



General Assembly

February Session, 2026

Raised Bill No. 5478

LCO No. 2625



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

**AN ACT SUPPORTING "LEARN AND EARN" INTERNSHIP
OPPORTUNITIES.**

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

1 Section 1. (NEW) (*Effective July 1, 2026*) (a) As used in this section,
2 "small business" means a business entity in the state that has fifty or
3 fewer employees.

4 (b) The Board of Trustees of The University of Connecticut and the
5 Board of Regents for Higher Education shall each, within the availability
6 of funds appropriated specifically for such purpose, establish a program
7 to provide training and support to small businesses to enable such
8 businesses to offer a paid quality internship program. An internship
9 program shall be considered a quality internship program if such
10 program addresses not fewer than six of the eight career readiness
11 competencies established by the National Association of Colleges and
12 Employers, as determined by said boards. Each board shall post in a
13 conspicuous location on its Internet web site (1) information about such
14 program to provide training and support to small businesses, (2) any

15 eligibility requirements for a small business to participate in such
16 program, and (3) the application form for such program. Each board
17 shall offer specialized support to each small business accepted to such
18 program that is unique to such small business's industry and location.
19 The supports offered by such program shall include, but need not be
20 limited to, the following: (A) Training in internship management, (B)
21 development of a job description, (C) assistance with establishing
22 specific skills an intern would learn and learning opportunities available
23 to an intern, and (D) guidance on assessments to use to assess internship
24 performance.

25 (c) Not later than January 1, 2027, and annually thereafter, the
26 president of The University of Connecticut and the chancellor of the
27 Connecticut State Colleges and Universities shall each submit a report,
28 in accordance with the provisions of section 11-4a of the general statutes,
29 to the joint standing committee of the General Assembly having
30 cognizance of matters relating to higher education and employment
31 advancement. Such report shall include, but need not be limited to, each
32 small business supported through the program established pursuant to
33 subsection (b) of this section, the types of supports provided and the
34 number of internships offered by such small business.

35 Sec. 2. (NEW) (*Effective July 1, 2026*) (a) The Board of Trustees of The
36 University of Connecticut and the Board of Regents for Higher
37 Education shall each, within the availability of funds appropriated
38 specifically for such purpose, establish a program to provide stipends to
39 any student enrolled at an institution of higher education governed by
40 either board who receives the federal Pell grant and is pursuing an
41 internship opportunity. Such stipend shall be in an amount prescribed
42 by each board and shall be used to offset the costs related to
43 participation in an internship program, including, but not limited to,
44 transportation and clothing costs. Each board shall post in a
45 conspicuous location on its Internet web site information concerning the
46 stipend program, including, but not limited to, eligibility guidelines,
47 application forms and the amount of stipend available to each applicant.

48 (b) Not later than July 1, 2027, and annually thereafter, the president
49 of The University of Connecticut and the chancellor of the Connecticut
50 State Colleges and Universities shall each report, in accordance with the
51 provisions of section 11-4a of the general statutes, to the joint standing
52 committee of the General Assembly having cognizance of matters
53 relating to higher education regarding the number of students who
54 received a stipend through the program established pursuant to
55 subsection (a) of this section.

56 Sec. 3. (*Effective July 1, 2026*) Not later than January 1, 2027, each
57 institution of higher education in the state shall submit a report, in
58 accordance with the provisions of section 11-4a of the general statutes,
59 to the joint standing committee of the General Assembly having
60 cognizance of matters relating to higher education. Such report shall
61 include a description of each paid internship opportunity available to
62 students enrolled at such institution through such institution's career
63 services that shall include, but need not be limited to, the type of
64 employer that offers the internship, the quality measures the institution
65 utilizes to ensure that each internship provides a valuable experience to
66 students and any other relevant information.

67 Sec. 4. (NEW) (*Effective July 1, 2026*) (a) Not later than January 1, 2027,
68 the Chief Workforce Officer, in consultation with institutions of higher
69 education in the state, shall establish a state quality seal for internship
70 programs offered in the state. The Chief Workforce Officer shall identify
71 qualities of an internship program that would qualify such program for
72 a state quality seal, including, but not limited to, the following: (1)
73 Assignment of a mentor, (2) opportunity to learn through observation,
74 and (3) clear communication in which expectations and skills learned
75 through such internship are specified.

76 (b) On and after January 1, 2027, the Chief Workforce Officer, in
77 consultation with institutions of higher education in the state, shall
78 identify businesses in the state with internship programs that meet the
79 qualities established pursuant to subsection (a) of this section and award

80 such business with the state quality seal for internship programs.

81 (c) Not later than January 1, 2028, and annually thereafter, the Chief
82 Workforce Officer shall submit a report, in accordance with the
83 provisions of section 11-4a of the general statutes, to the joint standing
84 committee of the General Assembly having cognizance of matters
85 relating to higher education and employment advancement. Such report
86 shall include the list of businesses that received the state quality seal for
87 internship programs during the prior calendar year.

88 Sec. 5. Section 12-217x of the general statutes is repealed and the
89 following is substituted in lieu thereof (*Effective January 1, 2027, and*
90 *applicable to income years commencing on and after January 1, 2027*):

91 (a) For purposes of this section, "human capital investment" means
92 the amount paid or incurred by a corporation on:

93 (1) Job training that occurs in this state for persons who are employed
94 in this state;

95 (2) Work education programs in this state, including, but not limited
96 to, programs in public high schools and work education-diversified
97 occupations programs in this state;

98 (3) Worker training and education for persons who are employed in
99 this state provided by institutions of higher education in this state;

100 (4) Donations or capital contributions to institutions of higher
101 education in this state for improvements or advancements of
102 technology, including physical plant improvements;

103 (5) Planning, site preparation, construction, renovation or acquisition
104 of facilities in this state for the purpose of establishing a child care
105 center, as described in section 19a-77, in this state to be used primarily
106 by the children of employees who are employed in this state;

107 (6) Donations or capital contributions to an organization exempt from

108 taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of
109 1986, or any subsequent corresponding internal revenue code of the
110 United States, as amended from time to time, for the planning, site
111 preparation, construction, renovation or acquisition of facilities in this
112 state for the purpose of establishing a child care center in this state to be
113 used by children residing in the community, including the children of
114 employees who are employed in this state; [and]

115 (7) Subsidies to employees who are employed in this state for child
116 care to be provided in this state; and

117 (8) Salaries paid to interns participating in an internship program in
118 the state.

119 (b) There shall be allowed a credit for any corporation against the tax
120 imposed under this chapter in an amount spent by such corporation, as
121 a human capital investment as follows: (1) For any income year
122 commencing on or after January 1, 1998, and prior to January 1, 1999,
123 equal to three per cent of such amount paid or incurred by the
124 corporation during such income year; (2) for any income year
125 commencing on or after January 1, 1999, and prior to January 1, 2000,
126 equal to four per cent of such amount paid or incurred by the
127 corporation during such income year; (3) for any income year
128 commencing on or after January 1, 2000, equal to five per cent of such
129 amount paid or incurred by the corporation during such income year;
130 and (4) for any income year commencing on or after January 1, 2024, (A)
131 equal to ten per cent of the amount paid or incurred by the corporation
132 during such income year for the purposes set forth in subdivisions (1)
133 to (4), inclusive, [and subdivision (8) of subsection (a) of this section,]
134 and (B) equal to twenty-five per cent of the amount paid or incurred by
135 the corporation during such income year for the purposes set forth in
136 subdivisions (5) to [(7)] (8), inclusive, of subsection (a) of this section.

137 (c) The amount of credit allowed to any corporation under this
138 section shall not exceed the amount of tax due from such corporation

139 under this chapter with respect to such income year.

140 (d) No corporation claiming the credit under this section with respect
141 to a human capital investment as defined in subsection (a) of this section
142 shall claim a credit against any tax under any other provision of the
143 general statutes against any tax with respect to the same investment.

144 (e) Any tax credit not used in the income year during which the
145 investment was made may be carried forward for the five immediately
146 succeeding income years until the full credit has been allowed.

147 Sec. 6. Section 12-217aaa of the general statutes is repealed and the
148 following is substituted in lieu thereof (*Effective January 1, 2027, and*
149 *applicable to income years commencing on and after January 1, 2027*):

150 (a) As used in this section, (1) "accumulated credits" means the
151 amount of credits allowed, in accordance with the provisions of section
152 12-217n, that have not been taken through an applicant's last income
153 year completed prior to the date of an application submitted as
154 provided in subsection (b) of this section, (2) "commissioner" means the
155 Commissioner of Economic and Community Development, and (3)
156 "human capital investment" means the amount paid or incurred by a
157 corporation on (A) job training which occurs in this state for persons
158 who are employed in this state; (B) work education programs in this
159 state, including, but not limited to, programs in public high schools and
160 work education-diversified occupations programs in this state; (C)
161 worker training and education for persons who are employed in this
162 state provided by institutions of higher education in this state; (D)
163 donations or capital contributions to institutions of higher education in
164 this state for improvements or advancements of technology, including
165 physical plant improvements; (E) planning, site preparation,
166 construction, renovation or acquisition of facilities in this state for the
167 purpose of establishing a child care center, as described in section 19a-
168 77, in this state to be used primarily by the children of employees who
169 are employed in this state; [and] (F) subsidies to employees who are

170 employed in this state for child care to be provided in this state; and (G)
171 salaries paid to interns participating in an internship program in the
172 state.

173 (b) The commissioner shall establish and administer a program to
174 allow businesses in the state to utilize accumulated credits against the
175 tax imposed under this chapter and chapter 219 in exchange for (1)
176 capital projects, planned or underway, in the state that propose to (A)
177 expand the scale or scope of such business, (B) increase employment at
178 such business, or (C) generate a substantial return to the state economy,
179 or (2) human capital investment. A business seeking to utilize
180 accumulated credits under this section shall submit to the
181 commissioner, on forms provided by the commissioner, an application
182 that shall include, but not be limited to: (A) A detailed plan outlining
183 the capital project or human capital investment, (B) the term of such
184 project or investment, (C) the estimated costs of such project or
185 investment, and (D) the amount of accumulated credits the business
186 proposes it be allowed to utilize under this section. The commissioner
187 shall perform an econometric analysis of each application and shall only
188 approve an application if he or she determines that such project or
189 investment will generate revenues for the state that exceed the amount
190 of the accumulated credits proposed to be utilized. The amount of such
191 accumulated credits shall be subject to confirmation, in accordance with
192 the provisions of this title, by the Commissioner of Revenue Services in
193 consultation with the commissioner.

194 (c) The commissioner shall determine, in consultation with the
195 Commissioner of Revenue Services and the Secretary of the Office of
196 Policy and Management, when such accumulated credits may be
197 utilized by the business, provided the commissioner shall not approve
198 the utilization of the accumulated credits until the capital project or
199 human capital investment under subsection (b) of this section generates
200 revenues for the state that exceed the amount of the accumulated credits
201 proposed to be utilized.

202 (d) The total amount of accumulated credits used under this section,
203 at full value, and the investments made under section 12-217bbb shall
204 not exceed fifty million dollars in the aggregate.

205 (e) The commissioner may adopt regulations, in accordance with the
206 provisions of chapter 54, to implement the provisions of this section.

207 (f) Not later than February 1, 2019, and annually thereafter, the
208 commissioner shall include in the annual report required under section
209 32-1m: (1) Information on the number of applications received and the
210 number of applications approved under this section; (2) the status of the
211 capital projects or human capital investments associated with such
212 approved applications; (3) the amount of accumulated credits that are
213 proposed to be utilized under this section; and (4) (A) the amount and
214 type of state revenue generated in connection with each such capital
215 project or human capital investment to date, and (B) the projected
216 amount and type of such revenue for the five succeeding fiscal years
217 after completion of such capital project or human capital investment.

218 Sec. 7. (NEW) (*Effective January 1, 2027*) (a) For the fiscal year ending
219 June 30, 2027, and each fiscal year thereafter, the Office of Workforce
220 Strategy shall, within available appropriations, establish a grant
221 program to award grants to eligible organizations exempt from taxation
222 pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or
223 any subsequent corresponding internal revenue code of the United
224 States, as amended from time to time, to offset the cost of salaries paid
225 to interns participating in an internship program at such organization.
226 Such grant shall be in an amount equal to twenty-five per cent of the
227 amount paid or incurred by such organization for the cost of salaries
228 paid to any intern during such fiscal year and shall be awarded on a
229 first-come, first-served basis. The office shall post, in a conspicuous
230 location on the office's Internet web site, the application form for such
231 grant program.

232 (b) Not later than January 1, 2028, and annually thereafter, the Office

233 of Workforce Strategy shall submit a report on such grant program, in
 234 accordance with the provisions of section 11-4a of the general statutes,
 235 to the joint standing committee of the General Assembly having
 236 cognizance of matters relating to higher education.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	New section
Sec. 2	<i>July 1, 2026</i>	New section
Sec. 3	<i>July 1, 2026</i>	New section
Sec. 4	<i>July 1, 2026</i>	New section
Sec. 5	<i>January 1, 2027, and applicable to income years commencing on and after January 1, 2027</i>	12-217x
Sec. 6	<i>January 1, 2027, and applicable to income years commencing on and after January 1, 2027</i>	12-217aaa
Sec. 7	<i>January 1, 2027</i>	New section

Statement of Purpose:

To (1) require support for paid internship programs at small businesses, (2) provide grants to students who receive federal Pell grants to assist such students in obtaining internships, (3) require institutions of higher education to report about internship opportunities offered through such institutions, (4) establish a state quality seal for quality internships, (5) extend the human capital investment tax credit for salaries paid to interns, and (6) establish a grant program for nonprofit organizations to offset the cost of salaries paid to interns.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]