



# House of Representatives

General Assembly

**File No. 377**

February Session, 2026

House Bill No. 5247

*House of Representatives, April 2, 2026*

The Committee on Energy and Technology reported through REP. STEINBERG of the 136th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING A TEST BED TECHNOLOGIES PROGRAM  
AND THE JOBSCT TAX REBATE PROGRAM.***

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) (1) There is established  
2 a test bed technologies advisory board, which shall, within available  
3 appropriations, meet not less than twice annually to undertake the  
4 advisory board's powers and duties pursuant to this section. The  
5 advisory board shall be an independent body within the Department of  
6 Economic and Community Development for administrative purposes  
7 only. The advisory board shall consist of the following members, who  
8 shall have experience working in private sector businesses or in state  
9 agencies: (A) One appointed by the Governor; (B) one appointed by the  
10 Commissioner of Economic and Community Development; (C) one  
11 appointed by the Treasurer; (D) one appointed by the Comptroller; and  
12 (E) one appointed by the Commissioner of Administrative Services in  
13 consultation with the chief executive officer of a nonprofit organization  
14 that operates an applied technology demonstration and training center.

15 (2) If, in the exercise of the advisory board's powers and duties  
16 pursuant to this section, the advisory board finds that (A) the use of a  
17 certain technology, product or process would promote operational cost  
18 reduction, and (B) the use of such technology, product or process would  
19 be feasible in the operations of a state agency and would not have any  
20 detrimental effect on such operations, the advisory board shall  
21 recommend that such agency undertake a pilot test bed program during  
22 which such agency shall use such technology, product or process in the  
23 operations of such agency on a temporary basis. The purpose of such  
24 pilot test bed program shall be to validate the effectiveness of such  
25 technology, product or process in reducing operational costs.

26 (3) The advisory board shall not recommend a pilot test bed program  
27 by a state agency for any such technology, product or process pursuant  
28 to this section unless the business that manufactures or markets the  
29 technology, product or process demonstrates that (A) the use of such  
30 technology, product or process by such agency will not adversely affect  
31 safety, (B) the technology, product or process is presently available for  
32 commercial sale and distribution or has potential for commercialization  
33 not later than two years following the completion of such pilot test bed  
34 program by such agency pursuant to this section, (C) such technology,  
35 product or process was not developed by a business that is eligible to  
36 participate in such pilot test bed program established pursuant to  
37 section 32-39e of the general statutes, (D) such business maintains  
38 documentation concerning any patent for such technology, product or  
39 process and any related intellectual property, and (E) such business is  
40 certified as a small contractor or a minority business enterprise by the  
41 Commissioner of Administrative Services pursuant to section 4a-60g of  
42 the general statutes.

43 (4) The advisory board shall evaluate the effectiveness of any pilot  
44 test bed program administered pursuant to this section. Not later than  
45 October 1, 2030, the advisory board shall submit a report, in accordance  
46 with the provisions of section 11-4a of the general statutes, concerning  
47 the findings of such evaluations to the joint standing committee of the  
48 General Assembly having cognizance of matters relating to energy and

49 technology.

50 (b) (1) The commissioner of each state agency shall administer pilot  
51 test bed programs at state agencies for the use of technologies, products  
52 or processes that promote operational cost reduction. The purpose of  
53 such pilot test bed programs shall be to validate the effectiveness of such  
54 technologies, products or processes in reducing operational costs.

55 (2) (A) A person who seeks to participate in such a program shall  
56 submit an application to the advisory board. The advisory board shall  
57 prescribe the form and manner of such application. An applicant shall  
58 include in each application an assessment of the potential viability of a  
59 pilot test bed program of such technology, product or process at such  
60 agency. Such assessment shall be conducted by an independent  
61 consulting firm or a market research firm that specializes in market  
62 research for similar technologies, products or processes described in  
63 such application. Such independent consulting firm or market research  
64 firm shall be classified as a provider of services under the Department  
65 of Administrative Services industry code of 6000 for research and  
66 development services or the North American Industry Classification  
67 System code of 541910 for marketing research and public opinion  
68 polling.

69 (B) Any applicant selected to participate in a pilot test bed program  
70 pursuant to this section shall only participate in one such program for  
71 one state agency.

72 (c) Not later than thirty days after receipt of an application pursuant  
73 to subdivision (2) of subsection (b) of this section, the advisory board  
74 shall evaluate any technology, product or process that is the subject of  
75 such application and make a recommendation pursuant to subdivision  
76 (2) of subsection (a) of this section if such recommendation is deemed  
77 warranted by the advisory board.

78 (d) If the advisory board recommends that a state agency undertake  
79 a pilot test bed program, such agency, notwithstanding the  
80 requirements of chapter 58 of the general statutes, may accept delivery

81 of such technology, product or process and undertake such pilot test bed  
82 program during which such agency shall use such technology, product  
83 or process in the operations of such agency on a temporary basis. The  
84 duration of such pilot test bed program shall be not less than thirty days  
85 and not more than sixty days.

86 (e) Any costs associated with the acquisition and use of such  
87 technology, product or process by a state agency for a pilot test bed  
88 program pursuant to this section shall be paid by the applicant. The  
89 acquisition of any technology, product or process for a pilot test bed  
90 program pursuant to this section shall not be deemed to be a purchase  
91 under the provisions of state procurement law. The applicant shall  
92 maintain records related to any such pilot test bed program, as required  
93 by the advisory board. Any proprietary information derived from such  
94 pilot test bed program shall be exempt from the provisions of subsection  
95 (a) of section 1-210 of the general statutes.

96 (f) If the commissioner of the state agency that tested such  
97 technology, product or process determines that the pilot test bed  
98 program sufficiently demonstrates that the technology, product or  
99 process promotes operational cost reduction, the commissioner of such  
100 agency may request that the Commissioner of Administrative Services  
101 (1) procure such technology for use by such state agency, and (2) make  
102 such procurement pursuant to a request for proposal. If the  
103 Commissioner of Administrative Services grants a request to procure  
104 such technology for any state agency, the Commissioner of  
105 Administrative Services shall make information regarding such  
106 procurement available to all state agencies on the Internet web site of  
107 the Department of Administrative Services.

108 (g) The commissioner of a state agency may identify a technology,  
109 product or process that meets the criteria described in subdivision (3) of  
110 subsection (a) of this section and that has been tested by a municipality  
111 and demonstrated to promote operational cost reduction. Such  
112 commissioner may file a request to the advisory board for a  
113 recommendation to test such technology, product or process in the state

114 agency. Not later than thirty days after receipt of such request, the  
115 advisory board shall evaluate the technology, product or process and  
116 make a recommendation pursuant to subdivision (2) of subsection (a) of  
117 this section. If the advisory board recommends such technology,  
118 product or process, such agency shall undertake a pilot test bed  
119 program in accordance with the provisions of subsections (d) to (f),  
120 inclusive, of this section.

121 Sec. 2. Section 32-7t of the 2026 supplement to the general statutes is  
122 repealed and the following is substituted in lieu thereof (*Effective October*  
123 *1, 2026, and applicable to taxable years commencing on and after January 1,*  
124 *2027*):

125 (a) As used in this section:

126 (1) "Commissioner" means the Commissioner of Economic and  
127 Community Development;

128 (2) "Discretionary FTE" means an FTE that is paid qualified wages  
129 and does not meet the threshold wage requirements to be a qualified  
130 FTE but is approved by the commissioner pursuant to subdivision (4) of  
131 subsection (c) of this section;

132 (3) "Distressed municipality" has the same meaning as provided in  
133 section 32-9p;

134 (4) "Full-time equivalent" or "FTE" means the number of employees  
135 employed at a qualified business, calculated in accordance with  
136 subsection (d) of this section;

137 (5) "Full-time job" means a job in which an employee is required to  
138 work at least thirty-five or more hours per week. "Full-time job" does  
139 not include a temporary or seasonal job;

140 (6) "Intellectual disability" has the same meaning as provided in  
141 section 1-1g;

142 (7) "Median household income" means the median annual household

143 income for residents in a municipality as calculated from the U.S.  
144 Census Bureau's five-year American Community Survey or another  
145 data source, at the sole discretion of the commissioner;

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

153 (9) "New FTEs" means the number of FTEs that (A) did not exist in  
154 this state at the time of a qualified business's application to the  
155 commissioner for a rebate allocation notice for a job creation rebate  
156 pursuant to subsection (c) of this section, (B) are not the result of FTEs  
157 acquired due to a merger or acquisition, (C) are filled by a new  
158 employee, (D) are qualified FTEs, and (E) are not FTEs hired to replace  
159 FTEs that existed in the state [within the two-year period occurring  
160 immediately prior to the date a qualified business submits an  
161 application to the commissioner for a rebate pursuant to subsection (c)  
162 of this section] after January 1, 2020. The commissioner may issue  
163 guidance on the implementation of this definition;

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

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

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

173 (13) "Part-time job" means a job in which an employee is required to

174 work less than thirty-five hours per week. "Part-time job" does not  
175 include a temporary or seasonal job;

176 (14) "Qualified business" means a person that is (A) engaged in  
177 business in an industry related to finance, insurance, manufacturing,  
178 clean energy, bioscience, technology, digital media or any similar  
179 industry, as determined by the sole discretion of the commissioner, and  
180 (B) subject to taxation under chapter 207, 208 or 228z;

181 (15) "Qualified FTE" means an FTE who is paid qualified wages [in  
182 an amount that is not less than at least one of the following amounts: (A)  
183 At] of at least eighty-five per cent of the median household income for  
184 the location where the FTE position is primarily located, scaled in  
185 proportion to the FTE fraction, or [the product of one hundred twenty  
186 per cent of the minimum fair wage, as defined in section 31-58, on the  
187 date a qualified business submits an application to the commissioner for  
188 a rebate pursuant to subsection (c) of this section multiplied by two  
189 thousand hours, scaled in proportion to the FTE fraction, whichever is  
190 greater, or (B) at least one hundred per cent of the median household  
191 income for the municipality with the lowest median household income  
192 of all municipalities that are contiguous to the municipality where the  
193 FTE position is primarily located, scaled in proportion to the FTE  
194 fraction, or one hundred per cent of the state-wide median household  
195 income] thirty-seven thousand five hundred dollars, scaled in  
196 proportion to the FTE fraction, whichever is greater;

197 (16) "Qualified wages" means wages sourced to this state pursuant to  
198 section 12-705;

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

202 (18) "Related person" means (A) a corporation, limited liability  
203 company, partnership, association or trust controlled by the qualified  
204 business, (B) an individual, corporation, limited liability company,  
205 partnership, association or trust that is in control of the qualified

206 business, (C) a corporation, limited liability company, partnership,  
207 association or trust controlled by an individual, corporation, limited  
208 liability company, partnership, association or trust that is in control of  
209 the qualified business, or (D) a member of the same controlled group as  
210 the qualified business. For the purposes of this subdivision, "control"  
211 means (i) ownership, directly or indirectly, of stock possessing fifty per  
212 cent or more of the total combined voting power of all classes of the  
213 stock of a corporation entitled to vote, (ii) ownership, directly or  
214 indirectly, of fifty per cent or more of the capital or profits interest in a  
215 partnership, limited liability company or association, or (iii) ownership,  
216 directly or indirectly, of fifty per cent or more of the beneficial interest  
217 in the principal or income of a trust. The ownership of stock in a  
218 corporation, of a capital or profits interest in a partnership, of a limited  
219 liability company or association or of a beneficial interest in a trust shall  
220 be determined in accordance with the rules for constructive ownership  
221 of stock provided in Section 267(c) of the Internal Revenue Code of 1986,  
222 or any subsequent corresponding internal revenue code of the United  
223 States, as amended from time to time, other than paragraph (3) of said  
224 section.

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

230 (c) (1) To be eligible to claim a rebate under this section, a qualified  
231 business shall apply to the commissioner in accordance with the  
232 provisions of this subsection. The application shall be on a form  
233 prescribed by the commissioner and may require information,  
234 including, but not limited to, the number of new FTEs to be created by  
235 the qualified business, the number of current FTEs employed by the  
236 qualified business, feasibility studies or business plans for the increased  
237 number of FTEs, projected state and local revenue that may reasonably  
238 derive as a result of the increased number of FTEs and any other  
239 information necessary to determine whether there will be net benefits to

240 the economy of the municipality or municipalities in which the qualified  
241 business is primarily located and the state.

242 (2) Upon receipt of an application, the commissioner shall determine  
243 (A) whether the qualified business making the application will be  
244 reasonably able to meet the FTE hiring targets and other metrics as  
245 presented in such application, (B) whether such qualified business's  
246 proposed job growth would provide a net benefit to economic  
247 development and employment opportunities in the state, and (C)  
248 whether such qualified business's proposed job growth will exceed the  
249 number of jobs at the business that existed prior to [the two-year period  
250 occurring immediately prior to the date a qualified business submits an  
251 application to the commissioner for a rebate pursuant to this subsection]  
252 January 1, 2020. The commissioner may require the applicant to submit  
253 additional information to evaluate an application. Each qualified  
254 business making an application shall satisfy the requirements of this  
255 subdivision, as determined by the commissioner, to be eligible for the  
256 JobsCT tax rebate program. [, except that if the commissioner  
257 determines that the applicant is not reasonably able to satisfy the targets  
258 and metrics under subparagraph (A) of this subdivision, the  
259 commissioner may substitute another requirement or metric similar in  
260 intent to the requirement or metric such applicant was determined to  
261 not be able to reasonably satisfy.]

262 (3) The commissioner, upon consideration of an application and any  
263 additional information, may approve an application in whole or in part  
264 or may approve an application with amendments. [, provided the  
265 commissioner may give preference to applications that: (A) Make  
266 significant investments in environmentally sustainable practices,  
267 including, but not limited to, zero-carbon energy and energy efficiency,  
268 (B) are in sectors of the economy such as renewable energy, energy  
269 efficiency and zero-emission vehicles, or (C) are for farming operations  
270 that are sustainable from a climate perspective.] If the commissioner  
271 disapproves an application, the commissioner shall identify the defects  
272 in such application and explain the specific reasons for the disapproval.  
273 The commissioner shall render a decision on an application not later

274 than ninety days after the date of its receipt by the commissioner.

275 (4) The commissioner may approve an application in whole or in part  
276 by a qualified business that creates new discretionary FTEs or may  
277 approve such an application with amendments if a majority of such new  
278 discretionary FTEs are individuals who (A) because of a disability, are  
279 receiving or have received services from the Department of Aging and  
280 Disability Services; (B) are receiving employment services from the  
281 Department of Mental Health and Addiction Services or participating in  
282 employment opportunities and day services, as defined in section 17a-  
283 226, operated or funded by the Department of Developmental Services;  
284 (C) have been unemployed for at least six of the preceding twelve  
285 months; (D) have been convicted of a misdemeanor or felony; (E) are  
286 veterans, as defined in section 27-103; (F) have not earned any  
287 postsecondary credential and are not currently enrolled in a  
288 postsecondary institution or program; or (G) are currently enrolled in a  
289 workforce training program fully or substantially paid for by the  
290 employer that results in such individual earning a postsecondary  
291 credential.

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

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

299 (7) The commissioner shall issue a rebate allocation notice stating the  
300 maximum amount of each rebate available to an approved qualified  
301 business for the rebate period and the specific terms that such business  
302 shall meet to qualify for each rebate. Such notice shall certify to the  
303 approved qualified business that the rebates may be claimed by such  
304 business if it meets the specific terms set forth in the notice. Such terms  
305 shall include the required wage, as determined by the commissioner,  
306 such business shall pay new discretionary FTEs to qualify for the tax

307 rebates provided in subsection (f) of this section.

308 (d) For the purposes of this section, the FTE of a full-time job or part-  
309 time job is based on the hours worked or expected to be worked by an  
310 employee in a calendar year. A job in which an employee worked or is  
311 expected to work one thousand seven hundred fifty hours or more in a  
312 calendar year equals one FTE. A job in which an employee worked or is  
313 expected to work less than one thousand seven hundred fifty hours  
314 equals a fraction of one FTE, where the fraction is the number of hours  
315 worked in a calendar year divided by one thousand seven hundred fifty.  
316 The commissioner shall have the discretion to adjust the calculation of  
317 FTE.

318 (e) (1) In each calendar year of the rebate period, a qualified business  
319 approved by the commissioner pursuant to subdivision (3) of subsection  
320 (c) of this section that employs at least twenty-five new FTEs in this state  
321 or, if at least one of the new FTEs is an individual with intellectual  
322 disability, [or at least three of the new FTEs are individuals who reside  
323 in a concentrated poverty census tract, as defined in section 32-7x,]  
324 fifteen new FTEs in this state, by December thirty-first of the calendar  
325 year that is two calendar years prior to the calendar year in which the  
326 rebate is being claimed shall be allowed a rebate equal to the greater of  
327 the following amounts:

328 (A) The sum of:

329 (i) The lesser of (I) the new FTEs created in an opportunity zone or  
330 distressed municipality on December thirty-first of the calendar year  
331 that is two calendar years prior to the calendar year in which the rebate  
332 is being claimed, [or] (II) the new FTEs maintained in an opportunity  
333 zone or distressed municipality in the previous calendar year, (III) the  
334 new FTEs created by a qualified business employing at least one new  
335 FTE who is an individual with intellectual disability, or (IV) the new  
336 FTEs maintained by a qualified business employing at least one new  
337 FTE who is an individual with intellectual disability, multiplied by fifty  
338 per cent of the income tax that would be paid on the average wage of  
339 the new FTEs, as determined by the applicable marginal rate set forth in

340 chapter 229 for an unmarried individual based solely on such wages;  
341 and

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

350 (B) The greater of:

351 (i) One thousand dollars multiplied by the lesser of (I) the new FTEs  
352 created by December thirty-first of the calendar year that is two calendar  
353 years prior to the calendar year in which the rebate is being claimed, or  
354 (II) the new FTEs maintained in the calendar year immediately prior to  
355 the calendar year in which the rebate is being claimed; or

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

361 (2) [Except as provided in subdivision (4) of this subsection, in] In no  
362 event shall the rebate under this subsection exceed in any calendar year  
363 of the rebate period five thousand dollars multiplied by the lesser of (A)  
364 the new FTEs created by December thirty-first of the calendar year that  
365 is two calendar years prior to the calendar year in which the rebate is  
366 being claimed, or (B) the new FTEs maintained in the calendar year  
367 immediately prior to the calendar year in which the rebate is being  
368 claimed.

369 (3) In no event shall an approved qualified business receive a rebate  
370 under this subsection in any calendar year of the rebate period if such

371 business has not maintained, in the calendar year immediately prior to  
372 the calendar year in which the rebate is being claimed, at least (A)  
373 twenty-five new FTEs, or (B) fifteen new FTEs, if at least one of the new  
374 FTEs is an individual with intellectual disability. [or at least three of the  
375 new FTEs are individuals who reside in a concentrated poverty census  
376 tract, as defined in section 32-7x.

377 (4) An approved qualified business that, by December thirty-first of  
378 the calendar year immediately prior to the calendar year in which the  
379 rebate is being claimed, employs at least fifteen new FTEs where at least  
380 one of the new FTEs is an individual with intellectual disability shall be  
381 allowed an additional rebate equal to twenty-five per cent of the wages  
382 paid to each such individual during the calendar year in which the  
383 rebate is being claimed. The rebate allowed under this subdivision shall  
384 be added to any other rebate allowed under this subsection.]

385 (f) (1) In each calendar year of the rebate period, a qualified business  
386 approved by the commissioner pursuant to subdivision (4) of subsection  
387 (c) of this section that employs at least twenty-five new discretionary  
388 FTEs in this state by December thirty-first of the calendar year that is  
389 two calendar years prior to the calendar year in which the rebate is being  
390 claimed shall be allowed a rebate equal to the sum of the amount  
391 calculated pursuant to subdivision (1) of subsection (e) of this section  
392 and the greater of the following:

393 (A) The sum of:

394 (i) The lesser of the new discretionary FTEs (I) created in an  
395 opportunity zone or distressed municipality on December thirty-first of  
396 the calendar year that is two calendar years prior to the calendar year in  
397 which the rebate is being claimed, or (II) maintained in an opportunity  
398 zone or distressed municipality in the previous calendar year,  
399 multiplied by fifty per cent of the income tax that would be paid on the  
400 average wage of the new discretionary FTEs, as determined by the  
401 applicable marginal rate set forth in chapter 229 for an unmarried  
402 individual based solely on such wages; and

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

412 (B) The greater of:

413 (i) Seven hundred fifty dollars multiplied by the lesser of the new  
414 discretionary FTEs (I) created by December thirty-first of the calendar  
415 year that is two calendar years prior to the calendar year in which the  
416 rebate is being claimed, or (II) maintained in the calendar year  
417 immediately prior to the calendar year in which the rebate is being  
418 claimed; or

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

424 (2) In no event shall the rebate under this [subsection] section exceed  
425 in any calendar year of the rebate period five thousand dollars  
426 multiplied by the lesser of the new discretionary FTEs (A) created by  
427 December thirty-first of the calendar year that is two calendar years  
428 prior to the calendar year in which the rebate is being claimed, or (B)  
429 maintained in the calendar year immediately prior to the calendar year  
430 in which the rebate is being claimed.

431 (3) In no event shall an approved qualified business receive a rebate  
432 under this subsection in any calendar year of the rebate period if such  
433 business has not maintained at least twenty-five new discretionary FTEs  
434 in the calendar year immediately prior to the calendar year in which the

435 rebate is being claimed.

436 [(g) In addition to the rebates allowed under subsections (e) and (f) of  
437 this section, on and after January 1, 2025, an approved qualified business  
438 that employs at least one new FTE that is an individual who resides in a  
439 concentrated poverty census tract, as defined in section 32-7x, shall be  
440 allowed an additional rebate equal to fifty per cent of the income tax that  
441 would be paid on the wages paid to such individual during the calendar  
442 year immediately prior to the calendar year in which the rebate is being  
443 claimed, as determined by the applicable marginal rate set forth in  
444 chapter 229 for an unmarried individual based solely on such wages,  
445 provided such individual was a resident of such census tract for at least  
446 six months of the calendar year immediately prior to the calendar year  
447 in which the rebate is being claimed.]

448 [(h)] (g) (1) Notwithstanding the provisions of subdivisions (3) and  
449 (4) of subsection (c) of this section, the commissioner may not approve  
450 an application in whole or in part if the full amount of rebates that such  
451 applicant may be paid pursuant to subsection (e) [.] or (f) [or (g)] of this  
452 section would result in the aggregate amount of rebates issued to all  
453 approved qualified businesses under this section exceeding forty  
454 million dollars in any fiscal year.

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

461 [(i)] (h) (1) A rebate under this section may be granted to an approved  
462 qualified business for not more than seven successive calendar years. A  
463 rebate shall not be granted until at least twenty-four months after the  
464 commissioner's approval of a qualified business's application.

465 (2) An approved qualified business that has fewer than twenty-five  
466 new FTEs or, if at least one of the new FTEs is an individual with

467 intellectual disability, [or at least three of the new FTEs are individuals  
468 who reside in a concentrated poverty census tract, as defined in section  
469 32-7x,] fewer than fifteen new FTEs, created in each of two consecutive  
470 calendar years or, if such business is approved by the commissioner  
471 pursuant to subdivision (4) of subsection (c) of this section, fewer than  
472 twenty-five new discretionary FTEs in each of two consecutive calendar  
473 years shall forfeit all remaining rebate allocations, unless the  
474 commissioner recognizes mitigating circumstances of a regional or  
475 national nature, including, but not limited to, a recession.

476 [(j)] (i) Not later than January thirty-first of each year during the  
477 rebate period, each approved qualified business shall provide  
478 information to the commissioner regarding the number of new FTEs or  
479 new discretionary FTEs created or maintained during the prior calendar  
480 year and the qualified wages of such new employees. Any information  
481 provided under this subsection shall be subject to audit by the  
482 Department of Economic and Community Development.

483 [(k)] (j) Not later than March fifteenth of each year during the rebate  
484 period, the Department of Economic and Community Development  
485 shall issue the approved qualified business a rebate voucher that sets  
486 forth the amount of the rebate, as calculated pursuant to subsections (e)  
487 [ ] or (f) [and (g)] of this section, and the taxable year against which such  
488 rebate may be claimed. The approved qualified business shall claim  
489 such rebate as a credit against the taxes due under chapter 208 or 228z  
490 or as an offset of the tax imposed under chapter 207. The commissioner  
491 shall annually provide to the Commissioner of Revenue Services a  
492 report detailing all rebate vouchers that have been issued under this  
493 section.

494 [(l)] (k) Beginning on January 1, 2023, and annually thereafter, the  
495 commissioner, in consultation with the office of the State Comptroller  
496 and the Auditors of Public Accounts, shall submit a report to the Office  
497 of Policy and Management on the expenses of the JobsCT tax rebate  
498 program and the number of FTEs and discretionary FTEs created and  
499 maintained.

500 [(m)] (l) Not later than January 1, 2025, the commissioner shall post,  
 501 on the Department of Economic and Community Development's  
 502 Internet web site, information on the JobsCT tax rebate program  
 503 established under this section, including, but not limited to, information  
 504 concerning tax rebates available for qualified businesses that, in  
 505 accordance with the provisions of this section, employ individuals with  
 506 intellectual disability in this state.

507 (m) As used in this subsection, "affected business entity" and  
 508 "member" have the same meanings as provided in subsection (a) of  
 509 section 12-699. An affected business entity that receives a rebate under  
 510 this section shall claim such rebate as a credit against the tax due under  
 511 chapter 228z. If the amount of the rebate allowed pursuant to this section  
 512 exceeds the liability for the tax imposed under chapter 228z, the  
 513 Commissioner of Revenue Services shall treat such excess as an  
 514 overpayment and shall refund the amount of such excess, without  
 515 interest, to the taxpayer. With respect to an affected business entity  
 516 granted a rebate pursuant to this section, the credit available to the  
 517 members of such entity pursuant to subdivision (1) of subsection (f) of  
 518 section 12-699 shall be based upon the amount of tax due under chapter  
 519 228z from such entity prior to the application of the rebate granted  
 520 pursuant to this section and any other payments made against such tax  
 521 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section
Sec. 2	October 1, 2026, and applicable to taxable years commencing on and after January 1, 2027	32-7t

**ET** Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Economic & Community Development	GF - Cost	At least 28,100	At least 37,500
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	11,800	15,700

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill results in a cost of at least \$39,900 in FY 27 and \$53,200 in FY 28 and each year thereafter to the Department of Economic and Community Development by creating an advisory board within the Department of Economic and Community Development (DECD) to administer a pilot test bed program. It is anticipated that DECD will require 0.5 full-time equivalent staff at an annualized cost of \$53,200 (\$37,500 in salary and \$15,700 in fringe benefits) to assist the advisory board in administering the program.

There is also a potential cost to this advisory board to the extent that expert third party consultation is needed by the board to fully evaluate an applicant's proposed test project. The actual cost will depend upon the type of project in the application. It is anticipated that the board will consult with experts in state agencies, such as Connecticut Innovations

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

or the Department of Administrative Services, when applicable, at no cost to the state.

The bill requires any costs associated with the acquisition and use of a test project to be borne by the applicant. Any cost to implement a test project will therefore be incurred by the applicant and not the state.

**Section 2**, which makes various changes to the JobsCT Tax Rebate program, does not result in any revenue impact as it does not alter the aggregate \$40 million cap on credits allowed under the program.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 5247*****AN ACT CONCERNING A TEST BED TECHNOLOGIES PROGRAM AND THE JOBSCT TAX REBATE PROGRAM.*****SUMMARY**

This bill requires each state agency's commissioner to administer a pilot test bed program to test the effectiveness of certain technologies, products, or processes ("test projects") at reducing operating costs. Under the pilot program, the agency may temporarily use any test project recommended to it by an advisory board the bill establishes. This board, the Test Bed Technologies Advisory Board, may recommend test projects that (1) are manufactured or marketed by a certified small business or minority-owned enterprise and (2) may promote operational cost reductions at the agency and meet other criteria.

The bill also establishes a process for the state to procure for state agencies test projects shown to promote operational cost reduction. This process allows certain competitive bid or proposal requirements in existing law to be waived.

Separately, the bill also makes changes to the JobsCT Tax Rebate Program that generally (1) reverse changes made to the program over the past two year by PAs 24-149, 24-151, and 25-125 and (2) specify how the program's rebate applies to pass-through entity (PE) taxes (for example, by making it refundable under certain circumstances).

EFFECTIVE DATE: October 1, 2026, with the JobsCT provisions applicable to tax years starting on and after January 1, 2027.

**TEST BED TECHNOLOGIES ADVISORY BOARD**

The bill creates the board as an independent body within the Department of Economic and Community Development (DECD) for

administrative purposes only. Under the bill, the board has five members: one each appointed by the governor, the DECD commissioner, the treasurer, the comptroller, and the Department of Administrative Services (DAS) commissioner in consultation with the chief executive officer of a nonprofit operating an applied technology demonstration and training center. All members must have experience working in private sector businesses or state agencies. Within available appropriations, the board must meet at least twice each year to exercise its powers and duties.

## **OPERATIONAL COST REDUCTION PILOT PROGRAMS**

### ***Applications***

Under the bill, a person who wants to participate in a pilot program must apply to the Test Bed Technologies Advisory Board, in a form and way the board sets.

The application must include an assessment of the test project's viability for a pilot program, which must be done by an independent consulting firm or a market research firm that (1) specializes in technologies, products, or processes similar to those described in the application and (2) is a DAS research and development services provider or marketing research and public opinion polling provider under the North American Industry Classification System.

Under the bill, any applicant selected to participate in a pilot test bed program can only participate in one program for one state agency.

### ***Recommendation Criteria***

Within 30 days after receiving the application, the board must evaluate the test project and recommend it for an agency pilot program if it meets the criteria described below and the board deems the recommendation warranted.

Under the bill, the board must recommend a test project if it finds that doing so would (1) promote operational cost reduction, (2) be feasible in the state agency's operations, and (3) not have any detrimental effect on the operations. However, the bill expressly prohibits the board from

recommending a test project unless the business that manufactures or markets it shows that:

1. using it will not adversely affect safety;
2. it is presently available for commercial sale and distribution, or it has potential for commercialization within two years after the pilot test bed program concludes;
3. it was not developed by a business that is eligible to participate in an existing state statutory program administered by Connecticut Innovations, Incorporated for testing new or experimental technologies, products, or processes; and
4. if the test project or any related intellectual property is patented, the business maintains the associated documentation on it.

Additionally, the business that manufactures or markets it must be DAS-certified as a small contractor or a minority business enterprise (see BACKGROUND).

### ***Board Report***

The bill requires the board to evaluate the effectiveness of any pilot test bed program administered under the bill and submit a report on its findings to the Energy and Technology Committee by October 1, 2030.

### ***Test Program Implementation***

Under the bill, if the advisory board recommends that a state agency start a pilot program for the test project, the agency may use it in the agency's operations for not less than 30 days or more than 60 days. The agency may accept delivery of the test project and begin the program, regardless of the laws on state purchases.

The bill requires the applicant to pay any costs associated with the agency acquiring and using the test project. Under the bill, acquiring the test project for the program is not a purchase under the state procurement law's provisions. The applicant must maintain records related to the test program as the advisory board requires. Proprietary

information derived from the test program is exempt from the state's Freedom of Information Act.

### ***Post-Testing Procurement***

Under the bill, if the agency's commissioner determines that the pilot test bed program sufficiently shows that the test project promotes operational cost reduction, then he or she may ask the DAS commissioner to (1) procure the test project for the agency to use and (2) make the procurement under a request for proposal. If the commissioner grants a request to procure a test project for an agency, she must make information about the procurement available to all state agencies on the DAS website.

### ***Municipal Test Projects***

The bill also allows a state agency commissioner to identify a test project that (1) meets the criteria the Test Bed Advisory Committee must use to review other applications (see *Recommendation Criteria* above) and (2) has been tested by a municipality and shown to promote operational cost reduction. The commissioner may request that the advisory board recommend the project for testing and within 30 days after receiving the request, the board must evaluate the test project and make a recommendation using the same criteria described above. If the board recommends the test project, the agency must begin a pilot test bed program under the same implementation and procurement provisions described above.

## **JOBSCT TAX REBATE PROGRAM**

By law, DECD's JobsCT tax rebate program allows companies in specified industries to earn rebates against insurance premiums, corporation business, and pass-through entity (PE) taxes for reaching certain job creation targets generally measured in new full-time equivalent employees (FTEs) hired. The bill reverses the changes to the program made by public acts 24-149, 24-151, and 25-125, effectively leaving the program as it stood after the enactment of PA 23-137. It also specifies how the program's rebate applies to PE taxes.

**PA 25-125**

The bill eliminates a provision that currently allows the DECD commissioner to give a preference to program applications that (1) make significant investments in environmentally sustainable practices; (2) are in economic sectors such as renewable energy, energy efficiency, and zero-emission vehicles; or (3) are for farming operations that are sustainable from a climate perspective.

**PA 24-151**

The bill eliminates provisions that (1) decrease the number of FTEs that a business must create and maintain to be eligible for the rebate if at least three of these FTEs live in a concentrated poverty census tract and (2) allow the business to earn an additional rebate amount for each FTE who lives in one of these tracts, which may exceed the program's rebate cap.

**PA 24-149**

**FTE Definition.** By law, "new FTEs" are those that did not exist in the state when the business applied to the DECD commissioner for acceptance into the program. Current law, as enacted by PA 24-149, excludes FTEs hired to replace those that existed in the state in the two-year period immediately before the business submits its rebate application. The bill eliminates this exclusion and instead excludes FTEs hired to replace those that existed in the state after January 1, 2020 (the exclusion that existed before PA 24-149).

**FTE Wage Requirements.** To qualify as a new FTE under current law, an employee must be paid wages sourced to the state that are either:

1. the greater of (a) 85% of median household income for the FTE position's primary location or (b) 120% of the state minimum wage when the business applies to DECD for a rebate, multiplied by 2,000 hours, or
2. the greater of (a) at least 100% of the median household income for the municipality with the lowest median household income of all municipalities contiguous to the position's primary location

or (b) 100% of statewide median household income.

The bill eliminates these two alternatives. Instead, to qualify as a new FTE under the bill (as prior to PA 24-149), an employee must be paid wages sourced to the state of at least 85% of the median household income for the location where the position is primarily based, or \$37,500, whichever is greater.

**Alternative Metrics.** The law requires the DECD commissioner, when reviewing a business's JobsCT application, to determine whether the (1) business can reasonably meet the hiring targets and other metrics stated in the application and (2) proposed job growth would (a) provide a net benefit to economic development and employment opportunities in the state and (b) exceed a baseline number of jobs. Current law allows the commissioner, when he determines that a business cannot reasonably meet metrics and FTE hiring targets in its program application, to substitute another requirement or metric similar in intent to the requirement or metric the applicant could not reasonably meet. The bill eliminates this option and requires the business to meet each of the requirements to be eligible for the rebate program (as they had to prior to PA 24-149).

**People With Intellectual Disability.** The bill changes the rebate calculation for companies employing at least one new FTE who is a person with intellectual disability. Under current law, if the business creates and maintains at least 15 new FTEs and at least one of these FTEs is a person with intellectual disability, the business may claim an additional rebate for each person with intellectual disability that equals 25% of the calendar year wages paid to each of these people. Current law also allows these additional rebates to exceed the program's rebate cap.

The bill eliminates these provisions and instead qualifies businesses that meet the above criteria for a 50% rebate for new FTEs (rather than the program's standard 25% rate), based on the state income tax that would be paid by the new FTEs (as was the case prior to PA 24-149).

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**Pass Through Entity Tax**

Under the bill, “affected business entities” (generally partnerships and S corporations; referred to as PEs) that receive a rebate from the JobsCT tax rebate program must claim it as a credit against the PE tax. If the rebate amount exceeds their PE tax liability, the bill requires the revenue services commissioner to treat the excess as an overpayment and refund the excess amount without interest.

By law, if a PE member is an individual subject to the personal income tax the person can claim an income tax credit equal to his or her direct and indirect pro rata share of the tax paid by the PE of which he or she is a member, multiplied by 87.5%. Under the bill, for a PE granted a rebate from the program, the income tax credit must be based on the amount of PE tax due from the PE before applying the rebate and any other payments made against the tax due.

**BACKGROUND*****Small Contractors and Minority Business Enterprises***

By law, a “small contractor” is generally a:

1. contractor or subcontractor that (a) maintains its principal place of business in the state and (b) is registered as a small business in the federal database maintained by the U.S. General Services Administration, as required to do business with the federal government, or
2. nonprofit entity that (a) maintains its principal place of business in the state, (b) had gross revenues of \$20 million or less during its most recent fiscal year, and (c) is independent (generally not reliant on another entity in order to operate).

“Minority Business Enterprises” are generally small contractors with majority ownership by women, minorities, or people with disabilities. The owner must have (1) managerial and technical competence, (2) experience directly related to his or her principal business activities, and (3) the power to direct the enterprise’s management or policies (CGS § 4a-60g(a)).

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea 23 Nay 3 (03/17/2026)