

Commerce Committee JOINT FAVORABLE REPORT

Bill No: HB-5319 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT CONCERNING A RESEARCH AND DEVELOPMENT TAX CREDIT
Title: FOR SMALL BUSINESSES.

Vote Date: 3/5/2026

Vote Action: Joint Favorable Change of Reference to Finance, Revenue and Bonding

PH Date: 3/3/2026

File No.:

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SPONSORS OF BILL:

Commerce Committee

CO-SPONSORS OF BILL:

[Rep. Geraldo C. Reyes, 75th Dist.](#)

[Rep. Kerry S. Wood, 29th Dist.](#)

[Rep. Michael D. Quinn, 82nd Dist.](#)

[Rep. Ronald A. Napoli, 73rd Dist.](#)

[Rep. Savet Constantine, 42nd Dist.](#)

[Rep. Hector Arzeno, 151st Dist.](#)

REASONS FOR BILL:

To further support the economy of the state of Connecticut through focused support for small and midsized businesses. This bill allows for small and midsized businesses, categorized as pass through entities, to qualify for research and development (R&D) tax credits. This alleviated tax burden allows these businesses to stay within the state and continue research and development projects within the state.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Daniel O'Keefe - Commissioner, Department of Economic and Community](#)

[Development](#) is in support of the bill. O'Keefe explains that this bill aligns with the mission of the DECD, which seeks to implement strategies to increase Connecticut's economic competitiveness. House Bill 5319 allows pass through entities (S Corporations and Limited Liability Corporations (LLCs) the ability to access research and development (R&D) tax

credit. In doing so, the cost of developing new products, technologies, and processes is lowered subsequently strengthening the state's innovation economy.

NATURE AND SOURCES OF SUPPORT:

[Paul Amarone, CBIA](#) is in support of this bill. Viewing House Bill 5319 as a necessary action needed to properly position Connecticut as a competitor nationally, explaining that today manufacturing is predominantly driven by research and development and for Connecticut to remain competitive in the industries it champions extending this tax credit empowers small businesses and rewards in state innovation.

[Jenna Grasso - CBIA, Policy Director of Bioscience Growth & State Spending](#) is in support of this bill citing, that as of right now, the life- sciences sector contributes 7.1 billion to Connecticut's GDP across 24,300 jobs and 1,630 businesses with a significant portion of this job existing solely in research and development, but are currently unable to access any R&D incentives due to their status as LLC'S or S- Corps. This bill has the ability strengthen the Research and Development sector of the life sciences industry, by allowing smaller – mid-sized biotech firms to have a credit equal to 6% of R&D expenses paid or incurred during the taxable year, this level of support will continue to invite innovation into Connecticut's various industries.

[EAMA RSP, Director, Anthony Benoit](#) submitted testimony in support of H.B. 5319, explaining that within his purview as the Director the Eastern Advanced Manufacturing Alliance Regional Sector Partnership (EAMA RSP) half of the member firms in EAMA RSP are LLC's or S-Corps which categorizes them as pass through entities. Previously pass through entities were excluded from any R&D tax benefits, but with this bill pass through entities will be able to access R&D tax credits that will lower the cost for the firm in turn allowing them to continue to invent new solutions to meet the Connecticut consumer's needs at a lower cost.

[InCord Owner, President and CEO, Meredith Shay](#) expresses support for this bill through written testimony. Stating, that as an S-Corp owner her businesses isn't able to access the state's R&D tax credits despite undertaking significant risk and performing within a similar capacity to a C-Corp. At present, many small – mid sized firms that operate as S-Corps or LLC's are being forced to directly fund their research and development activities directly on their own through cash. Implementation of this bill will lessen the operational costs for pass through entities, allowing them instead to focus on creating necessary products.

[Marie-Louise Burkle - CEO Autac Incorporated](#) supports this bill, explaining that small to mid-size businesses are paying for R&D needs directly out of their own pocket. With this bill, companies will be able to satisfy a portion of their R&D obligation allowing them to invest more beyond that facet of their businesses, placing them on equal footing with traditional C-Corps.

[Haley Stafford - Middlesex County Chamber of Commerce](#) submits testimony in support of this bill. Stafford emphasizes, that the implementation of this bill is a necessary next step for the state of Connecticut as small and mid-sized companies are involved in industries that are prioritized in the state. Extending access to R&D tax credits to include S-Corps and LLC's, allows for more businesses to conduct research and development projects locally.

[Andy Markowski - NFIB's State Director](#) expresses support for this bill, emphasizing that HB-5319 acts as recognition and support for small businesses that are driving Connecticut innovation. The R&D tax credit allows for these small businesses across the state to reallocate the money typically utilized for R&D in a variety of beneficial ways.

[John Dellana - President, Rowley Spring and Stamping](#) writes in strong support for this bill largely because the costs involved in running these smaller – mid-sized benefits are a growing burden largely due to rising energy and medical insurance cost. The passing of this bill will alleviate financial hardship for these businesses in prominent industries.

The following authors write in support of this bill, expressing that small to midsize firms are very involved in the industries that the state of Connecticut champions, with most of Connecticut's lucrative companies existing as pass-through entities, across a plethora of Connecticut's most notable industries, automation, additive manufacturing, Biotech, supply chains, and technology. This bill evens the playing field for S-Corp or LLC businesses in Connecticut allowing them a portion of the benefits that C-Corps already receive. In doing so, the state is demonstrating an understanding that these businesses are a faction, driving innovation and positively impacting the state's economy.

[Joseph J. Carlone Jr - President and CEO of Linemaster Switch Corporation](#)

[Thomas Clark - President, The Denominator Company](#)

[Colby Slater Coombs - CFO, Westminster Tool and Winthrop Tackle](#)

[Kate Hampford Donahue - CEO, Hampford Research Inc.](#)

[Kevin Gokey - CFO, The Siemon Company](#)

[Ron Gronbrack- President, PDQ Incorporated](#)

[Andrew Kastenbaum - VP of Operations, Integrity Mfg., LLC.](#)

[Scott Livingston - CEO, HORST Engineering & Manufacturing Co.](#)

[Alison Carey Lynch - VP, Carey Manufacturing](#)

[Dilip Nair - President, New England Machine Tools, Inc.](#)

[Michael J. Nowak - CFO, The Connecticut Spring & Stamping Corporation](#)

[Keith T. Simons - President, OEM Controls, Inc.](#)

[Phil Williams - President, Kenyon International, Inc.](#)

[Alan Ortner- President, Sirois Tool Co.](#)

NATURE AND SOURCES OF OPPOSITION:

No oppositional testimony expressed.

Reported by: Enumaah Dadzie, Assistant Clerk

Date: 3/17/2026