, biological cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms, to produce or modify products, to improve plants or animals, to develop microorganisms for specific uses, to identify targets for small molecule pharmaceutical development, or to transform biological systems into useful processes and products.

(3) If the taxpayer that pays or incurs research and experimental expenditures is a single member limited liability company that is disregarded as an entity separate from its owner, the credit may be claimed by such limited liability company's owner, provided such owner is subject to the tax imposed under this chapter.

Sec. 3. Section 12-217jj of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025, and applicable to applications open or filed on or after July 1, 2025*):

(a) As used in this section:

(1) "Commissioner" means the Commissioner of Revenue Services.

(2) "Department" means the Department of Economic and Community Development.

(3) (A) "Qualified production" means entertainment content created in whole or in part within the state, including motion pictures, except as otherwise provided in this subparagraph; documentaries; long-form, specials, mini-series, series, sound recordings, videos and music videos and interstitials television programming; interactive television; relocated television production; interactive games; videogames; commercials; any format of digital media, including an interactive web site, created for distribution or exhibition to the general public; and any trailer, pilot, video teaser or demo created primarily to stimulate the sale, marketing, promotion or exploitation of future investment in either a product or a qualified production via any means and media in any

digital media format, film or videotape, provided such program meets all the underlying criteria of a qualified production. For state fiscal years ending on or after June 30, 2014, "qualified production" shall not include a motion picture that has not been designated as a state-certified qualified production prior to July 1, 2013, and no tax credit voucher for such motion picture may be issued for such motion picture, except, for state fiscal years ending on or after June 30, 2015, "qualified production" shall include a motion picture for which twenty-five per cent or more of the principal photography shooting days are in this state at a facility that receives not less than twenty-five million dollars in private investment and opens for business on or after July 1, 2013, and a tax credit voucher may be issued for such motion picture.

(B) "Qualified production" shall not include any ongoing television program created primarily as news, weather or financial market reports; a production featuring current events, other than a relocated television production, sporting events, an awards show or other gala event; a production whose sole purpose is fundraising; a long-form production that primarily markets a product or service; a production used for corporate training or in-house corporate advertising or other similar productions; or any production for which records are required to be maintained under 18 USC 2257, as amended from time to time, with respect to sexually explicit content.

(4) "Eligible production company" means a corporation, partnership, limited liability company, or other business entity engaged in the business of producing qualified productions on a one-time or ongoing basis, and qualified by the Secretary of the State to engage in business in the state.

(5) "Production expenses or costs" means all expenditures clearly and demonstrably incurred in the state in the preproduction, production or postproduction costs of a qualified production, including:

(A) Expenditures incurred in the state in the form of either compensation or purchases including production work, production equipment not eligible for the infrastructure tax credit provided in section 12-217kk, as amended by this act, production software, postproduction work, postproduction equipment, postproduction software, set design, set construction, props, lighting, wardrobe, makeup, makeup accessories, special effects, visual effects, audio effects, film processing, music, sound mixing, editing, location fees, soundstages and any and all other costs or services directly incurred in connection with a state-certified qualified production;

(B) Expenditures for distribution, including preproduction, production or postproduction costs relating to the creation of trailers, marketing videos, commercials, point-of-purchase videos and any and all content created on film or digital media, including the duplication of films, videos, CDs, DVDs and any and all digital files now in existence and those yet to be created for mass consumer consumption; the purchase, by a company in the state, of any and all equipment relating to the duplication or mass market distribution of any content created or produced in the state by any digital media format which is now in use and those formats yet to be created for mass consumer consumption; and

(C) "Production expenses or costs" does not include the following: (i) On and after January 1, 2008, compensation in excess of fifteen million dollars paid to any individual or entity representing an individual, for services provided in the production of a qualified production and on or after January 1, 2010, compensation subject to Connecticut personal income tax in excess of twenty million dollars paid in the aggregate to any individuals or entities representing individuals, for star talent provided in the production of a qualified production; (ii) media buys, promotional events or gifts or public relations associated with the promotion or marketing of any qualified production; (iii) deferred,

leveraged or profit participation costs relating to any and all personnel associated with any and all aspects of the production, including, but not limited to, producer fees, director fees, talent fees and writer fees; (iv) costs relating to the transfer of the production tax credits; (v) any amounts paid to persons or businesses as a result of their participation in profits from the exploitation of the qualified production; and (vi) any expenses or costs relating to an independent certification, as required by subsection (h) of this section, or as the department may otherwise require, pertaining to the amount of production expenses or costs set forth by an eligible production company in its application for a production tax credit.

(6) "Sound recording" means a recording of music, poetry or spoken-word performance, but does not include the audio portions of dialogue or words spoken and recorded as part of a motion picture, video, theatrical production, television news coverage or athletic event.

(7) "State-certified qualified production" means a qualified production produced by an eligible production company that (A) is in compliance with regulations adopted pursuant to subsection (l) of this section, (B) is authorized to conduct business in this state, and (C) has been approved by the department as qualifying for a production tax credit under this section.

(8) "Interactive web site" means a web site, the production expenses or costs of which (A) exceed five hundred thousand dollars per income year, and (B) is primarily (i) interactive games or end user applications, or (ii) animation, simulation, sound, graphics, story lines or video created or repurposed for distribution over the Internet. An interactive web site does not include a web site primarily used for institutional, private, industrial, retail or wholesale marketing or promotional purposes, or which contains obscene content.

(9) "Post-certification remedy" means the recapture, disallowance,

recovery, reduction, repayment, forfeiture, decertification or any other remedy that would have the effect of reducing or otherwise limiting the use of a tax credit provided by this section.

(10) "Compensation" means base salary or wages and does not include bonus pay, stock options, restricted stock units or similar arrangements.

(11) "Relocated television production" means:

(A) An ongoing television program all of the prior seasons of which were filmed outside this state, and may include current events shows, except those referenced in subparagraph (B)(i) of this subdivision.

(B) An eligible production company's television programming in this state that (i) is not a general news program, sporting event or game broadcast, and (ii) is created at a qualified production facility that has had a minimum investment of twenty-five million dollars made by such eligible production company on or after January 1, 2012, at which facility the eligible production company creates ongoing television programming as defined in subparagraph (A) of this subdivision, and creates at least two hundred new jobs in Connecticut on or after January 1, 2012. For purposes of this subdivision, "new job" means a full-time job, as defined in section 12-217ii, that did not exist in this state prior to January 1, 2012, and is filled by a new employee, and "new employee" includes a person who was employed outside this state by the eligible production company prior to January 1, 2012, but does not include a person who was employed in this state by the eligible production company or a related person, as defined in section 12-217ii, with respect to the eligible production company during the prior twelve months.

(C) A relocated television production may be a state-certified qualified production for not more than ten successive income years, after which period the eligible production company shall be ineligible

to resubmit an application for certification.

(b) (1) The Department of Economic and Community Development shall administer a system of tax credit vouchers within the resources, requirements and purposes of this section for eligible production companies producing a state-certified qualified production in the state.

(2) Any eligible production company incurring production expenses or costs shall be eligible for a credit (A) for income years commencing on or after January 1, 2010, but prior to January 1, 2018, against the tax imposed under chapter 207 or this chapter, (B) for income years commencing on or after January 1, 2018, but prior to January 1, 2022, against the tax imposed under chapter 207 or 211 or this chapter, and (C) for income years commencing on or after January 1, 2022, against the tax imposed under chapter 207, 211, 219 or this chapter, as follows: (i) For any such company incurring such expenses or costs of not less than one hundred thousand dollars, but not more than five hundred thousand dollars, a credit equal to ten per cent of such expenses or costs, (ii) for any such company incurring such expenses or costs of more than five hundred thousand dollars, but not more than one million dollars, a credit equal to fifteen per cent of such expenses or costs, and (iii) for any such company incurring such expenses or costs of more than one million dollars, a credit equal to thirty per cent of such expenses or costs.

(c) No eligible production company incurring an amount of production expenses or costs that qualifies for such credit shall be eligible for such credit unless on or after January 1, 2010, such company conducts (1) not less than fifty per cent of principal photography days within the state, or (2) expends not less than fifty per cent of postproduction costs within the state, or (3) expends not less than one million dollars of postproduction costs within the state. <u>The provisions of this subsection shall not apply to an eligible production company that produces an interactive Internet web site created for distribution or exhibition to the general public.</u>

(d) For income years commencing on or after January 1, 2010, no expenses or costs incurred outside the state and used within the state shall be eligible for a credit, and one hundred per cent of such expenses or costs shall be counted toward such credit when incurred within the state and used within the state.

(e) (1) On and after July 1, 2006, and for income years commencing on or after January 1, 2006, any credit allowed pursuant to this section may be sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers, provided (A) no credit, after issuance, may be sold, assigned or otherwise transferred, in whole or in part, more than three times, (B) in the case of a credit allowed for the income year commencing on or after January 1, 2011, but prior to January 1, 2012, any entity that is not subject to tax under chapter 207 or this chapter may transfer not more than fifty per cent of such credit in any one income year, and (C) in the case of a credit allowed for an income year commencing on or after January 1, 2012, any entity that is not subject to tax under chapter 207 or this chapter may transfer not more than twenty-five per cent of such credit in any one income year.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, any entity that is not subject to tax under this chapter or chapter 207 shall not be subject to the limitations on the transfer of credits provided in subparagraphs (B) and (C) of said subdivision (1), provided such entity owns not less than fifty per cent, directly or indirectly, of a business entity, as defined in section 12-284b.

(3) Notwithstanding the provisions of subdivision (1) of this subsection, any qualified production that is created in whole or in significant part, as determined by the Commissioner of Economic and Community Development, at a qualified production facility shall not be subject to the limitations of subparagraph (B) or (C) of said subdivision (1). For purposes of this subdivision, "qualified production facility" means a facility (A) located in this state, (B) intended for film, television

or digital media production, and (C) that has had a minimum investment of three million dollars, or less if the Commissioner of Economic and Community Development determines such facility otherwise qualifies.

(4) (A) For the income year commencing on or after January 1, 2018, but prior to January 1, 2019, any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection may be claimed against the tax imposed under chapter 211 only if there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit. Such taxpayer may only claim ninety-two per cent of the amount of such credit entered by the department on the production tax credit voucher.

(B) For income years commencing on or after January 1, 2019, any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection, which credit is claimed against the tax imposed under chapter 211, shall be subject to the following limits:

(i) The taxpayer may only claim ninety-five per cent of the amount of such credit entered by the department on the production tax credit voucher; and

(ii) If there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit, such taxpayer may only claim ninety-two per cent of the amount of such credit entered by the department on the production tax credit voucher.

(5) (A) For income years commencing on or after January 1, 2022, but prior to January 1, 2024, and on or after January 1, 2026, any credit that is claimed against the tax imposed under chapter 219 shall be subject to

the following limits:

(i) Any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection may be claimed against the tax imposed under chapter 219 only if there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit; and

(ii) The eligible production company or taxpayer claiming the credit against the tax imposed under chapter 219 may only claim seventy-eight per cent of the amount of such credit entered by the department on the production tax credit voucher.

(B) For income years commencing on or after January 1, 2024, but prior to January 1, 2026, any credit that is claimed against the tax imposed under chapter 219 shall be subject to the following limits:

(i) Any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection may be claimed against the tax imposed under chapter 219 only if there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit; and

(ii) The eligible production company or taxpayer claiming the credit against the tax imposed under chapter 219 may only claim ninety-two per cent of the amount of such credit entered by the department on the production tax credit voucher.

(f) (1) On and after July 1, 2006, and for income years commencing on or after January 1, 2006, but prior to January 1, 2015, all or part of any such credit allowed under this section may be claimed against the tax imposed under chapter 207 or this chapter for the income year in which the production expenses or costs were incurred, or in the three

immediately succeeding income years.

(2) For production tax credit vouchers issued on or after July 1, 2015, but prior to January 1, 2018, all or part of any such credit may be claimed against the tax imposed under chapter 207 or this chapter, for the income year in which the production expenses or costs were incurred, or in the five immediately succeeding income years.

(3) For production tax credit vouchers issued on or after July 1, 2018, but prior to January 1, 2022, all or part of any such credit may be claimed against the tax imposed under chapter 207 or 211 or this chapter, for the income year in which the production expenses or costs were incurred, or in the five immediately succeeding income years.

(4) For production tax credit vouchers issued on or after January 1, 2022, all or part of any such credit may be claimed against the tax imposed under chapter 207, 211, 219 or this chapter, for the income year in which the production expenses or costs were incurred, or in the five immediately succeeding income years.

(g) Any production tax credit allowed under this section shall be nonrefundable.

(h) (1) An eligible production company shall apply to the department for a tax credit voucher on an annual basis, but not later than ninety days after the first production expenses or costs are incurred in the production of a qualified production, and shall provide with such application such information as the department may require to determine such company's eligibility to claim a credit under this section. No production expenses or costs may be listed more than once for purposes of the tax credit voucher pursuant to this section **[**, or pursuant to**]** or section 12-217kk, as amended by this act, **[**or 12-217*ll*,**]** and if a production expense or cost has been included in a claim for a credit, such production expense or cost may not be included in any subsequent

claim for a credit.

(2) Not later than ninety days after the end of the annual period, or after the **[**last production expenses or costs are incurred in the production of a qualified production**]** completion of the independent certification, an eligible production company shall apply to the department for a production tax credit voucher, and shall provide with such application (A) a report that includes the number of full-time jobs and the number of part-time jobs created by the eligible production company during the annual period, a description of each such job and an explanation of what the eligible production company considers to be job creation for purposes of the report, and (B) such information and independent certification as the department may require pertaining to the amount of such company's production expenses or costs. Such independent certification shall be provided by an audit professional chosen from a list compiled by the department. If the department determines that such company is eligible to be issued a production tax credit voucher, the department shall enter on the voucher the amount of production expenses or costs that has been established to the satisfaction of the department and the amount of such company's credit under this section. The department shall provide a copy of such voucher to the commissioner, upon request.

(3) The department shall charge a reasonable and nonrefundable administrative fee sufficient to cover the department's costs to analyze applications submitted under this section.

(i) If an eligible production company sells, assigns or otherwise transfers a credit under this section to another taxpayer, the transferor and transferee shall jointly submit written notification of such transfer to the department not later than thirty days after such transfer. If such transferee sells, assigns or otherwise transfers a credit under this section to a subsequent transferee, such transferee and such subsequent transferee shall jointly submit written notification of such transfer to the

department not later than thirty days after such transfer. The notification after each transfer shall include the credit voucher number, the date of transfer, the amount of such credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and the transferee, and any other information required by the department. Failure to comply with this subsection will result in a disallowance of the tax credit until there is full compliance on the part of the transferor and the transferee, and for a second or third transfer, on the part of all subsequent transferors and transferees. The department shall provide a copy of the notification of assignment to the commissioner upon request.

(j) Any eligible production company that submits information to the department that it knows to be fraudulent or false shall, in addition to any other penalties provided by law, be liable for a penalty equal to the amount of such company's credit entered on the production tax credit voucher issued under this section.

(k) No tax credits transferred pursuant to this section shall be subject to a post-certification remedy, and the department and the commissioner shall have no right, except in the case of possible material misrepresentation or fraud, to conduct any further or additional review, examination or audit of the expenditures or costs for which such tax credits were issued. The sole and exclusive remedy of the department and the commissioner shall be to seek collection of the amount of such tax credits from the entity that committed the fraud or misrepresentation.

(l) The department, in consultation with the commissioner, **[**shall**]** may adopt regulations, in accordance with the provisions of chapter 54, as may be necessary for the administration of this section.

Sec. 4. Section 12-217kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section:

(1) "Commissioner" means the Commissioner of Revenue Services.

(2) "Department" means the Department of Economic and Community Development.

(3) "Infrastructure project" means a capital project to provide basic buildings, facilities or installations needed for the functioning of the digital media and motion picture industry in this state.

(4) "State-certified project" means an infrastructure project undertaken in this state by an entity that (A) is in compliance with regulations adopted pursuant to subsection (e) of this section, (B) is authorized to conduct business in this state, (C) is not in default on a loan made by the state or a loan guaranteed by the state, nor has ever declared bankruptcy under which an obligation of the entity to pay or repay public funds was discharged as a part of such bankruptcy, and (D) has been approved by the department as qualifying for an infrastructure tax credit under this section.

(5) "Post-certification remedy" means the recapture, disallowance, recovery, reduction, repayment, forfeiture, decertification or any other remedy that would have the effect of reducing or otherwise limiting the use of a tax credit provided by this section.

(b) (1) (A) For income years commencing prior to January 1, 2010, there shall be allowed a state-certified project credit against the tax imposed under chapter 207 or this chapter to any taxpayer that invests in a state-certified project. Such credit may be in the following amounts: (i) For state-certified projects costing greater than fifteen thousand dollars and less than one hundred fifty thousand dollars, each taxpayer may be allowed a tax credit of ten per cent of the investment made by such taxpayer; (ii) for state-certified projects costing one hundred fifty thousand dollars or more, but less than one million dollars, each

taxpayer may be allowed a tax credit of fifteen per cent of the investment made by such taxpayer; and (iii) for state-certified projects costing one million dollars or more, each taxpayer may be allowed a tax credit of twenty per cent of the investment made by such taxpayer.

(B) For income years commencing on or after January 1, 2010, there shall be allowed a state-certified project credit against the tax imposed under chapter 207 or this chapter to any taxpayer that invests three million dollars or more in a state-certified project in an amount equal to twenty per cent of the investment made by such taxpayer.

(2) Eligible expenditures pursuant to this section shall include the following: All expenditures for a capital project to provide buildings, facilities or installations, whether a capital lease or purchase, together with necessary equipment for a film, video, television, digital production facility or digital animation production facility; project development, including design, professional consulting fees and transaction costs; development, preproduction, production, post-production and distribution equipment and system access; and fixtures and other equipment.

(3) Any credit allowed pursuant to this section may be sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers, and such taxpayers may sell, assign or otherwise transfer, in whole or in part, such credit.

(4) All or part of any credit allowed pursuant to this section shall be claimed against the tax imposed under chapter 207 or this chapter for the income year in which expenditures were made for the infrastructure project, or in the three immediately succeeding income years.

(5) Any tax credit earned under this section shall be nonrefundable.

(c) (1) An entity undertaking an infrastructure project shall apply to the department for an eligibility certificate not later than ninety days

after the first expenses or costs are incurred, and shall provide with such application such information as the department may require to determine such infrastructure project's eligibility as a state-certified project.

(2) Each application for an eligibility certificate shall include: (A) A detailed description of the infrastructure project; (B) a preliminary budget; (C) estimated completion date; and (D) such other information as the department may require. The department may require an independent audit of all project costs and expenditures prior to certification. If the department determines that such project is eligible to be a state-certified project, the department shall indicate the amount of costs or expenditures that has been established to the satisfaction of the department, and issue to such entity a tax credit certification letter for investors indicating the amount of tax credits available under this section. The department shall provide a copy of such letter to the commissioner, upon request.

(3) Prior to the issuance of a state-certified project tax credit voucher to a taxpayer based upon the tax credit certification letter issued pursuant to subdivision (2) of this subdivision, the entity undertaking such infrastructure project shall provide the department with a description of the progress on such project and an estimated completion date. The department may require an independent audit of all project costs and expenditures prior to issuance of such tax credit voucher to a taxpayer. No such tax credit voucher may be issued prior to such time as such state-certified project is shown to be one hundred per cent complete.

(4) The department shall charge a reasonable <u>and nonrefundable</u> administrative fee sufficient to cover the department's costs to analyze applications submitted under this section.

(d) If a taxpayer sells, assigns or otherwise transfers a credit under

this section to another taxpayer, the transferor and transferee shall jointly submit written notification of such transfer to the department not later than thirty days after such transfer. The notification shall include the credit certificate number, the date of transfer, the amount of such credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and the transferee and any other information required by the commissioner. After the initial issuance of a tax credit, such credit may be sold, assigned or otherwise transferred not more than three times. Failure to comply with this subsection will result in a disallowance of the tax credit until there is full compliance on both the part of the transferor and the transferee, and all subsequent transferors and transferees. The department shall provide a copy of the notification of assignment to the commissioner upon request.

(e) No tax credits transferred pursuant to this section shall be subject to a post-certification remedy, and the department and the commissioner shall have no right, except in the case of possible material misrepresentation or fraud, to conduct any further or additional review, examination or audit of the expenditures or costs for which such tax credits were issued. The sole and exclusive remedy of the department and the commissioner shall be to seek collection of the amount of such tax credits from the entity that committed the fraud or misrepresentation.

(f) The department, in consultation with the commissioner, **[**shall**]** may adopt regulations, in accordance with the provisions of chapter 54, as may be necessary for the administration of this section.

Sec. 5. (NEW) (*Effective July 1, 2025*) The Department of Economic and Community Development may establish and administer a program for the sale of Connecticut brand merchandise and advertising space for Connecticut businesses. All proceeds derived from the operation of such program shall be deposited in the Tourism Fund.

Sec. 6. Section 32-7v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) (1) The Commissioner of Economic and Community Development shall, within available resources, establish a workforce **[**development**]** incentive program to provide grants to **[**nonprofit organizations**]** employers that employ individuals with intellectual disability, as defined in section 1-1g. Such grants shall be awarded for infrastructure expenditures, **[**start-up**]** programmatic costs or expansion costs.

(2) Any **[**nonprofit organization that**]** employer that (A) employs, at the time of application, a workforce of which not less than **[**ten**]** five per cent consists of individuals with intellectual disability, as defined in section 1-1g, who have been employed for a period of not less than six months in the previous calendar year and are paid not less than the minimum fair wage established pursuant to section 31-58, and (B) provides such individuals with competitive integrated employment, as that term is defined in 34 CFR 361.5(c)(9), as amended from time to time, may apply for a grant under the program.

(3) Grants awarded pursuant to this section shall not exceed:

(A) Twenty-five thousand dollars per **[**nonprofit organization**]** employer employing a workforce of which between **[**ten**]** five and **[**thirty**]** twenty per cent, inclusive, consists of such individuals with intellectual disability; and

(B) Seventy-five thousand dollars per **[**nonprofit organization**]** employer employing a workforce of which more than **[**thirty**]** twenty-one per cent, but not more than thirty per cent, consists of such individuals with intellectual disability.

(b) The Department of Economic and Community Development may enter into an agreement, pursuant to chapter 55a, with a person, firm, corporation or other entity to operate the program established pursuant

to this section.

(c) The commissioner shall prescribe the form and manner of the application and such application procedure shall include a competitive award process.

Sec. 7. Section 32-5a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

The Commissioner of Economic and Community Development and the board of directors of Connecticut Innovations, Incorporated shall require, as a condition of any financial assistance provided on and after June 23, 1993, under any program administered by the Department of Economic and Community Development or such corporation to any business organization, except for a business organization that receives any such financial assistance in an amount not more than fifty thousand dollars and is an eligible small business, as defined in section 31-3pp, or under any assistance program that is funded entirely by the federal government, in which case the commissioner may require, that such business organization: (1) Shall not relocate outside of the state for ten years after receiving such assistance or during the term of a loan or loan guarantee, whichever is longer, unless the full amount of the assistance is repaid to the state and a penalty equal to five per cent of the total assistance received is paid to the state, except that this subdivision shall not be applicable to financial assistance by the corporation in the form of an equity investment or other financial assistance, including a convertible or seed loan, with predominantly equity characteristics, and (2) shall, if the business organization relocates within the state during such period, offer employment at the new location to its employees from the original location if such employment is available. For the purposes of subdivision (1) of this section, the value of a guarantee shall be equal to the amount of the state's liability under the guarantee. As used in this section, "financial assistance" does not include any tax credit program administered by the Department of Economic and Community

Development or Connecticut Innovations, Incorporated, and "relocate" means the physical transfer of a substantial portion, as determined by the Commissioner of Economic and Community Development, of the operations of a business or any division of a business that independently receives any financial assistance from the state from the location such business or division occupied at the time it accepted the financial assistance to another location. Notwithstanding the provisions of this section, the Commissioner of Economic and Community Development shall adopt regulations in accordance with chapter 54 to establish the terms and conditions of repayment, including specifying the conditions under which repayment may be deferred, following a determination by the commissioner of a legitimate hardship.

Sec. 8. Subsection (a) of section 32-228 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) The Commissioner of Economic and Community Development may, with the approval of the Commissioner of Administrative Services, the Secretary of the Office of Policy and Management and the State Properties Review Board, sell, exchange, lease or enter into agreements concerning any real property belonging to the state and transferred to the custody and control of the Department of Economic and Community Development. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to this section, that such real property be used primarily for manufacturing or economic base businesses, **[**or for**]** business support services or cultural or historical attractions or sites. Prior to any such sale, exchange, lease or agreement, the commissioner shall consult with each municipality in which the land, improvement or interest is located.

Sec. 9. (NEW) (*Effective July 1, 2025*) The state, acting through the Department of Economic and Community Development or any other state agency, governmental entity or the private sector, may, within

available appropriations, provide financial assistance, lend staff or provide other in-kind contributions to any nonprofit in the state established, in part, to (1) carry out the purpose of providing technical assistance and business expertise to new companies located in or planning to locate in the state, or (2) promote economic growth and business expansion in the state through the collection, organization and dissemination of information, expertise and other resources for use by individuals and groups.

Sec. 10. Subsection (a) of section 12-211a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) Notwithstanding any provision of the general statutes, and except as otherwise provided in subdivision **[**(5)**]** (6) of this subsection or in subsection (b) of this section, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter for any calendar year shall not exceed seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to such calendar year of the taxpayer prior to the application of such credit or credits.

(2) For the calendar year commencing January 1, 2011, "type one tax credits" means tax credits allowable under section 12-217jj, as amended by this act, 12-217kk, as amended by this act, or 12-217*ll*; "type two tax credits" means tax credits allowable under section 38a-88a; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

(3) For the calendar year commencing January 1, 2012, "type one tax credits" means the tax credit allowable under section 12-217*ll*; "type two tax credits" means tax credits allowable under section 38a-88a; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

(4) For calendar years commencing on or after January 1, 2013, and prior to January 1, 2025, "type one tax credits" means the tax credit allowable under sections 12-217jj, as amended by this act, 12-217kk, as amended by this act, and 12-217*ll*; "type two tax credits" means tax credits allowable under section 38a-88a; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

(5) For calendar years commencing on or after January 1, 2025, "type one tax credits" means the tax credit allowable under sections 12-217jj, as amended by this act, and 12-217kk, as amended by this act; "type two tax credits" means tax credits allowable under section 38a-88a; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the

application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

[(5)**]** (6) For calendar years commencing on or after January 1, 2011, and subject to the provisions of subdivisions (2), (3), **[**and**]** (4) and (5) of this subsection, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter shall not exceed:

(A) If the tax credit or credits being claimed by a taxpayer are type three tax credits only, thirty per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credit or credits.

(B) If the tax credit or credits being claimed by a taxpayer are type one tax credits and type three tax credits, but not type two tax credits, fifty-five per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credit or credits, provided (i) type three tax credits shall be claimed before type one tax credits are claimed, (ii) the type three tax credits being claimed may not exceed the thirty per cent threshold, and (iii) the sum of the type one tax credits and the type three tax credits being claimed may not exceed the fifty-five per cent threshold.

(C) If the tax credit or credits being claimed by a taxpayer are type two tax credits and type three tax credits, but not type one tax credits, seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credit or credits, provided (i) type three tax credits shall be claimed before type two tax credits are claimed, (ii) the type three tax credits being claimed may not exceed the thirty per cent

threshold, and (iii) the sum of the type two tax credits and the type three tax credits being claimed may not exceed the seventy per cent threshold.

(D) If the tax credit or credits being claimed by a taxpayer are type one tax credits, type two tax credits and type three tax credits, seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credits, provided (i) type three tax credits shall be claimed before type one tax credits or type two tax credits are claimed, and the type one tax credits shall be claimed before the type two tax credits are claimed, (ii) the type three tax credits being claimed may not exceed the thirty per cent threshold, (iii) the sum of the type one tax credits and the type three tax credits being claimed may not exceed the fifty-five per cent threshold, and (iv) the sum of the type one tax credits, the type two tax credits and the type three tax credits being claimed may not exceed the seventy per cent threshold.

(E) If the tax credit or credits being claimed by a taxpayer are type one tax credits and type two tax credits only, but not type three tax credits, seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credits, provided (i) the type one tax credits shall be claimed before type two tax credits are claimed, (ii) the type one tax credits being claimed may not exceed the fifty-five per cent threshold, and (iii) the sum of the type one tax credits and the type two tax credits being claimed may not exceed the seventy per cent threshold.

Sec. 11. Subdivision (10) of subsection (a) of section 32-1m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(10) An overview of the department's activities concerning digital media, motion pictures and related production activity, and an analysis of the use of the film production tax credit established under section 12-

217jj, as amended by this act, and the entertainment industry infrastructure tax credit established under section 12-217kk, as amended by this act, **[**and the digital animation production tax credit established under section 12-217*ll*,**]** including the amount of any tax credit issued under said sections, the total amount of production expenses or costs incurred in the state by the taxpayer who was issued such a tax credit and the information submitted in the report required under subparagraph (A) of subdivision **[**(1)**]** (2) of subsection (h) of section 12-217jj, as amended by this act.

Sec. 12. Subdivision (6) of section 32-1p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(6) To prepare an explanatory guide showing the impact of relevant state and municipal tax statutes, regulations and administrative opinions on typical production activities and to implement the tax credits provided for in sections 12-217jj, as amended by this act, and 12-217kk, as amended by this act; **[**and 12-217*ll*;**]**

Sec. 13. Section 12-217*ll* of the general statutes is repealed. (*Effective from passage*)

Governor's Action:
Approved July 1, 2025