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## **OLR Bill Analysis**

### **HB 7268**

#### ***AN ACT CONCERNING THE JOBSCT TAX REBATE PROGRAM.***

#### **SUMMARY**

This bill adds a lower eligibility threshold for the JobsCT tax rebate program, which allows companies in specified industries to earn rebates against the corporation business, pass-through entity, and insurance premiums taxes for reaching certain job creation targets.

The bill specifically makes qualified businesses with no more than 75 employees eligible for the program if they create and maintain five new full-time equivalent employees (FTEs) in Connecticut. This is in addition to the qualifications under existing law that otherwise require any qualified business to create and maintain (1) 25 new FTEs or (2) 15 new FTEs if at least one is an individual with intellectual disability or at least three live in a concentrated poverty census tract.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

#### **BACKGROUND**

##### ***JobsCT***

By law, a “qualified business” is subject to at least one of the above taxes and is in an industry related to finance, insurance, manufacturing, clean energy, bioscience, technology, digital media, or any similar industry, as determined by the Department of Economic and Community Development (DECD) commissioner.

Under existing law, new FTEs are those that did not exist in the state when the business applied to the DECD commissioner for acceptance into the program. They exclude FTEs (1) acquired due to a merger or acquisition; (2) employed in the state by a related person (e.g., entities controlled by the business) within the previous 12 months; or (3) hired

to replace FTEs that existed in the state in the two-year period immediately before the date the business submits its rebate application. To qualify as a new FTE, an employee must be paid wages sourced to the state of at least:

1. the greater of (a) 85% of median household income for the FTE position's primary location or (b) 120% of the state minimum wage on the date the business applies to DECD for a rebate, multiplied by 2,000 hours, or
2. the greater of (a) at least 100% of the median household income for the municipality with the lowest median household income of all municipalities contiguous to the position's primary location or (b) 100% of statewide median household income.

By law, a business's rebate is based on the (1) number of new FTEs created or maintained, (2) new FTEs' average wage, and (3) state income tax that a single filer would pay on this average wage.

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea    52    Nay   0    (04/24/2025)