

---

---

## Enterprise Zone Tax Credit for Qualifying Corporations

### Description

A tax credit administered by the Department of Economic and Community Development (DECD) may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes by a **qualifying corporation** established in an area designated for enterprise zone level benefits and that meets certain employment levels.

### Definitions

**Qualifying corporation** means a corporation that is created on or after January 1, 1997, (incorporated on or after the date) in an enterprise zone or other area designated as having enterprise zone level benefits, and which either:

- Has 375 or **more** employees, at least 40% of whom:
  - Are residents of the municipality in which the enterprise zone is located; **and**
  - Qualify under the federal Workforce Investment Act (WIA);

**OR**

- Has **fewer** than 375 employees, at least 150 of whom:
  - Are residents of the municipality in which the enterprise zone is located; **and**
  - Qualify under the federal WIA.

An **Enterprise Zone** is any area designated by the Commissioner of DECD as an Enterprise Zone. A municipality with a designated Enterprise Zone is defined as a **Targeted Investment Community**.

Areas that are currently designated as enterprise zones are situated within the following municipalities:

Bridgeport	Meriden	Norwich
Bristol	Middletown	Southington
East Hartford	New Britain	Stamford
Groton	New Haven	Waterbury
Hamden	New London	Windham
Hartford	Norwalk	

In addition, the following locations are designated as having enterprise zone level benefits:

- Enterprise Corridor Zones;
- Qualified Manufacturing Plant;
- Railroad Depot Zones;
- Contiguous Municipality Zone;
- Defense Plant Zone; **and**
- Manufacturing Plant Zone.

**Enterprise Corridor Zones** are located along Route 8 in the state's Naugatuck Valley and Interstate 395 in the eastern region of the state.

The municipalities designated by the Commissioner of DECD as located within Enterprise Corridor Zones are:

Ansonia	Lisbon	Seymour
Beacon Falls	Naugatuck	Sprague
Derby	Plainfield	Sterling
Griswold	Putnam	Thompson
Killingly		

**Qualified Manufacturing Plant** means a manufacturing facility designated by the Commissioner of DECD as a Qualified Manufacturing Plant. The benefits available to an eligible corporation completing an approved project in a Qualified Manufacturing Plant are the same as in an Enterprise Zone and subject to the same qualifying terms and conditions.

**Railroad Depot Zone** means an area designated by the Commissioner of DECD as a Railroad Depot Zone. It abuts an active or inactive rail line and contains manufacturing or warehousing facilities that were originally dependent on railroad access to operate.

The Contiguous Municipality Zone, the Manufacturing Plant Zone, and the Defense Plant Zone are areas designated by the Commissioner of DECD as having enterprise zone level benefits. The municipalities containing these zones are **not** considered to be Targeted Investment Communities. The town of Plainville contains the only designated Contiguous Municipality Zone. The town of Bloomfield contains the only designated Manufacturing Plant Zone. The state's only Defense Plant Zone is located in Stratford.

## **Credit Percentage**

The credit amount is equal to:

- 100% of the corporation business tax liability in years 1 through 3; and
- 50% of the corporation business tax liability in years 4 through 10.

## **Carryforward/Carryback Limitations**

No carryforward or carryback is allowed.

## **How to Apply**

Corporations may call DECD at 860-270-8143 and request the Enterprise Zone Program pre-application questionnaire.

Upon review of the completed pre-application questionnaire, a DECD staff representative will contact the corporation to discuss the program further and to explain the formal application process. The completion of the initial questionnaire does not constitute a formal application for the credit.

Once a formal application is approved, DECD will issue to the corporation Forms UT-4, Eligibility Certificate for Enterprise Zone Benefits, and UT-9, Claim for Corporate Business Tax Credit Under the Provisions of the Enterprise Zone Program.

## **How to Claim the Credit**

Enter the available tax credit on Form **CT-1120K**, *Business Tax Credit Summary*.

## **Where to Get Additional Information**

Direct inquiries to:

*Department of Economic and  
Community Development  
505 Hudson Street  
Hartford CT 06106  
860-270-8143  
[www.ct.gov/eec](http://www.ct.gov/eec)*

## **References**

Conn. Gen. Stat. §§12-217v, 32-9p, and 32-70