



General Assembly

Substitute Bill No. 6584

January Session, 2023



AN ACT CONCERNING A RESEARCH AND DEVELOPMENT EXPENSES TAX CREDIT FOR PASS-THROUGH ENTITIES.

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

1 Section 1. (NEW) (Effective January 1, 2024, and applicable to taxable
2 years commencing on or after January 1, 2024) (a) (1) There shall be
3 allowed a credit against the tax imposed under chapter 229 of the
4 general statutes, other than the liability imposed by section 12-707 of
5 the general statutes, in an amount equal to six per cent of the research
6 and development expenses paid or incurred by a taxpayer during the
7 taxable year. As used in this section, "research and development
8 expenses" has the same meaning as provided in section 12-217n of the
9 general statutes.

10 (2) If the taxpayer is an S corporation or an entity treated as a
11 partnership for federal income tax purposes, the credit may be claimed
12 by the shareholders or partners of the taxpayer. If the taxpayer is a
13 single member limited liability company that is disregarded as an
14 entity separate from its owner, the credit may be claimed by such
15 limited liability company's owner, provided such owner is a person
16 subject to the tax imposed under chapter 229 of the general statutes.

17 (b) The Commissioner of Revenue Services may adopt regulations,
18 in accordance with the provisions of chapter 54 of the general statutes,

19 to carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2024, and applicable to taxable years commencing on or after January 1, 2024</i>	New section

CE *Joint Favorable Subst. C/R* **FIN**
FIN *Joint Favorable*