



## SMALL BUSINESS ASSISTANCE PROGRAMS

By: John Rappa, Chief Analyst  
Heather Poole, Legislative Analyst I

### STATE, FEDERAL, AND NONPROFIT SMALL BUSINESS ASSISTANCE AGENCIES

#### *Federal:*

- [Small Business Administration, Department of Commerce \(SBA\)](#)

#### *State:*

- [Connecticut Innovations, Inc. \(CI\)](#)
- [Department of Economic and Community Development \(DECD\)](#)
- [Department of Labor \(DOL\)](#)

#### *Connecticut Nonprofit:*

- [Connecticut Community Economic Development Fund \(CEDF\)](#)

### ISSUE

Summarize state, federal, and Connecticut nonprofit programs providing grants, loans, and tax breaks to small businesses (business assistance programs), including programs targeting women-, veteran-, and minority-owned businesses. This report updates [OLR Report 2014-R-0186](#).

### SUMMARY

Most state, federal, and nonprofit business assistance programs serve both large and small businesses, although some, like Connecticut's Department of Economic and Community Development's (DECD) Small Business Express Program (Express), serve only small businesses.

Small business assistance programs use a variety of criteria, such as number of employees or annual revenue, to determine a business' eligibility. For example, DECD's Express is open only to businesses with 100 or fewer employees while the nonprofit Community Economic Development Fund's loan guarantee programs are open only to businesses with 50 or fewer employees, including separate programs for minority- and women-owned businesses. The Labor Department provides employee training and wage subsidies to small businesses and manufacturers hiring unemployed workers, including veterans. The state's quasi-public development agency, Connecticut Innovation, Inc. provides venture capital for startup, technology-based businesses.

This report's attachments summarize state, federal, and nonprofit business assistance programs, including small businesses owned by women, veterans, and minority group members. It does not include municipal property tax exemptions for constructing or renovating business facilities. Attachment 1 summarizes the programs providing grants, loans, and other types of financial assistance. Attachments 2 and 3, respectively, summarize state and federal programs providing tax incentives. (We have used an asterisk to indicate the programs targeting small businesses, including those owned by women, veterans, and minority group members.)

Several regional and local nonprofit development corporations provide financial and technical assistance to small businesses, often with state and federal funds. Attachment 4 lists these corporations and identifies the geographic areas they serve.

The number of business assistance programs and implementing agencies may make it hard for small business owners to identify those that meet their needs. But several organizations can help provide direction, including the following:

1. Connecticut Economic Resource Center's Business Response Center ([http://www.cerc.com/Content/Connecticutand\\_39\\_s\\_Business\\_Response\\_Center.asp](http://www.cerc.com/Content/Connecticutand_39_s_Business_Response_Center.asp)),
2. DECD's Small Business Affairs Office (<http://www.ct.gov/ecd/cwp/view.asp?a=3931&q=462650>), and
3. The Small Business Administration (SBA) (<https://www.sba.gov/category/navigation-structure/loans-grants>).

JR/HP:bs

### Attachment 1: Small Business Financial Assistance Programs by Agency

<b>Program</b>	<b>Assistance Limits</b>	<b>Assistance Terms</b>	<b>Eligible Uses</b>
<b>Community Economic Development Fund (CEDF)</b>			
*Three separate <a href="#">Micro Loan Guarantees for Business Owners</a> employing 50 or fewer employees (two programs targeted to specific geographic areas, one targeted to women and minority owners)	30% loan guarantee	Terms and conditions tailored to help business secure bank loan	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Inventory</li> </ul>
*CEDF-administered <a href="#">Small Business Administration Micro Loans</a>	Maximum \$50,000, but this SBA funded loan can be combined with other loans for a total loan package of up to \$150,000	<ul style="list-style-type: none"> <li>• Up to six years loan repayment</li> <li>• Payment amounts based on business' cash flow</li> <li>• Personal guarantee and pledge of business assets</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Inventory</li> </ul>
* <a href="#">Standard Loans</a> for businesses in eligible communities or business owners with household incomes less than \$85,700	\$50,000-\$250,000	<ul style="list-style-type: none"> <li>• Up to 10 years loan repayment</li> <li>• Payment amounts based on business' cash flow</li> <li>• Personal guarantee and pledge of business assets</li> <li>• Fixed and variable interest rates</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Inventory</li> <li>• Owner-occupied real estate</li> </ul>
* <a href="#">Grow Your Business Loans</a> for businesses in eligible communities or business owners with household incomes less than \$85,700	\$50,000 to \$250,000	<ul style="list-style-type: none"> <li>• Business in existence for at least three years</li> <li>• Up to 10 years loan repayment</li> <li>• Payment amounts based on business' cash flow</li> <li>• Personal guarantee and pledge of business assets</li> <li>• Interest rate equals prime rate plus 4%</li> </ul>	<ul style="list-style-type: none"> <li>• Fund expansion of existing business</li> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Inventory</li> <li>• Owner-occupied real estate</li> </ul>
<b>Connecticut Innovations, Inc. (CII)</b>			
<a href="#">Urbank</a>	30% first-loss loan guarantee for up to \$500,000	<ul style="list-style-type: none"> <li>• 15-year loan maturity</li> <li>• Interest rate and other terms set by lender</li> <li>• Capable of repaying debt</li> <li>• 1.5%-2.5% borrower fees</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Purchase, construct, expand, or upgrade facilities</li> </ul>

**Attachment 1 (Cont.)**

<b>Program</b>	<b>Assistance Limits</b>	<b>Assistance Terms</b>	<b>Eligible Uses</b>
<b>Connecticut Innovations, Inc. (CI) (Cont.)</b>			
<a href="#">Line of Credit</a>	\$250,000-\$1 million	<ul style="list-style-type: none"> <li>• Business in existence for at least three years</li> <li>• Owner's personal guarantee</li> <li>• Demonstrate ability to create or retain jobs</li> <li>• Capable of repaying debt</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue producing equipment</li> <li>• Information technology upgrades</li> <li>• Building expansions</li> </ul>
<a href="#">Working Capital Loans</a>	Up to \$ 5 million	<ul style="list-style-type: none"> <li>• Business in existence for at least three years</li> <li>• Demonstrate ability to create or retain jobs</li> <li>• Owner's personal guarantee</li> <li>• Maturity tailored to transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Purchase, construct, expand, or upgrade facilities</li> <li>• Mortgages on owner-occupied real property</li> </ul>
<a href="#">Direct Loans</a>	Up to \$5 million	<ul style="list-style-type: none"> <li>• Business in existence for at least three years</li> <li>• Owner's personal guarantee</li> <li>• Demonstrate ability to create or retain jobs</li> <li>• Capable of repaying debt</li> <li>• Up to 25 years repayment</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Purchase, construct, expand, or upgrade facility</li> <li>• Mortgages on owner-occupied real property</li> <li>• Brownfields cleanup and redevelopment</li> </ul>
<a href="#">Participation Loans</a>	Up to \$5 million "junior participation" loan matching conventional bank loan plus 50% CI share in project cost	<ul style="list-style-type: none"> <li>• Business in existence for at least three years</li> <li>• Owner's personal guarantee</li> <li>• Demonstrate ability to create or retain jobs</li> <li>• Capable of repaying debt</li> <li>• Bank determines interest rate, terms, and maturity; proportionately shares fees and interest with CI; and services the loan</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital</li> <li>• Machinery and equipment</li> <li>• Purchasing, constructing, expanding, or upgrading facility</li> <li>• Mortgages on owner-occupied real property</li> <li>• Brownfields cleanup and redevelopment</li> </ul>
<a href="#">Venture/Mezzanine Debt Funding</a>	\$300,000 to \$2 million mezzanine capital (financing structured as subordinated debt or preferred equity)	Businesses with products that have been available in the market for at least one year	Business expansion

**Attachment 1 (Cont.)**

<b>Program</b>	<b>Assistance Limits</b>	<b>Assistance Terms</b>	<b>Eligible Uses</b>
<b>Connecticut Innovations, Inc. (CII) (Cont.)</b>			
* <a href="#">Eli Whitney Equity Fund</a>	Up to \$1.5 million per round and up to \$7 million per company	Innovative product or service in bioscience, information technology, clean technology, photonics, and advanced materials	Developing new products and services
* <a href="#">Seed, Pre-seed, and Early Stage Investments</a>	\$500,000 to \$1 million per round in technology-based businesses	Investments based on: <ul style="list-style-type: none"> <li>• quality of the management team</li> <li>• potential market for product or service</li> <li>• company's proposed product can withstand copyright challenges</li> </ul>	Operating expenses incurred while developing new ideas or concepts for commercially viable products and services
* <a href="#">Connecticut Bioscience Innovation Fund</a>	Up to \$500,000 in project funding for newly formed businesses (three to seven years) in secured loans and/or equity	<ul style="list-style-type: none"> <li>• Terms depend on the type of assistance received</li> <li>• Projects must demonstrate a quantifiable commercial return on investment</li> </ul>	Project expenses
* <a href="#">Regenerative Medicine Research Fund</a> (formerly Stem Cell Research Fund)	Up to \$1.5 million in research grants	Grants, loans, loan guarantees equity investments, or other forms of financing  Terms and conditions determined by advisory board based on purpose of the assistance	<ul style="list-style-type: none"> <li>• Direct and indirect project costs</li> <li>• Facilities</li> </ul>
<b>Department of Economic and Community Development</b>			
* <a href="#">Small Business Express Program, Revolving Loan Fund</a> (100 or fewer employees)	\$10,000–\$100,000	<ul style="list-style-type: none"> <li>• Business has been registered to conduct business in Connecticut for at least a year</li> <li>• Up to 4% interest</li> <li>• Maximum 10-year term</li> <li>• DECD determines other loan terms, conditions, and collateral requirements to prioritize job growth and retention</li> <li>• No delinquent state or local taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Purchasing machinery and equipment</li> <li>• Construction or leasehold improvements</li> <li>• Relocation costs</li> <li>• Working capital</li> <li>• Other commissioner-approved expenses</li> </ul>

**Attachment 1 (Cont.)**

<b>Program</b>	<b>Assistance Limits</b>	<b>Assistance Terms</b>	<b>Eligible Uses</b>
<b>Department of Economic and Community Development (Cont.)</b>			
<a href="#">*Small Business Express Program, Job Creation Incentive Loans</a> (100 or fewer employees)	\$10,000–\$300,000 potentially forgivable loans	<ul style="list-style-type: none"> <li>• Business has been registered to conduct business in Connecticut for at least a year</li> <li>• Up to 4% interest</li> <li>• Up to 10-year term</li> <li>• Loan forgiveness based on attainment of job goals</li> <li>• DECD determines other loan terms, conditions, and collateral requirements to prioritize job growth and retention</li> <li>• No delinquent state or local taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Marketing</li> <li>• Working capital</li> <li>• Other commissioner-approved expenses that support job creation</li> </ul>
<a href="#">*Small Business Express Program, Matching Grants</a> (100 or fewer employees)	\$10,000–\$100,000 grants	<ul style="list-style-type: none"> <li>• Business has been registered to conduct business in Connecticut for at least a year</li> <li>• No delinquent state or local taxes</li> <li>• Business must match state grants</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Working capital</li> <li>• Acquiring machinery and equipment</li> <li>• Construction or leasehold improvements</li> <li>• Relocation within state</li> <li>• Other commissioner-approved expenses</li> </ul>
<a href="#">Manufacturing Assistance Act</a> (MAA)	<p>Fixed percent of costs depending on project's location or purpose</p> <p>Range: Up to 90% in 17 targeted investment communities to up to 50% of costs in other communities</p>	<ul style="list-style-type: none"> <li>• Commissioner sets terms and conditions</li> <li>• State Bond Commission sets interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• Feasibility studies, engineering, appraisals, and other planning activities</li> <li>• Property, machinery, and equipment purchases</li> <li>• Facility construction and site improvements</li> <li>• Relocation costs</li> <li>• Working capital</li> <li>• Job training, day care, energy conservation, pollution control, and other specified business support services</li> </ul>
First Five Program	Up to 100% MAA for up to 15 projects meeting specified employment and investment targets	Commissioner sets terms and conditions	Same as above

**Attachment 1 (Cont.)**

<b>Program</b>	<b>Assistance Limits</b>	<b>Assistance Terms</b>	<b>Eligible Uses</b>
<b>Department of Economic and Community Development (Cont.)</b>			
<a href="#">Connecticut Manufacturing Innovation Fund</a>	Grants, loans, credit extensions, vouchers, and other types of assistance to businesses specializing in technologically advanced products and services, entities leveraging federal grants, and certified education or training programs  Assistance limits determined by the Manufacturing Innovation Advisory Board	Terms set by the Manufacturing Innovation Advisory Board	<ul style="list-style-type: none"> <li>• Facilities costs</li> <li>• Furniture, fixtures, or equipment</li> <li>• Tooling development and manufacture</li> <li>• Materials and supplies</li> <li>• Proof of concept</li> <li>• Research and development</li> <li>• Compensation and apprenticeships</li> <li>• Other costs board deems eligible</li> </ul>
<b>Department of Labor</b>			
<a href="#">*Small Business Subsidized Training and Employment Program (STEP UP)</a>	Up to \$20 per hour subsidy for new employee's training and compensation  Subsidy amount phases out over employee's first six months of employment	Business must hire new employee who: <ul style="list-style-type: none"> <li>• was unemployed immediately before being hired and</li> <li>• has a family income of less than 250% of federal poverty level</li> </ul>	Subsidize employment and training costs
<a href="#">*Small Manufacturer Training Grant Program (STEP UP)</a>	Monthly grants subsidizing new employee training and compensation  Initial grants up to \$2,500; grant amount phases out over six months	Business must hire a new employee	Training and compensation
<a href="#">*Unemployed Armed Forces Member STEP UP Program</a>	Up to \$20 per hour (maximum \$12,500) subsidy for veteran's employee training and compensation  Subsidy amount phases out over 6 months of employment	Business must hire a new employee who: <ul style="list-style-type: none"> <li>• served in the Armed Forces or reserves and was honorably discharged and</li> <li>• was unemployed immediately before being hired</li> </ul>	Subsidize employment and training costs

**Attachment 1 (Cont.)**

<b>Program</b>	<b>Assistance Limits</b>	<b>Assistance Terms</b>	<b>Eligible Uses</b>
<b>Department of Economic and Community Development (Cont.)</b>			
<a href="#">*New Apprentice STEP UP</a>	Up to \$10 per hour subsidy for apprentice's training and compensation  Subsidy amount phases out over 6 months of employment	Business must hire a new employee who is a student at a high school, preparatory school, or higher education institution	Subsidize employment and training costs
<b>Federal Small Business Administration (SBA)</b>			
<a href="#">*CDC/504 Loan Program</a> (for businesses with net worth under \$15 million and after tax income under \$5 million)	Maximum \$5 million loans (\$4 million for small manufacturers or \$5.5 million for those meeting energy reduction goals)	<ul style="list-style-type: none"> <li>• Create or retain one job per \$65,000 of SBA assistance (\$100,000 per job created or retained for small manufacturers)</li> <li>• 10-20 year loan terms</li> </ul>	<ul style="list-style-type: none"> <li>• Land and building acquisition</li> <li>• Property improvements</li> <li>• Facility construction, renovation, or conversion</li> <li>• Machinery and equipment purchase</li> </ul>
<a href="#">*7(a) Loan Guarantees</a>	<ul style="list-style-type: none"> <li>• Maximum \$5 million loans</li> <li>• 85% guarantee for loans up to \$150,000 and 75% for loans above that amount</li> </ul>	Loan term varies depending on purpose	<ul style="list-style-type: none"> <li>• Short- and long-term working capital</li> <li>• Land acquisition</li> <li>• Building construction or renovation</li> <li>• Business expansion</li> <li>• Debt financing</li> </ul>



**Attachment 2: State Business Tax Incentives**

<b>Name and Agency</b>	<b>Applicable Business Taxes</b>	<b>Eligibility</b>	<b>Incentive Amount</b>
<a href="#">Rehabilitation of Historic Business Property for Mixed Residential and Commercial Use</a> Department of Economic and Community Development (DECD)	<ul style="list-style-type: none"> <li>Insurance Premium</li> <li>Corporation</li> <li>Air Carrier</li> <li>Railroad Company</li> <li>Community Antenna</li> <li>Utility Companies</li> </ul>	Certified historic commercial, industrial, mixed residential and nonresidential, cultural, and former municipal, state, and federal property on the national or state Register of Historic Places or located in an historic district on the national or state register	<ul style="list-style-type: none"> <li>Total credits capped at \$31.7 million per year beginning FY 16</li> <li>25% of qualified rehabilitation expenditures; 30% if project includes units affordable to low- and moderate-income people</li> <li>No project can receive more than \$4.5 million</li> <li>Unused credits may be carried forward for up to five years</li> </ul>
<a href="#">Manufacturing and Specified Service Facilities in Enterprise Zones, Enterprise Zone Municipalities, or Designated Airport Development Zones</a> (DECD and Connecticut Airport Authority) (CGS § <a href="#">12-217e</a> )	Corporation	Based on developing facilities and creating jobs  Facility must be: <ul style="list-style-type: none"> <li>newly acquired, constructed, or improved</li> <li>located in the enterprise zone or in another part of the town with the zone</li> <li>used for manufacturing or specified financial services</li> </ul> Business must have created jobs to do work in the facility	<ul style="list-style-type: none"> <li>10-year credit against tax allocable to facility:                             <ul style="list-style-type: none"> <li>25% credit or</li> <li>50% if at least 150 or 30% of new jobs are held by zone or city residents who qualify for federal job training assistance</li> </ul> </li> <li>Credits automatic in zones; available to manufacturers outside the zone at state's discretion</li> <li>Specified service firms outside the zones qualify for credits under the program below</li> </ul>
<a href="#">Service Facilities in Enterprise Zone Municipalities</a> (DECD) (CGS § <a href="#">12-217e</a> )	Corporation	Based on developing facilities and creating jobs	10-year credit based on number of jobs created: <ul style="list-style-type: none"> <li>15%, 300-599 jobs</li> <li>20%, 600-899 jobs</li> <li>25%, 900-1,199 jobs</li> <li>30%, 1,200-1,499 jobs</li> <li>40%, 1,500-1,999 jobs</li> <li>50%, 2000 or more jobs</li> </ul>
<a href="#">Apprenticeship Training</a> , Department of Labor (DOL) (CGS § <a href="#">12-217g</a> )	Corporation  (S Corps and other business entities that are not subject to this tax may earn the manufacturing trade apprenticeship credit and sell, assign, or transfer it to another taxpayer)	Hiring manufacturing, plastics, or construction apprentices participating in state-approved apprenticeship training programs  Businesses hiring plastics trade apprentices qualify if the number hired exceeds the average number of plastic apprentices hired during the prior five years	<ul style="list-style-type: none"> <li>Maximum \$7,500 or 50% of wages paid, whichever is less, for manufacturing and plastics trade apprentices</li> <li>Maximum \$4,000 or 50% of wages, whichever is less, for construction trade</li> </ul>

**Attachment 2 (Cont.)**

<b>Name and Agency</b>	<b>Applicable Business Taxes</b>	<b>Eligibility</b>	<b>Incentive Amount</b>
<a href="#">Incremental Research and Development Expenditures</a> , Department of Revenue Services (DRS) (CGS § <a href="#">12-217j</a> )	Corporation	Businesses that increase their R&D expenditures over the prior year	20% of the amount spent on R&D over the prior year's spending
<a href="#">Research and Development Expenditures</a> (DECD) (CGS § <a href="#">12-217n</a> )	Corporation	Any business incurring R&D expenditures	<ul style="list-style-type: none"> <li>• Credit amount determined according to statutory two-step formula</li> <li>• Credits range from 1% for expenditures under \$50 million to 6% for expenditures over \$200 million</li> <li>• Only one-third of credit can be taken per year</li> <li>• Unused credits may be carried forward until fully taken</li> </ul>
<a href="#">Research and Development Expenditures for Qualified Small Businesses</a> (DECD) (CGS § <a href="#">12-217n</a> )	Corporation	Businesses with gross incomes under \$100 million	<ul style="list-style-type: none"> <li>• 6% of total R&amp;D expenditure</li> <li>• Only one-third of credit can be taken per year</li> <li>• Unused credits may be carried forward until fully taken</li> </ul>
<a href="#">Research and Development Expenditures for Enterprise Zone Businesses</a> (DECD) (CGS § <a href="#">12-217n</a> )	Corporation	Any business headquartered in an enterprise zone employing over 2,500 people and with annual revenues over \$3 billion	The greater of 3.5% of total R&D expenditure or the amount derived from the statutory two-step formula used by big businesses outside the zone
<a href="#">Machinery and Equipment</a> (DRS) (CGS § <a href="#">12-217o</a> )	Corporation	Business must have increased the amount it spent for machinery and equipment used in Connecticut over the prior year's amount	Credit depends on the number of employees: <ul style="list-style-type: none"> <li>• 10% for businesses with 250 or fewer employees</li> <li>• 5% for businesses with between 251 and 800 employees</li> </ul>
<a href="#">Purchase of Electronic Data Processing</a> (DRS) (CGS § <a href="#">12-217t</a> )	<ul style="list-style-type: none"> <li>• Unrelated Business Income of Nonprofit Corporations</li> <li>• Air Carrier</li> <li>• Railroad Company</li> <li>• Community Antenna</li> <li>• Utility Companies</li> <li>• Insurance Premium</li> <li>• Corporation</li> </ul>	Businesses paying property taxes on computers, printers, peripheral computer equipment, bundled software, and similar equipment	Credit is 100% of property tax paid on electronic data processing equipment

**Attachment 2 (Cont.)**

<b>Name and Agency</b>	<b>Applicable Business Taxes</b>	<b>Eligibility</b>	<b>Incentive Amount</b>
<a href="#">Fixed Capital Investments</a> (DRS) (CGS § <a href="#">12-217w</a> )	Corporation	Property must: <ul style="list-style-type: none"> <li>• Have a minimum five-year class life</li> <li>• Not be sold or transferred</li> <li>• Be held or used in Connecticut</li> </ul>	5% of fixed capital costs incurred during income year
<a href="#">Human Capital Investments</a> (DRS) (CGS § <a href="#">12-217x</a> )	Corporation	Eligible activities include: <ul style="list-style-type: none"> <li>• job training</li> <li>• work education</li> <li>• child care subsidies</li> <li>• day care facilities</li> <li>• donations to colleges and universities for technology</li> </ul>	<ul style="list-style-type: none"> <li>• 5% of expenditure</li> <li>• Unused credits may be carried forward for up to five years</li> </ul>
<a href="#">Urban and Industrial Sites Reinvestment</a> (DECD) (CGS § <a href="#">32-9t</a> )	<ul style="list-style-type: none"> <li>• Insurance Premium</li> <li>• Corporation</li> <li>• Air Carriers</li> <li>• Railroad Company</li> <li>• Community Antenna</li> <li>• Utility Companies</li> <li>• Other specified business taxes</li> </ul>	<p>Business investing in projects developing or redeveloping property, including brownfields, that meet statutory criteria, including generating new tax revenue and other economic benefits</p> <p>Business may invest the funds directly in a project or through a fund manager</p>	<p>Total credits available for all projects capped at \$ 950 million</p> <p>100% credit, up to \$100 million, spread out over 10 years: 0% in first three years after the investment was made, 10% per year in the next four years, and 20% per year in the remaining three years</p> <p>Unused credits may be carried forward for up to five years or assigned to another taxpayer</p>
* <a href="#">Corporations Created in Enterprise Zones</a> (DECD) (CGS § <a href="#">12-217v</a> )	Corporation	<p>Corporation must be created in a zone and meet one of these job goals:</p> <ul style="list-style-type: none"> <li>• has at least 375 employees, at least 40% of whom reside in the zone or its city and qualify for federal job training assistance or</li> <li>• has less than 375 employees, at least 150 of whom reside in the zone or its city or qualify for federal job training benefits</li> </ul>	<p>10-year credit:</p> <ul style="list-style-type: none"> <li>• 100% for the first three years</li> <li>• 50% for the next seven years</li> </ul>

**Attachment 2 (Cont.)**

<b>Name and Agency</b>	<b>Applicable Business Taxes</b>	<b>Eligibility</b>	<b>Incentive Amount</b>
*Manufacturing Reinvestment Account (DECD) (CGS § <a href="#">32-9zz</a> , as amended by <a href="#">PA 14-69</a> )	100% of the funds withdrawn from the account and used for eligible purposes are exempted from <ul style="list-style-type: none"> <li>• Corporation</li> <li>• Personal Income</li> </ul>	Up to 50 small manufacturers (150 or fewer employees)	<ul style="list-style-type: none"> <li>• Up to five-year tax deferral on up to \$100,000 deposited in interest-bearing bank account.</li> <li>• Funds withdrawn within five years are exempted from taxes if used for worker training, capital expenses, and other eligible uses.</li> </ul>
Invest CT Funds (formerly, Insurance Reinvestment Program) ((CGS § <a href="#">38a-88a</a> , 1994)	Insurance Premium	<ul style="list-style-type: none"> <li>• Insurance companies investing cash in state-certified “insurance reinvestment funds”</li> <li>• Funds must invest the cash only in eligible Connecticut-based businesses and meet other investment requirements</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of cash investment claimed over 10 years, beginning in the fourth year after investment was made:               <ul style="list-style-type: none"> <li>○ 10% per year in years four through seven</li> <li>○ 20% per year in years eight through 10 Five-year carry forward; no carryback</li> </ul> </li> <li>• Total credits capped at \$350 million, annual cap, \$40 million</li> </ul>
* <a href="#">Angel Investment</a> (CGS § <a href="#">12-704d</a> , 2010; no new credits may be allocated after June 30, 2016)	Personal Income	<ul style="list-style-type: none"> <li>• Minimum \$25,000 investments in start-up technology-based businesses operating in Connecticut</li> </ul>	<ul style="list-style-type: none"> <li>• Credit equals 25% of cash investment up to \$250,000</li> <li>• Five-year carryforward; no carryback</li> <li>• Total annual credits capped at \$3 million</li> </ul>

### Attachment 3: Federal Tax Incentives

<b>Program and Agency</b>	<b>Applicable Business Taxes</b>	<b>Eligibility</b>	<b>Incentive Amount</b>
<a href="#">Section 179 Tax Deduction for qualifying purchases of property</a> , Internal Revenue Service (IRS)	<ul style="list-style-type: none"> <li>• Corporation</li> <li>• Personal Income</li> </ul>	Wide range of depreciable tangible personal property, including: <ul style="list-style-type: none"> <li>• machinery and equipment</li> <li>• office equipment</li> <li>• gasoline storage tanks and pumps</li> </ul>	Deduction equal to the cost of qualifying property, subject to dollar and business income limits determined by the type of property
Section 199 Domestic Production Activities Tax Deduction (DPAD); (IRS)	<ul style="list-style-type: none"> <li>• Corporation</li> <li>• Personal Income</li> </ul>	Eligible activities include: <ul style="list-style-type: none"> <li>• U.S.-based manufacturing</li> <li>• selling, leasing, or licensing U.S. made goods</li> <li>• selling, leasing, or licensing films produced in U.S.</li> <li>• construction services related to a U.S. construction project</li> </ul>	Generally, 9% of the smaller of: <ul style="list-style-type: none"> <li>• qualified production activities income or</li> <li>• adjusted gross income for an individual, estate, or trust figured without the DPAD</li> </ul>
<a href="#">Empowerment Zones</a> (IRS)	Corporation	Businesses hiring zone residents or acquiring property eligible for Section 179 deduction	<ul style="list-style-type: none"> <li>• Wage credits of up to \$3,000 for qualifying employees</li> <li>• Increased Section 179 deductions</li> <li>• Increased Work Opportunity Tax credit</li> </ul>
<a href="#">New Market Tax Credit</a> (IRS)	Corporation	Corporations and individuals investing in eligible "Community Development Entities"	Credit equals 39% of original investment amount and is claimed over a 7-year period
<a href="#">Work Opportunity Tax Credits</a> (IRS)	Corporation	Hiring and retaining veterans and people from other qualified groups	Tax credit amount varies from 25-40% of an individual's first year wages, depending which "target group" the individual belongs to

**Attachment 4: Connecticut Economic Development Corporations**

<i>Name</i>	<i>IRS Code Designation</i>	<i>Purpose</i>	<i>Geographic Area Served</i>		
			<i>Regional</i>	<i>Municipal Only</i>	<i>Neighborhood Only</i>
<a href="#">Bradley Development League Inc.</a>	501(c)(4)	Market airport and region for economic growth	East Granby, Suffield, Windsor, and Windsor Locks		
<a href="#">Broad-Park Development Corporation</a>	501(c)(3)	Upgrade physical housing and economic development in specific Hartford neighborhoods	57 Hartford-area municipalities		Frog Hollow and South Green
<a href="#">Connecticut Community Investment Corporation</a>	501(c)(4)	Promote economic growth and community development statewide	All regions		
<a href="#">Greater Hartford Business Development Center, Inc.</a>	501(c)(3)	Stimulate economic development in the Hartford metropolitan area by collaborating with public and private organizations to help start, finance, retain, and recruit small businesses within region	Hartford region		
<a href="#">Housatonic Industrial Development Corporation</a>	Nonstock Corporation	Help Connecticut businesses grow, create, or retain jobs and achieve economic development goals	Statewide		
<a href="#">Orange Economic Development Corporation</a>	501(c)(3)	Encourage economic growth in Orange's retail, commercial, industrial zones		Orange	
<a href="#">Mansfield Downtown Partnership, Inc.</a>	501(c)(3)	Direct the rehabilitation and enhancement of specific areas			Storrs Center, King Hill Road, and Four Corners Areas
<a href="#">MetorHartford Alliance</a>	501(c)(6)	Provide visible leadership enabling region to fulfill opportunities related to sustainable economic growth			
<a href="#">Naugatuck Economic Development Corporation</a>	501(c)(3)	Promote and facilitate professional, systematic approach to economic development in Naugatuck		Naugatuck	
<a href="#">New London Main Street</a>	501(c)(3)	Preserve, develop, and enhance economic, social, and cultural quality of life in downtown New London			Downtown New London

**Attachment 4 (Cont.)**

<b>Name</b>	<b>IRS Code Designation</b>	<b>Purpose</b>	<b>Geographic Area Served</b>		
			<b>Regional</b>	<b>Municipal Only</b>	<b>Neighborhood Only</b>
<a href="#"><u>Northeast Connecticut Economic Alliance</u></a>	501(c)(3)	Promote, stimulate, and expand Northeast CT economic base by providing resources, consulting, and business networking	Ashford, Brooklyn, Canterbury, Chaplin, Columbia, Coventry, Eastford, Hampton, Killingly, Lebanon, Mansfield, Plainfield, Pomfret, Scotland, Sterling, Thompson, Union, Willington, Windham, and Woodstock		
<a href="#"><u>Northwest Connecticut Economic Development Corporation</u></a>	501(c)(4)	Public and private collaboration for creating jobs, strengthening tax base and improving the economic well being in region	Barkhamsted, Canaan, Colebrook, Cornwall, Goshen, Hartland, Harwinton, Kent, Litchfield, Morris, North Canaan, New Hartford, Norfolk, Roxbury, Salisbury, Sharon, Thomaston, Torrington, Warren, Washington, and Winsted/Winchester		
<a href="#"><u>Stamford Partnership, Inc.</u></a>	501(c)(3)	Plan, promote, and implement orderly economic development		Stamford	
South Central Connecticut Regional Economic Development Corporation	501(c)(4)	Promote regional economic development	Bethany, Branford, East Haven, Guilford, Hamden, Madison, Meriden, Milford, New Haven, North Branford, North Haven, Orange, Wallingford, West Haven, and Woodbridge		
<a href="#"><u>Southeastern Connecticut Enterprise Region Corporation</u></a>	501(c)(3)	Stimulate and support economic development and diversification of southeast region by fostering climate favorable for development, supporting business retention and expansion, recruiting new businesses, coordinating municipal economic development efforts, and defining and updating region's goals	Bozrah, Colchester, East Lyme, Franklin, Griswold, Groton, Groton City, Ledyard, Lisbon, Lyme, Montville, New London, North Stonington, Norwich, Preston, Salem, Sprague, Stonington, Stonington Borough, Waterford		
<a href="#"><u>Southside Institutions Neighborhood Alliance, Inc.</u></a>	501(c)(3)	Work cooperatively with community to develop leadership and improve economic, physical, and social characteristics in specific Hartford neighborhoods			Frog Hollow, Barry Square, and South Green