

SMALL BUSINESS ASSISTANCE

Below is a listing of programs administered by the Department of Economic and Community Development's (DECD) Office of Small Business Affairs developed to provide various assistance options to small businesses in Connecticut. Any business may contact the department to inquire for assistance, in most cases they will ask for a ['Needs Assessment'](#) to be completed before speaking with staff. Office of Small Business Affairs can be reached at 860-270-8215; Website- <http://goo.gl/1yjBJ>

Small Business Financial Assistance

DECD Direct Assistance

DECD offers the following direct financial assistance to small businesses:

- [Economic and Manufacturing Assistance Act \(MAA\)](#) - provides low-interest loans and incentive-driven direct loans for projects when there is a strong economic development potential. Funding may be used for purchase of equipment, furniture and fixtures, construction, leasehold improvements, training and other eligible project-related activities.
- [Small Business Express Program](#) - provides loans and grants to Connecticut's small business to spur job creation and growth.

Connecticut Center for Advanced Technology, Inc (CCAT)

CCAT provides grants to start-up companies that are housed in Connecticut incubator facilities through the [Small Business Incubator Grant Program](#).

Connecticut Innovations (CI)

CI is a quasi-public corporation providing equity, debt and bond financing and other forms of financial assistance to companies in all stages of the business life cycle, from startup to later stage. CI offers its portfolio companies strategic guidance and collaborations with partners in business, finance, education, government and nonprofit sectors. CI's initiatives are designed to grow the state's economic and technology base, and to stimulate business investments and job creation.

Connecticut Venture Group (CVG)

CVG provides guidance for high growth enterprises through the promotion of capital formation.

U.S. Small Business Administration (SBA)

The SBA provides loans and loan guarantees through lending institutions.

U.S. Department of Agriculture (USDA)

The USDA provides financial assistance and business planning.

Statewide and Regional Lending Partners

[Community Economic Development Fund \(CEDF\)](#) – Statewide
CEDF provides loans and technical assistance to small businesses.

[Connecticut Community Investment Corporation \(CTCIC\) – Statewide](#)

CTCIC is a non-profit economic development lender that provides Connecticut's small business owners with access to capital that may not be available elsewhere. CTCIC also provides financing opportunities for expanding businesses looking to purchase real estate and/or machinery and equipment.

[BDC Capital – Statewide](#)

BDC Capital is a private company in which many financial institutions in New England have pooled their money to share the risks of helping promising companies expand. BDC Capital provides financial assistance with loans, mezzanine and equity investments, guarantees and financial services to businesses of every type and description.

Regional Loan Programs

[Hartford Economic Development Corporation \(HEDCO\) and Greater Hartford Business Development Center \(GHBDC\)](#)

HEDCO and GHBDC work in tandem to stimulate economic development in the Hartford Metropolitan Area. Their partnership is aimed at achieving broad-based economic growth and providing small businesses throughout the region with alternative financing.

[Waterbury Development Corporation \(WDC\)](#)

WDC's Business Growth Group is focused on serving Waterbury's business clientele at all stages of the business cycle. They can provide one-on-one business support as well financial assistance.

[SouthEastern Connecticut Enterprise Region \(seCTer\)](#)

SECTER is a public-private regional economic development agency serving the towns of New London County. They administer several loan programs and can also assist with marketing and business development.

[Northeast Connecticut Economic Alliance](#)

The Northeast CT Economic Alliance provides loans and business development resources to both existing and startup manufacturing and service companies in northeastern Connecticut.

[Community Capital Fund](#)

The Community Capital Fund promotes economic development and reinvestment in the Greater Bridgeport area by facilitating the flow of capital and expertise into economic development projects that benefit low- and moderate-income people.

[Middlesex County Revitalization Commission](#)

The Revitalization Commission is focused on the revitalization of manufacturing and commercial districts of Middlesex County. Their Revolving Loan Fund is designed to encourage business growth that results in the retention or creation of jobs in the region.

Small Business Tax Incentives

Tax Credit Programs

Urban and Industrial Site Reinvestment Tax Credit

Dollar-for-dollar corporate tax credit of up to 100% for an investment up to a maximum of \$100 million in an urban area or an industrial project; minimum investment is \$5 million in distressed communities and \$50 million in all other communities.

Film Production & Digital Media Tax Credit

A tax credit equal to 30% of qualified digital media and motion picture production, pre-production and post-production expenses in the state that exceed \$50,000.

Job Expansion Tax Credit (JET)

Connecticut businesses can be eligible for tax credits of \$500 per month for each new full-time job created. If the new employee is receiving vocational rehabilitative services from the Bureau of Rehabilitative Services, receiving unemployment benefits, or is a veteran employee who, at the time of hiring by the taxpayer, is a member of, was honorably discharged from or released under honorable conditions from active service in the armed forces, then the tax credit is increased to \$900 per month.

Research and Development Tax Credits

A tax credit equal to 20% of the R&D expenditures in Connecticut in the current income year exceeding R&D expenditures of the prior taxable year; unused R&D credits can be carried forward and, for companies with gross income of \$70 million or less, can be sold to the state for 65% of their value; credit equal to 100% of property taxes owed and paid on electronic data processing hardware peripheral equipment and software; credit may be applied against certain other Connecticut taxes.

A 5% tax credit for companies with 251 to 800 full-time permanent employees in Connecticut; from 1-6% of R&D expenditures based on the amount of such expenditures and size of company.

Fixed Capital Tax Credit

A 5% tax credit for fixed capital investment in tangible personal property; a 5% tax credit for investments in human capital (employee training, childcare, facilities and subsidies and donation to higher education for advancement of technology).

Machinery and Equipment Tax Credit

A 10% tax credit for increased investment in machinery and equipment for companies with 250 or fewer full-time permanent employees in Connecticut.

Financial Services Tax Credit

Financial institutions constructing new facilities and adding new employees can receive a credit of as much as 50% of the tax for up to 10 years; may be extended for an additional 5 years; based on size of the facility and level of employment.

Angel Investor Tax Credit

A tax credit for angel investors with a cash investment of \$25,000 or more in a qualified Connecticut business. The credit shall be equal to 25% of the investor's cash investment. Total tax

credits allowed shall not exceed \$250,000 for any angel investor. Qualified businesses must apply to Connecticut Innovations and be approved to be eligible for a tax credit.

Manufacturing Reinvestment Account (MRA) Program

The Manufacturing Reinvestment Account (MRA) Program is helping Connecticut-based manufacturers invest in their companies. Manufacturers with 50 or fewer employees may establish a MRA with participating Connecticut banks. Eligible companies are allowed to deposit up to \$100,000 annually, or 100% of their domestic gross receipts, whichever is less, on a corporation tax-deferred basis for up to five years. Funds in the account are to be used for worker training or the purchase of machinery, equipment, or manufacturing facilities. Upon withdrawal, a 3.5% tax rate is assessed, regardless of a company's corporate or business structure. Any balance remaining after five years is taxed at the full rate.

Economic Development Zone Programs

Enterprise Zone

Qualifying corporations established within an enterprise zone can receive a 5-year, 80% real and personal property tax abatement and a 10-year, 25% up to 50% corporate business tax credit. There are a total of 17 municipalities with a designated enterprise zone.

Bradley Development Zone

Enterprise Zone level benefits in designated areas in the towns of Windsor, Windsor Locks, East Granby and Suffield.

Tax Exemptions

Corporate Business Tax Exemptions

The following qualify for corporate business tax exemptions: (1) All insurance companies, Connecticut incorporated and non-Connecticut incorporated; (2) Corporate income, insurance premium and sales and use taxes for certain banks, insurers and investment companies locating in the Hartford Financial Service Export Zone that conduct all business with non-U.S. persons; (3) Capital gains from the sale of protected open space or Class I or II water company land to the state or certain entities; (4) Non-U.S. corporations of which their sole activities in Connecticut are trading stocks, securities or commodities of their own account.

Real & Personal Property Tax Exemptions

Up to 100% for 5 years on newly acquired and installed manufacturing machinery and equipment eligible for 5-7 year depreciation; the local property tax on manufacturing machinery and equipment in Connecticut will be phased out at a rate of 20% per year over the five-year period from 2007 to 2011; 100% for inventories; 30-100% from the increase assessment for personal property for manufacturers and 20-50% for eligible real property improvements can be offered by towns for 2-7 years, depending on the investment amount; 100% for unbundled software, machinery & equipment that will be exempt under 12-81 (72) once installed and used; 100% for 5 years on new commercial motor vehicles weighing over 26,000 lbs. That is used to transport freight for hire and all new commercial vehicles weighing over 55,000 lbs.

Sales and Use Tax Exemption

Sales and use tax relief on the purchase of tangible personal property for qualifying retention and expansion projects or projects that significantly contribute to a targeted industry cluster. The minimum investment in eligible property must equal \$5 million and a total award must not exceed \$10,000 per new job created and \$2,000 for each retained position.

Renewable Energy Sales and Use Tax Exemption

A sales and use tax exemption on machinery, equipment, tools, materials, supplies and fuel used directly in the renewable energy and clean energy technology industries. Renewable energy and clean energy technology industries mean industries that apply technologies to produce, improve or develop solar energy electricity generating systems, passive or active solar water or space heating systems, geothermal resource systems and wind power electric generation systems, including equipment related to such systems.

Municipal Property Tax Abatement

Connecticut cities and towns can provide real and personal property tax abatements under C.G.S. 12-65b - 12-65h.

A comprehensive list of tax credits can be found in the [Guide to Connecticut Business Tax Credits](#).

Small Business Technical Assistance

[Connecticut State Technology Extension Program \(CONNSTEP\)](#) - Engineering and technical support for small and mid-sized manufacturing firms.

[University of Connecticut Tech-Knowledge Portal](#) - Assists existing companies seeking assistance with technology related issues and/or entrepreneurs developing new tech-related products and forming new tech-based firms.

[Institute of Technology and Business Development \(ITBD\)](#) - Technical training, skill development, industrial modernization, marketing, financial and networking opportunities.

[Procurement Technology Assistance Program \(PTAP\)](#) - Marketing assistance for Connecticut businesses that sell or wish to sell products and services to federal, state and local government.

[Small Business Administration \(SBA\)](#) - Management information for small business owners.

[Small Business Development Center \(SBDC\)](#) - Professional confidential, one-on-one business counseling services to small business owners throughout the state.

[Connecticut Center for Advanced Technology, Inc. \(CCAT\)](#) - Helps private and public entities to apply innovative tools and practices to increase efficiencies improve workforce development and boost competitiveness.

[Connecticut Economic Resource Center \(CERC\)](#) - CERC manages and supports programs for

business attraction, formation and expansion including: (1) Connecticut's Business Response Center - offering a wealth of information on federal, state, regional and local business assistance programs through a database called [CERC ProgramFinder](#) and (2) [Smart Start](#) - a state program created to assist business owners with business registration, licensing and permitting.

[Connecticut Licensing Information Center \(CLIC\)](#) - In conjunction with Connecticut's Business Response Center, CT-CLIC provides free online information about business requirements and application forms as well as personalized assistance service related to the state's business licensing and registration process at no cost to new and expanding businesses.

[Service Corps of Retired Executives \(SCORE\)](#) - Overview and insight on the process of establishing and operating a business.

[Department of Labor \(DOL\)](#) - Full range of employment and training services.

[Turnaround Management Association \(TMA\)](#) - Provides technical assistance for businesses experiencing significant difficulties. Turnaround practitioners provide independent and confidential reviews of companies' markets, finances and management. Specialists also provide assistance in development of strategic plans to improve business.

[New England Trade Adjustment Assistance Center \(NETAAC\)](#) - Cost-shared assistance for import-injured manufacturers.

[Institute for Sustainable Energy](#) - Focuses on matters relating to energy education, energy policy, energy efficiency, energy conservation and load management, renewable energy, distributed generation, protection of environmental resources, and the dissemination of information on energy alternatives and sustainability.

Energy Conservation - Conservation and load management assistance through the utility companies. [Northeast Utilities](#) [United Illuminating](#)

[Middletown Export Assistance Center](#) - The U.S. Commercial Service of the U.S. Department of Commerce is a federal government agency dedicated to helping small to medium-sized companies develop and achieve their exporting strategies. Domestically, the Commercial Service team is located throughout the country in offices known as the U.S. Export Assistance Centers. The U.S. Export Assistance Center in Middletown assists Connecticut companies leveraging the resources of their vast network.

[DECD International](#) - Serves as the lead facilitator and strategic catalyst of international activity within the state. DECD achieves its mission of increasing the global competitiveness of Connecticut businesses by developing two-way trade and investment opportunities; by helping these businesses enter new markets and expand their global business base; by aggressively pursuing foreign direct investment opportunities; and by building public/private strategic partnerships.

[Connecticut Small Business Innovation Research Office \(CT SBIR\)](#) - Helps high-tech small businesses and entrepreneurs compete for and win federal SBIR/STTR awards. They facilitate

commercialization by collaborating with industry, government and academia.

[Women's Business Development Council \(WBDC\)](#) - Offers business programs and services that provide entrepreneurial education, financial training and small business advice to women.

[University of Hartford Entrepreneurial Center](#) - Supports aspiring entrepreneurs, startups and growing businesses. They also offer regular business classes and workshops to help start and grow your business.

[Secretary of the State - Commercial Recording Division](#) - Files and maintains legally required records showing the formation of and fundamental changes to corporations, limited liability companies, limited liability partnerships, limited partnerships and other businesses.

[DECD's Office of Permit Ombudsman](#) - Works with Connecticut companies seeking permits from the state departments of Environmental Protection, Public Health and Transportation.