



STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

450 Columbus Blvd Ste 1
Hartford CT 06103-1837

SN 2022(5)
SPECIAL NOTICE

2022 Legislative Changes Affecting the Corporation Business Tax

Purpose: This Special Notice describes legislation enacted during the 2022 regular session of the Connecticut General Assembly affecting the corporation business tax and business tax credits.

Effective Date: The effective dates of the legislative changes are noted herein.

Tax Credit for Employers Making Certain Student Loan Payments: Legislation expands the scope of the tax credit for employers making certain student loan payments. Pursuant to this amendment, the scope of eligible loans has been expanded to include all loans issued by the Connecticut Higher Education Supplemental Loan Authority (CHESLA). Prior to this amendment, the credit was available only in connection with refinanced loans issued by CHESLA. In addition, the amendment allows certain small businesses (defined as those businesses that have gross receipts of \$5 million dollars or less in the applicable calendar or income year) that qualify for a credit to elect to have such credit issued in the form of refund. Previously, this credit could only be used to offset taxes owed under either Chapter 207 or Chapter 208 and was not refundable. The amendment is effective for calendar or income years commencing on and after January 1, 2022.

Conn. Gen. Stat. § 12-217qq, as amended by 2022 Conn. Pub. Acts 118, § 419.

Apprenticeship Tax Credit: Legislation expands the manufacturing apprenticeship tax credit so that credits earned thereunder can be applied against the tax imposed under Chapter 228z (pass-through entity tax). The legislation also specifies how an affected entity that applies a credit against the tax imposed under Chapter 228z (pass-through entity tax) is to be distributed to the members of said entity. The legislation is effective for taxable years beginning on or after January 1, 2022.

Conn. Gen. Stat. § 12-217g, as amended by 2022 Conn. Pub. Acts 118, § 425.

“Jobs CT” Tax Rebate Program: This bill establishes the “Jobs CT” tax rebate program. Under this program, qualified businesses that create jobs in this state may be allowed a tax rebate, which shall be treated as a credit against the tax imposed under Chapter 208 (corporation business) or 228z (pass-through entity tax) or as an offset of the tax imposed under Chapter 207 (insurance premiums) for reaching certain job creation targets. The rebate is based on the number of new full-time equivalent employees (FTEs) the business creates and maintains, the FTEs’ average wage, and the state income tax that would be paid on this average wage for a single filer. The amount of credits issued in any one fiscal year may not exceed \$40 million dollars. This legislation is effective for income years beginning on or after January 1, 2023.

2022 Conn. Pub. Acts. 118, § 420.

Effect on Other Documents: None.

Effect of This Document: A Special Notice announces a new policy or practice in response to changes in state or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by the Department of Revenue Services (DRS).

For the Latest News: Visit the DRS website at portal.ct.gov/DRS.

E-Services Update

Use **myconneCT** to file taxes, make payments, view filing history, and communicate with the agency simply and more efficiently on virtually any mobile device, including laptops, tablets, and smartphones, 24 hours a day, 7 days a week. For updated information, please visit the DRS website at portal.ct.gov/DRS-myconneCT.