

Form CT-SIRF

Second Insurance Reinvestment Fund Tax Credit

2023

| | |
|---------------------------|-------------------------------------|
| Name of eligible taxpayer | Connecticut Tax Registration Number |
|---------------------------|-------------------------------------|

Complete this form in blue or black ink only. Do not use staples.
 Please note that each form is year specific. The correct year's form **must** be used.

Use **Form CT-SIRF** to claim the tax credit available for insurance companies that invest eligible capital with approved fund managers, who then invest the capital in eligible businesses, as provided in Conn. Gen. Stat. § 38a-88a(c).

Form CT-SIRF must be used to claim the Second Insurance Reinvestment Fund Tax Credit against taxes imposed under Chapter 207 of the Connecticut General Statutes (Insurance Premiums Tax; Health Care Centers Tax) or Conn. Gen. Stat. § 38a-743 (Surplus Lines Brokers Tax).

Two Insurance Reinvestment Fund Tax Credits are authorized under Conn. Gen. Stat. § 38a-88a. The original Insurance Reinvestment Fund Tax Credit available under Conn. Gen. Stat. § 38a-88a(b), is claimed by completing **Form CT-IRF, Insurance Reinvestment Fund Tax Credit**. The Second Insurance Reinvestment Fund Tax Credit available under Conn. Gen. Stat. § 38a-88a(c), is claimed by completing **Form CT-SIRF, Second Insurance Reinvestment Fund Tax Credit**.

- **10%** in the third calendar year following the year in which the investment was made and the three succeeding calendar years; **and**
- **20%** in the seventh calendar year following the year in which the investment was made and the two succeeding calendar years.

For eligible investments made on or after September 1, 2015, the Second Insurance Reinvestment Fund Tax Credit is available in the following percentages:

- **0%** in the calendar year in which the investment was made and the four succeeding calendar years; **and**
- **20%** in the fifth calendar year following the year in which the investment was made and the four succeeding calendar years.

Any tax credit not used in the calendar year for which it is allowed may be carried forward for five succeeding calendar years until the full credit has been applied.

Any taxpayer allowed a credit may sell, assign or otherwise transfer such credit, in whole or in part, to one or more taxpayers, provided no such transferee may claim such credit for a calendar year other than the transferee's calendar year in which such transferee bought, was assigned or was otherwise transferred such credit. The transferee must claim the tax credit in the year of transfer and may not carry it forward.

Available Credit

Under Conn. Gen. Stat. § 38a-88a(c), a taxpayer who makes an investment of eligible capital in an approved invest CT fund earns, in the year of investment, a vested credit against the taxes imposed under Chapter 207 (Insurance Premiums Tax; Health Care Centers Tax) or Conn. Gen. Stat. § 38a-743 (Surplus Lines Brokers Tax).

See *Definitions*, on back page.

For eligible investments made on or before June 30, 2015, the Second Insurance Reinvestment Fund Tax Credit is available in the following percentages:

- **0%** in the calendar year in which the investment was made and the two succeeding calendar years;

Applying Credit

Taxpayers applying the Second Insurance Reinvestment Fund Tax Credit to any business tax under Chapter 207 must attach Form CT-SIRF and the Certificate of Continued Eligibility issued by the Department of Economic and Community Development to the back of **Form CT-207K, Insurance/Health Care Center Tax Credit Schedule**.

Additional Information

See the *Guide to Connecticut Business Tax Credits* available on the DRS website at portal.ct.gov/DRS.

| Part I - Credit Computation | | |
|------------------------------------|--|--|
| 1. | Name of invest CT fund in which the investment was made: _____ | |
| 2. | Fund Investment Date: _____ (MM-DD-YYYY) | |
| 3. | Available credit is being claimed by: <input type="checkbox"/> An investor <input type="checkbox"/> A transferee | |
| | If credit is being claimed by a transferee, enter the name and Connecticut Tax Registration Number (if available) of the transferor below. | |
| | _____ | _____ |
| | Transferor's name | Transferor's Connecticut Tax Registration Number |
| 4. | Credit is being applied against: <input type="checkbox"/> Chapter 207 (Insurance Premiums Tax; Health Care Centers Tax) <input type="checkbox"/> Conn. Gen. Stat. § 38a-743 (Surplus Lines Brokers Tax) | |
| 5. | Tax credit: Enter total amount of Second Insurance Reinvestment Fund Tax Credit available for the 2023 calendar year. | 5. |
| 6. | Amount of Line 5 utilized against the tax imposed under Conn. Gen. Stat. § 38a-743 (Surplus Lines Brokers Tax). | 6. |
| 7. | Amount of Line 5 utilized against the tax imposed under Chapter 207 of the Connecticut General Statutes (Insurance Premiums Tax; Health Care Centers Tax). | 7. |

| Part II - Computation of Carryforward - Credit may be carried forward to five succeeding income years. See instructions below. | | | | | |
|---|--|---|--|--|--|
| | A Total Credit Available | B Credit Applied to 2018 through 2022 | C Carryforward to 2023 (Subtract Column B from Column A) | D Credit Applied to 2023 | E Carryforward to 2024 |
| 1. | 2018 Second Insurance Reinvestment Fund tax credit from 2018 Form CT-SIRF, Part I, Line 4. | | | | |
| 2. | 2019 Second Insurance Reinvestment Fund tax credit from 2019 Form CT-SIRF, Part I, Line 4. | | | | |
| 3. | 2020 Second Insurance Reinvestment Fund tax credit from 2020 Form CT-SIRF, Part I, Line 4. | | | | |
| 4. | 2021 Second Insurance Reinvestment Fund tax credit from 2021 Form CT-SIRF, Part I, Line 4. | | | | |
| 5. | 2022 Second Insurance Reinvestment Fund tax credit from 2022 Form CT-SIRF, Part I, Line 5. | | | | |
| 6. | 2023 Second Insurance Reinvestment Fund tax credit from 2023 Form CT-SIRF, Part I, Line 5. | | | | |
| 7. | Total Second Insurance Reinvestment Fund tax credit applied to 2023: Add Lines 1 through 6, Column D enter here and on Form CT-207K, Part 3-A, Column C. | | | | |
| 8. | Total Second Insurance Reinvestment Fund tax credit carryforward to 2024: Add Lines 2 through 6, Column E enter here and on Form CT-207K, Part 3-A, Column D. | | | | |

Computation of Carryforward Instructions:

Lines 1 through 6, Columns A through D - Enter the amount for each corresponding year.

Lines 2 through 5, Column E - Subtract Column D from Column C.

Line 6, Column E - Subtract Column D from Column A. If credit is being claimed by a transferee it may not be carried forward.

Line 7 - Add Lines 1 through 6, Column D.

Line 8 - Add Lines 2 through 6, Column E.

Definitions

Eligible capital means an investment of cash by a taxpayer in an invest CT fund that fully funds the purchase price of an equity interest in the invest CT fund or an eligible debt instrument issued by an invest CT fund, at par value or a premium, that has:

1. An original maturity date of at least five years after the date of issuance;
2. A repayment schedule that is not faster than a level principal amortization over five years; **and**
3. No interest, distribution, or payment features tied to the invest CT fund's profitability or the success of the investments.

Eligible business means a business that has its principal business operations in Connecticut, has fewer than 250 employees at the time of investment, and not more than \$10 million dollars in net income in the previous year.

Principal business operations means at least 80% of the business organization's employees reside in Connecticut or 80% of the business payroll is paid to individuals living in Connecticut.

Invest CT fund means those invest CT funds that meet the requirements outlined in Conn. Gen. Stat. § 38a-88a(c)(1)(G), that have been certified by the Commissioner of Economic and Community Development pursuant to Conn. Gen. Stat. § 38a-88a(c)(3), and that continue to meet all of the requirements set forth in Conn. Gen. Stat. § 38a-88a.