



General Assembly

February Session, 2024

**Raised Bill No. 379**

LCO No. 2683



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT INCREASING THE RATE OF THE CREDIT REFUND VALUE  
FOR CERTAIN EXPENDITURES BY BIOTECHNOLOGY COMPANIES.***

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

1 Section 1. Section 12-217ee of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2024*):

3 (a) (1) Any taxpayer that [(1)] (A) is a qualified small business, [(2)]  
4 (B) qualifies for a credit under section 12-217j or section 12-217n, and  
5 [(3)] (C) cannot take such credit in the taxable year in which the credit  
6 could otherwise be taken as a result of having no tax liability under this  
7 chapter may elect to carry such credit forward under this chapter or may  
8 apply to the commissioner as provided in subsection (b) of this section  
9 to exchange such credit with the state for a credit refund equal to sixty-  
10 five per cent of the value of the credit or, for a biotechnology company,  
11 equal to one hundred per cent of the value of the credit.

12 (2) Any amount of credit refunded under this section shall be  
13 refunded to the taxpayer under the provisions of this chapter, except  
14 that such credit refund shall not be subject to the provisions of section

15 12-227. Payment of the capital base tax under section 12-219 for an  
16 income year commencing on or after January 1, 2002, in which year the  
17 taxpayer reports no net income, as defined in section 12-213, or payment  
18 of the minimum tax of two hundred fifty dollars under section 12-219 or  
19 12-223c for any income year, shall not be considered a tax liability for  
20 purposes of this section.

21 (b) An application for refund of such credit amount shall be made to  
22 the Commissioner of Revenue Services, at the same time such taxpayer  
23 files its return for the income year on or before the original due date or,  
24 if applicable, the extended due date of such year's return, on such forms  
25 and containing such information as prescribed by said commissioner.  
26 No application for refund of such credit amount may be made after the  
27 due date or extended due date, as the case may be, of such return.

28 (c) If the commissioner determines that the taxpayer qualifies for a  
29 credit refund under this section, the commissioner shall notify, no later  
30 than one hundred twenty days from receipt of the application for such  
31 credit refund, the State Comptroller of the name of the eligible taxpayer,  
32 and the State Comptroller shall draw an order on the State Treasurer.  
33 The amount of the credit refund shall be limited as follows:

34 (1) In the case of an application for such credit refund filed by the  
35 taxpayer for income years beginning during 2000 or 2001 where such  
36 credit refund has not been paid as of July 1, 2002, the taxpayer shall be  
37 entitled to receive no more than one million dollars during the state's  
38 fiscal year in which the initial refund is paid, with any remaining unpaid  
39 balance to be paid in two equal installments during the state's next two  
40 succeeding fiscal years; and

41 (2) [in] In the case of an application for such credit refund filed by the  
42 taxpayer for the income years beginning during 2002 or thereafter, the  
43 taxpayer shall be entitled to receive no more than one million five  
44 hundred thousand dollars for any one such income year.

45 (d) The Commissioner of Revenue Services may disallow the credit

46 refund of any credit otherwise allowable for [a taxable] an income year  
 47 under this section if the company claiming the exchange has any  
 48 amount of taxes due and unpaid to the state including interest,  
 49 penalties, fees and other charges related thereto for which a period in  
 50 excess of thirty days has elapsed following the date on which such taxes  
 51 were due and which are not the subject of a timely filed administrative  
 52 appeal to the commissioner or of a timely filed appeal pending before  
 53 any court of competent jurisdiction. Before any such disallowance, the  
 54 commissioner shall send written notice to the company, stating that it  
 55 may pay the amount of such delinquent tax or enter into an agreement  
 56 with the commissioner for the payment thereof, by the date set forth in  
 57 said notice, provided, such date shall not be less than thirty days after  
 58 the date of such notice. Failure on the part of the company to pay the  
 59 amount of the delinquent tax or enter into an agreement to pay the  
 60 amount thereof by said date shall result in a disallowance of the credit  
 61 refund being claimed.

62 (e) For purposes of this section, (1) "qualified small business" means  
 63 a company that [(1)] (A) has gross income for the previous income year  
 64 that does not exceed seventy million dollars, and [(2)] (B) has not, in the  
 65 determination of the commissioner, met the gross income test through  
 66 transactions with a related person, as defined in section 12-217w; and  
 67 (2) "biotechnology company" has the same meaning as provided in  
 68 subsection (b) of section 12-217j.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2024	12-217ee

**CE**

*Joint Favorable C/R*

**FIN**