2026 CT Public Policy & Legislative Priorities

Ensure a Competitive Policy & Fiscal Environment for Life Sciences Talent and Companies

Reduce the Consulting Tax for the Biotech Industry

Life science employers in Connecticut rely on consultants to expand and innovate, but these services currently carry a significant sales tax burden under CGS §12-407(a)(37)(J). Updating this statute to exempt consulting services for biotech companies would help reduce operational costs and free up resources for research and development. Biotech firms invest heavily in R&D, driving breakthroughs in medicine, agriculture, and environmental solutions. By providing this exemption, Connecticut can strengthen its competitiveness for biotech clusters, attract high-value jobs, and stimulate economic growth across the state.

Increase Non-incremental Credit to 15%

Access to R&D Credit Exchange cash is critical to growth in the R&D Sector in Connecticut, especially in the start-up and emerging technology space, where Biotech R&D companies run at significant losses for 7-10 years. Increase the Non-incremental R&D Credit Rate for Qualified Biotech Companies to 15% and allow Qualified Biotech Companies to exchange 100% (instead of 33%) of the non-incremental credit if all eligibility requirements are met.

Allow Biotech Companies to Sell/Exchange Net Operating Losses (NOLS)

Create a program that allows eligible Biotech Companies to sell/transfer/assign a percentage of their net operating losses to other taxpayers. This would assist early-stage biotech companies by enabling them to monetize tax attributes they cannot yet use due to profitability constraints. Other states use this tool successfully to allow a financial lifeline to new and emerging biotech companies. Since the Biotech Company is earning revenue from the sale/transfer/assignment of its Net Operating Losses, the impact on Connecticut can be minimal.

New Jobs Credit to Biotech Companies

Both New York City and Massachusetts have new job credit programs. Allowing CT biotech companies to claim a new jobs credit would help them compete more effectively.

Angel Investor Tax Credit Program

Work with the Department of Economic and Community Development to enhance the competitiveness of the program to the benefit of Connecticut taxpayers by adjusting eligibility requirements for qualifying businesses and removing the sunset provision to ensure long-term program stability.

CERT-129 Regulations to Include Electricity

Amend CERT-129 to include electricity that is used in biotech operations as a tax-exempt fuel source. Connecticut already exempts sales tax on electricity used for manufacturing. Still, it does not extend that exemption to biotech operations, including R&D. Competing states, such as New York, exempt gas and electricity, and California and Illinois exempt electricity used in R&D activities.

Transportation Infrastructure Improvements
Support increased capacity and improved infrastructure for multi-modal transportation, including Tweed New Haven Airport and Shore Line East.

Artificial Intelligence
Ensure that legislation and policy on artificial intelligence (AI) protect and support positive patient outcomes while promoting innovation in the state. Advance policies that encourage the use of AI in the biosciences while expanding Connecticut's workforce and R&D capacity through investment in AI education, infrastructure, and public-private collaboration.

Ensure CT is Competitive with Neighboring States
Work with BioCT to review neighboring state policies on SBIR (NIH) grant matching, equipment, education, and intern reimbursement funds. Currently, 32 other states offer SBIR grant matching (with both NY and MA offering $100,000 in Phase I and $200,000 in Phase II), as well as other support, to early-phase R&D organizations.

Protect CT Life Sciences in the Face of Federal Challenges
Support the strength and growth of the state's life science industry in the development of new markets, technologies, and discovery. To foster innovation and advance the state's life sciences ecosystem, seek to:

- Develop an emergency/contingency innovation fund outside the specific cluster awards, such as Healy's DRIVE initiative, to support innovation for a broader number of State entities.

- Establish a state-funded working group to track and report on challenges and opportunities facing the life sciences industry and to advise on federal government responses. This would include leveraging CT's strengths, such as onshoring more drug manufacturing to protect the US public health and position CT as a global drug manufacturing leader, including cell and gene therapies.

Patient Benefits and Access

Maintain the integrity of the Federal 340B program, which is intended to ensure underserved minority communities have access to affordable medicines.
Ensuring ongoing safeguards and transparency within this program, such as manufacturer audits, helps protect limited resources and direct them to where they are needed most. There needs to be greater transparency into how these funds are used and to whom they go. Since its inception, the 340B program has grown dramatically. Currently, about 45% of all Medicare acute care hospitals participate in the program, and between 2014 and 2016, purchases through 340B more than doubled, increasing by 125%. In 2014, discounted purchases under the 340B Drug Discount Program totaled roughly $9 billion. By 2022, the program reached approximately $54 billion, up 22% from 2021.

Oppose the Creation of Pharmaceutical Drug Affordability Board (PDAB)
There are many uncertainties surrounding the proposed adoption of a PDAB. Eleven states have created PDABs, but none have realized any patient savings since their creation. New Hampshire disbanded its

PDAB in 2025. Membership on these boards is statutorily limited to members with expertise in health care economics or clinical medicine. Membership does not include any patient representation or representation of specialty providers or pharmacists. These PDABs lack transparency and expertise to handle and review the complexities of the supply chain, which may disrupt patient access to treatments and provider reimbursement for medications. None of the established PDABs focus on patient out-of-pocket costs. Establishing a PDAB in Connecticut would also run contrary to Connecticut's existing Non-Medical Switching law, PA 21-96, which protects patients from non-medical switching decisions that belong with providers and patients. A Connecticut PDAB is also likely to undermine the State Employee Union Formulary Benefits Collective Bargaining.