Connecticut Legislative Update by PTG: HB 7287 Boosts R&D and Biotech Innovation

Connecticut's latest budget bill—**House Bill 7287**—delivers a powerful win for innovative companies, especially small biotech firms. With expanded R&D tax **refundability**, this bill puts real dollars back into the hands of growth-stage businesses and early-stage innovators.

What's New: 90% Refund for R&D Credits

Connecticut has **increased the refund rate for unused R&D tax credits from 65% to 90%**. This change is targeted at:

- **Biotech companies** with less than **$70 million in annual revenue**
- **Startups** that are investing heavily in R&D but aren't yet profitable

Even if you're not paying taxes yet, you can now convert nearly all of your R&D credits into **cash**.

Why It Matters:

Startups, especially in biotech, often generate high R&D costs long before generating revenue. Previously, R&D credits would sit unused - valuable on paper, but inaccessible. Now, Connecticut lets you turn those credits into operating capital. That's a cash injection that can fund new hires, clinical trials, or infrastructure - without raising outside capital or waiting for profitability.

Connecticut continues to offer:

- **Incremental credits** (20% of increased spending)
- **Base credits** (1–6% of total spending)
- **15-year carryforward** for unused credits

The new law makes these credits **immediately more useful**, especially for companies that don't have current-year tax liabilities. HB 7287 doesn't expand R&D credit access to **S-corps and partnerships**—yet. But the strong push behind this bill indicates momentum is building. If you're a **pass-through business**, keep this on your radar.

HB 7287 gives Connecticut-based innovators a competitive edge. Whether you're scaling a biotech startup or investing in product development, the state now rewards your R&D with real, near-term financial benefit. If you'd like a tailored credit impact estimate, or assistance claiming these incentives, our team is ready to support you.