

Tax Credits and Incentives for the State of CT

The following is only to be used as a quick reference guide to CT tax credit and incentives. Please use the link provided under "full details" to receive all required information including application process.

Based on data available as of February 10, 2014

Tax Credit/Incentive Name	Applicable Industry	Brief Description of Benefit	Eligibility Requirements	Full Details	Stonington Eligible
Job Expansion Tax Credit (JET)	All	Tax credits of \$500 per month for each new full-time job created. If the new employee is receiving vocational rehabilitative services from the Bureau of Rehabilitative Services, receiving unemployment benefits, or is a veteran employee who, at the time of hiring by the taxpayer, is a member of, was honorably discharged from or released under honorable conditions from active service in the armed forces, then the tax credit is increased to \$900 per month.	These credits will be available for each new employee hired between January 1, 2012 and prior to January 1, 2014 for period of three years. The credit may be applied against specific taxes. Note: there is a bill pending in the Legislature that would extend the period for hiring new employees to 1/1/2016.	DRS Overview & Application Process	Y
Apprenticeship Training Tax Credit in Manufacturing, Plastics, Plastics-Related, or Construction Trades	Manufacturing/Plastics Construction	Up to \$4,800 tax credit based on specific calculation.	Corporations that employ apprentices who are receiving training. Must be 4,000 hours but less than 8,000 and be a full time employee.	DRS Overview & Application Process	Y
Donation of Land	N/A	The tax credit amount available is equal to 50% of any donation of open space land or land for educational use.	<ul style="list-style-type: none"> - For open space land can be donated to: the state, a political subdivision of the state, a water company, as defined in section 25-32a, or a nonprofit land conservation organization, where the land is to be permanently preserved as protected open space or used as a public water supply source. - For educational use to: any town, city, or borough, whether consolidated or unconsolidated, and any school district or regional school district for the 	DRS Overview & Application Process	Y
Electronic Data Processing Equipment Property Tax Credit	All	The amount allowed as a tax credit is 100% of the CT personal property owed in the income year EDP was purchased	A tax credit equal to 100% of the personal property tax owed and paid on electronic data processing. Electronic data processing equipment includes: computers, printers, peripheral computer equipment, bundled software, and any computer-based equipment acting as a computer.	DRS Overview & Application Process	Y
Film Production Infrastructure	Various based on Film Project	For income years beginning on or after January 1, 2010, the tax credit is equal to 20% for investments of \$3 million or more in a state-certified infrastructure project.	A tax credit is available to any taxpayer that invests in a state-certified entertainment infrastructure project.	DRS Overview & Application Process	Y
Film Production	Film	<ul style="list-style-type: none"> 10% for production expenses or costs of \$100,000 15% for production expenses or costs of more than \$500k-\$1m 30% for production expenses greater than \$1m. 	A Film Production tax credit is available to any eligible production company which produces a qualified production and incurs production expenses and costs.	DRS Overview & Application Process	Y
Digital Animation	Digital Animation	<ul style="list-style-type: none"> 10% for production expenses or costs of \$100,000 15% for production expenses or costs of more than \$500k-\$1m 30% for production expenses greater than \$1m. 	A Digital Animation tax credit is available to state-certified digital animation production company that engages in digital animation on an ongoing basis.	DRS Overview & Application Process	Y
Fixed Capital Investment	Corporations	The tax credit amount is 5% of the amount paid or incurred by a corporation for any new fixed capital investment.	Tax credit for amounts paid or incurred by a corporation for fixed capital.	DRS Overview & Application Process	Y
Green Building	Any	The tax credit is equal to the allowable costs multiplied by the applicable tax credit percentage. The tax credit percentage depends on the certification level of the project.	For eligible construction, renovation, or rehabilitation projects. The eligible projects must use Energy Star equipment and appliances.	DRS Overview & Application Process	Y

Historic Homes Rehabilitation	Individual/Non-Profit	Equal to the lesser of 30% of the projected qualified rehabilitation expenditures or 30% of the actual rehabilitation expenditures. Minimum of expenditure of \$15,000 and not to exceed \$30,000 per dwelling, except for owners that are nonprofit corporations the credit is increased to \$50,000 (as of January 1, 2015)	Owners rehabilitating a historic home or taxpayers making contributions to qualified rehabilitation expenditures.	DRS Overview & Application Process	Y
Historic Preservation	Any	The tax credit is equal to the lesser of 25% of the projected qualified or actual rehabilitation expenditures. If the project creates qualified affordable housing units credit is equal to the lesser of 30%. The maximum tax credit allowed not to exceed \$5 million for any 3 year	Rehabilitating a certified historic structure or nonresidential use or mixed residential and nonresidential use or a taxpayer name by the owner as contributing to the rehabilitation.	DRS Overview & Application Process	Y
Historic Structure Rehabilitation	Any	The tax credit is equal to the lesser of the tax credit reserved upon certification of the rehab plan or 25% not to exceed \$2.7 million.	Owner rehabilitating a certified historic structure for residential use or to a taxpayer named by the owner as contributing to the rehabilitation.	DRS Overview & Application Process	Y
Housing Program Contribution	Business Firms	Upon verification that the contribution has been made, a tax credit voucher may be issued by CHFA in an amount equal to 100% of the cash contribution. Minimum contribution is \$250. The maximum tax credit allowed in the aggregate to all business firms in any one fiscal year is \$10 million.	Business firms that make cash contributions to housing programs that benefit low and moderate income individuals and families. Must be managed, sponsored or developed by non-profit.	DRS Overview & Application Process	Y
Human Capital Investment	Corporations	The tax credit is equal to 5% of the amount paid or incurred by the corporation for a human capital investment.	Expenditures made by a corporation for a human capital investment include, but are not limited to: worker training and education programs, establishing a day care facility or providing child care subsidies.	DRS Overview & Application Process	Y
Second Insurance Reinvestment Fund Tax Credit	Insurance	The tax credit is allowable over ten years at varying ranges.	Available to insurance companies that invest eligible capital with approved fund managers, who in turn invest such capital in eligible businesses.	DRS Overview & Application Process	Y
Machinery and Equipment Expenditure	Corporations based out of a facility	Between 5% to 10% based on number of employees.	Expenditures in machinery and equipment by corporations that have no more than 800 full-time, permanent employees.	DRS Overview & Application Process	Y
Neighborhood Assistance Act Program	Any	Tax credit program may be earned by business firms that make cash investments of at least \$250 to certain community programs. Tax credit amounts vary according to program.	Eligible community programs community programs conducted by a tax exempt or municipal agency can include energy conservation project, community-based alcoholism prevention or treatment programs, job training, education, community services, crime prevention, construction or rehabilitation of dwelling units for families of low and moderate income in the state, funding for open space acquisitions, child day care.	DRS Overview & Application Process	Y
Research and Development (Nonincremental) Expenses	Research and Development	A qualified small business is entitled to a tentative tax credit equal to 6% of its research and development expenses. All other companies are eligible for 1-6% pending expenses.	Tax credit for research and development expenses incurred.	DRS Overview & Application Process	Y
Research and Experimental (Incremental) Expenditures	Experiment/Laboratory	Multiply by 20% the excess of the research and experimental expenditures from the current year over the amount spend in the previous year.	An incremental increase in research and experimental expenditures conducted.	DRS Overview & Application Process	Y
Service and Manufacturing Facilities	Manufacturing/Service	15%-50% based on number of employees.	Manufacturing Facility & Service Facility that meets certain (Enterprise and Airport Zone) employment criteria.	DRS Overview & Application Process	N (nearby towns)
Enterprise Zone	Corporations	100% of the corporation business tax liability in years 1 to 3; and 50% of the corporation business tax liability for years 4-10.	Must be located in the Enterprise Zone.	DRS Overview & Application Process	N (nearby towns)
Urban and Industrial Site Reinvestment	Manager of Funds or Community Development	Credit over 10 years up to 20%.	Investments in eligible industrial site investment projects or eligible urban reinvestment projects	DRS Overview & Application Process	Y

Expired Tax Credits

Computer Donation Credit	This tax credit will not be available for income years beginning on or after January 1, 2014.				
Displaced Worker Tax Credits	These tax credits have been repealed effective July 1, 2013.				
Financial Institution	This tax credit will not be available for the income years beginning on or after January 1, 2014.				
Hiring Incentive	This tax credit has been repealed effective July 1, 2013.				
New Jobs Creation Expires 1/1/13	Expired				
Qualified Small Business Job Creation Expires 1/1/13	Expired				
Research and Development for Grants to Institutions of Higher Education	Tax credit has been repealed effective July 1, 2013.				
New Jobs Creation Tax Credit	Beginning on January 1, 2012, DECD will no longer issue eligibility certificates for this tax credit.				
Small Business Guaranty Fee Tax Credit	This tax credit will not be available for income years beginning on or after January 1, 2014.				
Vocational Rehabilitation Job Creation Tax Credit	This tax credit will not be allowed for any new qualifying employee hired in any income year commencing on or after January 1, 2012.				